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COVID-19

COVID-19's Impact on Small Businesses: How Accounting Firms Can Help

Leaders always rise to the occasion during moments of crisis — but the qualities that matter right now, and the qualities that mattered during, say, the The Blitz in London, are not one and the same. Namely, traits like honesty, transparency and ...

Jodi Chavez • Oct. 09, 2020



The global economy continues to sputter, and small businesses have been hit especially hard by liquidity challenges and sharp decreases in revenue and demand across the board. You can see all of that reflected in the fact that [over a quarter of small businesses either already have or plan to lay off up to five employees](#), for example.

Clearly, in that context, accounting and finance professionals have an unusual mandate in their client engagements this quarter. Here's some advice on how to continue contributing value, no matter what comes next.

Recognize how your client's business landscape has changed

The negative fallout from COVID-19 hasn't been uniform for small businesses, so it's critical to be attuned to the specific nuances of your clients' needs — and the environments they're operating in — with a significant degree of granularity *before* they come to you. By doing your due diligence, you can be far more proactive in the solutions you bring to the table. And a recent [large-scale study from PNAS](#), drawing on insights from 5,800 small businesses to understand the impact of COVID-19 on outlooks and expectations, may be a good place to start. A few key takeaways for accounting and finance professionals:

- Significant layoffs and furloughs, mandatory business closures, changes to compensation plans: Small businesses have already weathered all these and more, and they've almost certainly put contingency plans in place as well. The point is, your small business clients are resilient and adaptable — less than two percent permanently closed on account of the crisis, according to the PNAS study — and you'll need to be in your approach, too.
- There's no consensus on how long this is going to last. Months? Years? Small business owners hold widely varying beliefs about the likely duration of the crisis, so don't come to the table with one-size-fits-all accounting and finance plans.
- While the vast majority of small businesses continue to operate, they're nonetheless fragile across the board. Of small businesses in the PNAS study with more than \$10,000 in monthly expenses, for example, most reported only having two weeks of cash on hand. Shoring up liquidity to support business continuity is going to be a critical priority.
- Small businesses owners are eager to seek assistance through the CARES Act, but many foresee bureaucratic roadblocks obstructing their path. You'll cement long-term partnerships if you can help expedite that process and effectively cut through red tape.

Bring these 3 key skills to client conversations

Leaders always rise to the occasion during moments of crisis — but the qualities that matter right now, and the qualities that mattered during, say, the The Blitz in London, are not one and the same. Namely, traits like honesty, transparency and ethical leadership are what will lend you credibility with your small business clients, not stoicism and a stiff upper lip. So it's time to [polish up your soft skills](#), and from where I sit, none are more important than the following right now:

- **Adaptability:** Show your clients that you aren't immune to COVID-19-related disruption. Be up-front about some of the ways that you've had to adapt your practice, for example, emphasizing the positive outcomes you've managed to achieve while navigating ongoing changes.
- **Problem-solving:** [The majority of small business owners think it's going to be another six months to one year before the economy rebounds](#), so let's be honest, many of your clients will be struggling with accounting and finance challenges of one kind or another. Start by addressing their most immediate pain points and work backward from there.
- **Communication:** These are stressful times for everyone. When meeting with clients, don't let technology be a barrier to communication. Dealing with your clients' emotions by actively listening and demonstrating empathy may count just as much as the solutions you're able to put in place.

Hopefully, you can leverage these strategies to steer your upcoming client engagements. If you do, you should be well positioned for success.

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Jodi oversees the field organization and provides strategic direction for [Randstad Life Sciences](#), [Randstad Professionals](#) and [Tatum](#). With more than 20 years' experience in the staffing industry, Jodi's entrepreneurial drive and strong business acumen have enabled her to consistently increase revenues, grow profits and deliver ROI. Her breadth of expertise spans team building, strategic planning and execution, M&A, branding, social media and multi-generational leadership.

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