

Sink Handle Episode 16 Transcript

Hello everyone and welcome to Episode 16. Today I want to talk about conversations that you need to have. And I don't mean with your wife about the dumb thing you did or that I mean with your clients, your partners and other business owners about what is happening in the world. I don't know if you've noticed but there's been an apocalypse happening and that means that, you know, everything's kind of a little crazy and some of the things that we may have thought were gonna happen or we planned on all went to crap. Some of these things obviously were unforeseeable, Having restaurant shut down in my neck of the woods for five months. unforeseeable. Right. That was, that was a industry everyone said, Well, everyone has to eat, you know. But there are definitely things that we can look at in a risk management kind of way. And I don't want you to fall asleep just because I said the words risk management. What I mean is, what is out there, what can be happening? What can we plan for? What can we think ahead on? And I think so many of us when we're in our small businesses, and grinding it out, just try to make it through today. Like, I'm going to be so happy if I can get through my task list for today because that to do list is so long, it's really unrealistic, which was not fair of me to do, but yeah, I'm gonna try my best and you're all in that, right. You're all in the focusing on getting the thing done right now, right? Focusing on getting payroll paid, focusing on just getting enough money in and sometimes we forget to think ahead. In hindsight, sometimes we'll be like, "Oh. Yeah, of course, I could have seen that coming. But I was so busy just staying afloat. I didn't see that coming." So I just want to kind of walk through a couple different things that... maybe things that can even help you get out of where you are. Now, if you're in a jam, the conversations that you could have with other people, I think a lot of us are so in our own little worlds, because we're trying to stay afloat. And especially now because we work from home. I mean, I work from home anyway. Worked from home for a long time. Most of the people I know in business, most of my clients I've never met in person. It's very isolating, and you get very in your own box and you forget to talk to other people. A lot. This is for me, as well as for all of you. In a crisis, we assume that we know things, but we can never know enough about the people we work with and the supply chains involved. The suppliers, the clients, a lot of those stresses obviously were hit in this chaos. Right? Trying to figure out if you could get supplies, if your clients were going to go under and keep paying you, those were real things that happened. And a lot of times we just are worried about our own financial health. We're not thinking about others, and how they're impacted if all of my clients went out of business, I'm out of business or I better hustle real fast. And that's harder to do in, you know, crazy apocalypse times. The supply chain is very tenuous. How many people could not get supplies? So if, let's say, Clorox the wipes, those disinfecting wipes that everybody wanted (they are not going to be back in like regular stock until at least next year is what they just said) because they don't have the capacity to build more but they also couldn't get the supplies to make them. So someone in Idaho is supplying essential oils like lavender oil or whatever to their fragrance and they can't get it. That means they can't make them product as a whole product line down in a time when everybody wants your product. So those are the kind of things. I mean, Walmart has an enormous supply chain risk evaluation. They have already built in supply chain risk around climate change. So if sea level rises, and that affects a whole swath of all of their stuff, they know they what they're going to do they have

a plan, at least. Obviously, they've got a little more money than the rest of us. I think almost everyone. Almost everyone. We do not need that kind of level of teams of people, assessing our risks, there is something to be taken out of there. There is risk, there will be things happening to you. And if you can plan for it, at least or at least know what you're going to do. It's a little bit of the doomsday prepper thing, right? That sounds crazy. Until you can't get flour or milk or anything else at the grocery store, then they don't seem so crazy, right? But that it's pretty nice to walk down stairs in your prep room and get all this stuff out. So it seems crazy until it's not. And I think this year has proven that more than anything, Says the person with 50 pounds of flour in her basement. Most people are not going to think about any of this until it's a real issue. And by then it's too late. Right? How many small businesses are supplying really important things to bigger businesses, and how many are just alone in that. They are the market if that tiny, small business, someone runs out of like a two office building in wherever. And that's the only person who supplies it and they go down... what if they get sick? That entire supply chain is gone. Now if you make things out of that, you're screwed. So what are you going to do? Do you have a plan in place if that person gets sick? you're basing your entire financial security on this one person in another state that you don't even know. Most of us don't look at the supply at all, because they just keep coming, right? We're in a place where you can get almost anything on Amazon in two days. But what if you can't? And I think this summer has really kind of proven that, right? Just in toilet paper alone, everyone couldn't get toilet paper, who would have thought you couldn't get toilet paper six months ago? Like, there's 75 different companies who make it. But still, we were all... there were people punching each other in the aisles. So thinking about where your supplies come from, and what would happen if they don't come? And what would you do? How is that gonna affect your business? And how can you insulate yourself from that? There's a bunch of different kinds of risks. And in this kind of crazy time, I think we're hitting a lot of them. Right? So looking at the other kinds of small business risks, right? We just talked a little bit about supply chain risk, wondering where your supplies are going to come from, and if you can't get them what does that mean for your business? There's also a changing economy. We're down 32% GDP in the second quarter, which is astounding, like the amount of change in the economy in one three month period. It's enormous. And it's having a massive effect on all of us. And I think that a lot of the changing economy-ness of it was dulled a little bit because of PPP money and EIDL money, all those loan programs and unemployment and the extra unemployment. So as much as it's really changed, I don't think everyone has felt it. Now, a lot of us have- don't get me wrong, but I think a lot of that has been dulled a bit by this extra boost, which has kept a lot of people going. So we may not know how much this economy has changed until that stuff ends, which is a scary prospect, right? Because all of a sudden, chaos. Again. What does that mean? What does that mean for your business? Do you have savings? Can you pay your payroll, can you Take care of your people. Is this mean layoffs? What does this mean for you? And how can you prepare for that? This is a not a chaos one, but this is just a regular one. What if you get a new competitor, right? You've been in this business forever. You're the only guy who does it. You do it really well. Everyone loves you. And then someone else comes in. You can ask Nokia about this with their phones. Everybody loved their tiny little phones. And then iPhone came in. And that was it. What happens when you have a new competitor come in, and they have a cool new thing and everybody wants it and they stop

