

For Small Businesses the Focus is on Customer Relationships Post COVID-19

PAYCHEX
Business Series

Coronavirus



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Alice Bredin

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Full transcript

Gene Marks:

Hello everyone, and welcome to the Paychex Business Series Podcast. My name is Gene Marks. I'm a certified public accountant and regular business columnist for a bunch of publications that you probably know, like The Guardian, The Hill, Forbes, and Entrepreneur Magazine. But more importantly, I'm a small business owner. My 10-person company provides financial and technology management services, and I'm always in need of expert advice. That includes real-life advice from real-life business owners like myself on how they're handling the challenges of running their small businesses, and that's what this podcast is all about.

Today I am speaking to Alice Bredin. Alice is the founder and president of Bredin Inc., a market research firm. Paychex has been conducting weekly snap polls with Bredin to gain insights into business attitudes during the COVID-19 pandemic. Alice's most recent research asked about 300 business owners across the country about how they're managing their business, supporting employees, staying financially fit and planning for reopening, which is exactly what we're going to talk about today. Alice, great to speak with you. Thanks for joining me.

Alice Bredin:

Hello.

Gene Marks:

Hello. Hello. Let's get into it. Shall we? This is all about reopening your business, and it's not just advice from you, but also what the data is showing. You've pulled a bunch of business owners, approximately 300 of them, about what they're doing to reopen, what their top priorities are for the future, where they plan on spending their money. Bring us up on what the data showed.

Alice Bredin:

Sure. Let's talk about concerns first. About a third of the small and medium business owners, companies with 500 or fewer employees, told us they are worried about not having enough customers once they reopen. Similar number, a teeny bit less, about the same, are worried about keeping employees safe. The rest of the worries are lower, but they're also concerned about having employees get infected from customers and just employees bringing germs in. It's a mix of germ worries. Basically, business owners are most concerned that they're not going to have enough customers as they open up, and they're worried about people getting sick.

Gene Marks:

You know, it's funny when people say that, "I'm worried about not having enough customers." February's always been around, right? I'm always worried about that. It's like a sales issue, but I get that issue now has been compounded by the fact that a lot of people reopening, hoping their customers are going to show up. What do you think Alice? Do you think those worries are founded?

Alice Bredin:

Well, I think that it's definitely a legitimate worry, because for many businesses that have been offline, if you will, for a while—meaning their customers haven't been thinking about them, they haven't been coming in—customers get out of habits. I mean, I think that any business that isn't worried about that should be worried, if you know what I mean.

Gene Marks:

Sure.

Alice Bredin:

Because the task at hand—and when we talk to business owners, they seem to really get this—is to maintain customer shifting now to what they're focused on right now; it's maintaining customer relationships, revising their sales and marketing approach, trying to manage the business as usual, which I interpret to be keeping current customers current and all of that. It's the thing to be focused on right now.

Gene Marks:

Alice, if you're talking to any one of these people that said, "I'm worried about none of my customers are going to come back," what would you tell them? What advice would you give?

Alice Bredin:

Well, I mean, I think it's really important now and always in marketing to your small and medium business owners to think about your customers and what's their mindset. Because you're a business owner, you're opening your business, you're super excited, you've been gearing up, so it might be easy to forget that your customers have their own worries right now. You really need to focus on getting the word out, not once, but like all the time, to all your previous and any other possible customers and prospects that you can find. I mean, business owners get this, because when you talk to them about what they're doing right now to bring customers in the door, more than a quarter have increased their use of social media; 23% have updated their technology, which is their way of getting stuff done more quickly, so that they can focus on all this stuff they need to do to open up; 16% have evolved their business model to be more compelling; and 15% are emphasizing online sales more. It's an all-hands-on-deck approach right now for business owners, and that's exactly where it should.

Gene Marks:

Yeah. I hear you. If you were to see one specific area where business owners should be investing in technology-wise, what do you think would be most important for them?

Alice Bredin:

Well, I mean, it's tough to pick one, because you really need to do a couple of things right now. Focus on efficiency, because business owners always need to keep above the fray in order to focus on sales and customer service and all of that stuff, but that's not a "nice to have" right now—that's essential. Anything that's going to help you be more efficient would be something that I would think about. Then, the second technology lean-in I would do would be any and all tools to raise your visibility. I mean, that's going to be—like I was mentioning a minute ago from the data—that's going to be social media; that's going to be improving your website and making sure that search is scooping up anyone who might be a potential customer; make sure your online profile is good. Go old school. This isn't tech, but it's key: Signage, sure. Banners. Get the people driving by. Get those A-frame signage things for in front of your business. Tell your partners, tell your vendors. It's just everything.

