



KAIZEN SOLUTIONS LLC

## 6 Ways to Overcome a Business Trauma

Post-Traumatic Stress Disorder (PTSD) is a mental health condition triggered by experiencing a terrifying event. Although not at the level of enduring a war zone, the events of March 2020 may leave you feeling similar symptoms.

If you're like most business owners, the first quarter of the year was progressing like any other.

Then...bang!

A superbug started terrorizing the world. Professional basketball was cancelled. One by one, the world began to close its doors.

A significant blow impacted your business, unless you offer an essential service. Perhaps you've stabilized your company, or you might still be experiencing the worst of it. Either way, you're probably a different person as a result of this pandemic.

Now, as things begin to slowly reopen, you may notice a change in your outlook. The Mayo Clinic reports four symptoms of PTSD:

1. Intrusive memories: recurrent, unwanted thoughts
2. Avoidance: trying not to think about the trauma
3. Negative changes in thinking and mood: destructive thoughts about yourself and other people
4. Change in physical and emotional reactions: being easily frightened, overwhelming guilt, or substance abuse

Any of those sound familiar?

If so, you may be experiencing the psychological toll a catastrophic event can have on your psyche. There are three constructive things you can do now.

### **Option #1: Talk to Someone**

Soldiers deal with PTSD by talking to a psychotherapist. Speaking to an advisor about how this pandemic has impacted your business can be therapeutic, and we're here to help.

### **Option #2: Rebuild a More Durable Business**

Another constructive reaction to this crisis is to commit to building a more durable business that can better withstand shocks to the system in the future.

### **Option #3: Sell**

Many owners—especially those that experienced the brunt of the 2008–09 global financial crisis—have been so traumatized by this pandemic that they don't have the stomach for another disaster. As a result, they've decided to start planning their exit proactively.

If you find yourself choosing option 2 or 3, your immediate action plan will be the same. There are some things you can do now that will make your business more durable in the long term as well as more sellable:

1. Focus on your products and services where you have a point of differentiation. You'll have more pricing authority in the short term, have better cash flow, and be more attractive to an acquirer in the long run.
2. Create recurring revenue streams that generate sales while you sleep. These can be in the form of service contracts, subscriptions, or maintenance plans. Aim to get the majority of your revenue automatically.
3. De-risk your business, ensuring you're not too reliant on a single customer or supplier.
4. Create an employee handbook and systematize your processes to lessen your dependence on a key employee (or you calling all of the shots).
5. Clean up your bookkeeping.
6. Generate as much cash as possible from customers up front to create a positive cash flow cycle.

If you're like a lot of the owners we work with, your business is part of who you are. When that gets threatened, it's natural to feel traumatized. If you can redirect that energy into building a more durable business, you may never have to experience something like this again.