buying your thing? What does that mean for you? Do you have a plan? Are you going to keep innovating? Are you just sticking to what you do and hoping that it works out well and that you're not, you know, put out to pasture? What does that mean? I live on the coast in New Jersey, about a mile from the water. So natural disasters for us is a big thing. I mean, I am virtual I can take my computer and work in Paris if I want which is a plan if I ever get to leave this place ever again. So I'm pretty adaptable. I can grab my computer, I go to my mom's, I can go somewhere else, right and work. As long as I have internet. I'm pretty safe. Sandy obliterated my town. And there's a ton of people, they were flooded. There were entire stores that were completely emptied of their stuff. Because the waves came in just washed it away. It was just a shell. I mean, that's an extreme example, but there are natural disasters that are going to come in. How are you going to work around that? What if you have no power for seven days that just happened to you? We were lucky enough to have it but all the towns surrounding us had no power. So this one was last week, and they're still no power. How are you going to work? I need an internet connection and electricity. I have a generator, I cannot get my internet. You can go through hotspots and all those things. But that's a conversation I've had to have is how do I get internet and keep working? What if my client has a big project that I have to get done that day, and I can't be like "Sorry! Can't work today!" It's not like corporate where you can kind of just call out sick. They need me to run payroll so that everyone gets paid and I don't have internet or, or electricity, what happens? What is that plan, and my team and I have discussed that as well. Like if they are in a place where it's their responsibility to have something done at a certain time, then I need to know that they can get it done. So that conversation has to happen. And this is a big one. And it I'm not gonna be political here. But government regulations come in. Government, you can argue does his job does not do its job, but they are going to come in and they're going to make laws and sometimes those laws are going to impact your business either in a good way or bad way. Instead of sitting there going, they screwed me, that government thing screwed me by making this law. Does that mean that you should have known about it? Most laws don't come as a surprise. I mean, an executive order something quickly like that maybe. But a lot of these things, especially environmental regulations, things like that, they are going to come after a lot of discussion and passing in this house and then signing up that Governor or whatever. Be more involved. If you have a business that can be regulated by the government, let's say if you're a fisherman, and it's all about quotas, and what you can do and licensing, and all of a sudden something happens and it wrecks your business. Could you have known? Could you be more involved in that local government because you'd be reading up on things that are going to impact you? I want you to think about what you can do before it happens so that either you can avoid it or have a plan if it goes through things like that. So that when it happens, you're not shocked and you're not ruined. Just like with natural disasters, or with the changing economy, any of those things, having a conversation beforehand about what could happen and then planning for it. And sometimes you're gonna make plans that don't matter, because it'll never happen. And that's fine. Right? It's a little time well spent. These are all things. I mean, there's a ton of different things for risk. But these are a couple things that I just want you to keep thinking about. What are these risks to your business? And how does that affect you? And how does that affect your people? I've said before, a lot of people depend on me. My family depends on me. This house. My team members, they depend on that work that

I'm giving them. If I had COVID and I'm out, even if I had to quarantine for two weeks, and I feel horrible. That means that for two weeks, my clients, my team, my family all depend on me. What was I going to do about that? How was I going to get through? I had started to write contingency plans. But of course, my own business I always push off before everybody else's but contingency plan. There's a sheet where my team and my husband that they can all go in, and they know who to call and what's going on phone numbers, all that kind of stuff as just a start of what happens if I'm not here, let's make sure this doesn't go under before I feel better. And that's, I mean, that's obviously a major change to most of our businesses right now, is that kind of threat of COVID. And then, how do you affect other people? Right? I worry about my team, my family, but my clients as well, like, what does that mean, for your clients? Your clients are depending on you? How do you deal with that? Having that conversation with your clients, I had a conversation two weeks ago about this kind of contingency idea between he and I. He has a small business. It's mostly run by him and my team and what was going to happen if either of us got sick, I wanted him to know that my team knew exactly what was going on. All of the work we do is got SOPs someone from my team can step right in, look everything up and take care of his business. So it doesn't matter that I am getting sick, and I'm out for two weeks, it's that he will not notice that there's going to be a change. He has contact information for everyone in my team. And then I was like "Well, what happens if he gets sick?" I have to find information. Like if I haven't heard from you do I need to call and make sure you're not on the floor? Like, who do I call? What do I do? Things like that. So we know how we're affecting it. And simple conversations like that can make everyone feel a little bit better. Because they know what's going on. I know that in this situation, I'm gonna do "X". And it's much easier. Instead of just worrying and panicking all the time, like making some preparation can really allay some of those fears. And then, the other thing is having conversations with people to help. There are lots of stories right now about it being hard to get supplies. So bulk ordering a large amount is a lot easier. But a lot of businesses right now cannot put out so much money for bulk orders. And some if you're on like a main street, and there's lots of little Main Street stores batching together and saying, Okay, let's, order a huge amount of let's say flour, and then they split the shipping cost, they get the bulk rate, and then everyone could get what they needed. Because that was the only way to get some. You couldn't get a five pound bag of flour on here. That's why I have 50 pounds in my basement right now. Those kind of like partnerships. So not only your supply chain up and your client down the line, but the sides. Who else can you work with? Who else can you share resources with? How can you cut down on costs, by shipping costs or other kinds of things? Or maybe right now you're only open part of the week and the other person's open part of the week and you can share chairs because you have to have outdoor seating, things like that. How can you work with others to keep your costs down and keep each other going and then always you can always refer Clients looking out right now for partners. If you are a business on the slow end right now (maybe interior design, they don't want you in their house right now) it's slowed down for you maybe partnering with a hot market like real estate. And that realtor can say, "Oh, well, you've just bought this really this nice house and you remarked that you didn't like the way it was decorated, here's a great person, you should go to her. She's great." Making those partnerships can really help. You can take some of that like speed from the great industry that's really hot right now. And have that pull you along a little cross promotion

with partners and how they can help you right now. I think that's going to be a big thing. I think a lot of people are caught unaware by things that happened to them. You know, I love to tell you to make decisions to make things happen to pick the thing you want and then go after it. Instead of letting things happen. This is a theme here, right? I tell you all the time to make a decision because it matters. You want to be able Pick the thing you want, instead of just being like, Oh, this is what I got. So having the law change and having no idea about it, that's... you probably could know more about things like that. Think ahead, you could learn more about things so that you are ready. And look, the world's an apocalypse right now. Right? Everything's crazy. We're about to go back to school, a whole bunch of kids are gonna be sneezing on each other. It's a big mess. I'm well aware. And I'm not trying to minimize that at all. I have a six year old going back to school. It's been a lot. All of this is a lot. And I know you're like, I don't have time to go read government regulations on things, or to study the economic impact of climate change. I know. But start having these conversations. Even if you just make a list and say, "What are the things that might impact me? Where does my stuff come from? Where does my stuff go to? And then how would that impact me if they change?" And even just making a list of some of the things that might be a risk to you, while you're washing the dishes or taking a walk or whatever, you'll start thinking, Oh, well, maybe I could, or maybe I could partner with this person. And maybe those are the kind of partnerships that you hadn't thought about before. Maybe they can be the help to get you through right now, if it's tight, or if you're rocking it out, maybe those kind of partnerships that will skyrocket you to the next level. Because I know some of you out there are doing great. start having these conversations, even if it's just in your own head. Start to have these conversations about where the risk is, what you can do better and how you can protect yourself. Be the leader. Pick the things you want. Don't let life happen to you. I'll see you next week.