Gene Marks:

All of this takes money. Based on the surveys that you've done, do you have a sense that a majority of small business owners have the funds that they can make some of these investments?

Alice Bredin:

Well, we know that 63% of business owners feel the worst is behind them for their business. A smaller number think the worst is behind the U.S. economy. I mean, they are feeling that they are okay. I don't think too many businesses are feeling flush. Fifty-eight percent, when we talked to them about the PPP, have received their payment. Some are still waiting. There are some [inaudible 00:06:28] about how to get loan forgiveness, and I know you can get some help on that from Paychex and online. But they're not flush, but I think that business owners are really good about figuring out where to spend.

Gene Marks:

Makes sense. Let's turn a little bit to their employees. We're bringing people back to work. One of the things that the survey said that caught my attention is that there is going to be, absolutely, an increase in tele-community, telecommuting, work from home, schedule flexibility. Do you think this will be a long-term change? Do you think this is a permanent change in a lot of small businesses' models, workplace models?

Alice Bredin:

Well, the data tells us, yes. So in businesses where telecommuting is possible, and obviously for some it's just completely out of question, but when we asked business owners what the biggest change to benefits would be, they said increased telecommuting. So 20% of businesses will do more telecommuting, once we're out of this. Everyone's telecommuting. And then, also, schedule flexibility was a top change.

Gene Marks:

Have you seen any specific technologies that's going to help them do that?

Alice Bredin:

Well, I mean, let's see, there's the actual technology and then there's the soft stuff. We know that there'll be huge reliance, of course, as there has been, on videoconferencing, but then also businesses want to be sure that they've got instant messaging capabilities. I mean, you really need to, if you're going to be distributed for forever, however you want to term it, all kinds of things, so everyone can have access to information at all times. And that's true, even if you're going to be more lean, because, let's say you and I run a retail organization or even a small manufacturing company, but in this new world order, chances are I'll be picking up for you, you'll be picking up for me, so you probably will need to have greater reliance on technology for recording where you left off on a customer service conversation. I don't mean literally recording, but I mean taking notes. You'll have to give easier access to current inventory levels, so that no one's disappointed because they give misinformation on the fly to someone due to old information. It's all of that, plus being more efficient in how you operate your business.

Gene Marks:

Eighty percent of the businesses that you surveyed said they were concerned, somewhat or very concerned, about a possible second wave, and yet 60% of them said that they would survive—they believe they could survive a second wave. Second wave of coronavirus is going to be big news, I'm assuming, by the early fall. I think there will be treatments available, and I also think we'll be well on our way to a vaccine, but still not there yet, and I'm sure that's going to be, "Oh my God, are we ready for that?" Cases start ticking back up again. Do you believe that? Do you believe that 60% of these businesses that you surveyed, they say they can survive a second wave. Do you think that's going to be the case?

Alice Bredin:

I think it's really tough to say, because as you were mentioning, we really don't know what that second wave is going to look like. I think that anytime you talk to the small business population, you just find a community with sky-high optimism and resilience—and resilience is real and optimism is perceived, if you know what I mean. I mean, they beat the odds, I think is how I would sum it up. I mean, 64 sounds impossible and maybe it'll be a little bit lower, but I think small business owners can really surprise you. I think that right now, the opportunity for businesses is to do some of the things that they wish they had done if they could go back in time so that they can be prepared for a second wave. I know it's tough, because businesses already are hair-on-fire busy, but when we talked to business owners about what they wished they had done in the past, they said that they wish they had a business continuity plan; they wish they had a business plan; they wish they had spent more time delegating and had relied more on things that would make them efficient, so they had more time to put out fires and work on strategic business goals. I would recommend that as preparation for wave two, if businesses can at all get above it.

Gene Marks:

I think that's great advice. I mean, I've been talking a lot with businesses about lessons learned and having more cash and diversifying your business and having more people work from home, but you're right—that continuity plan, that thinking about the second wave should be first and foremost on our minds. We should be thinking, "What will we do if that happens?" And what if the worst case scenario, all things shut down again for another two months, which God forbid if that happens, but it could happen. I think you're right. I think that has to be first and foremost on a lot of people's minds.

Alice, do you think... I've got to ask you, before I let you go. There have been a lot of people saying this is going to change business forever, and it's the new normal, and we're going to have a vaccine at some point, and there are treatments coming, and let's say that happens in 2021, and that's, I think, a pretty conservative estimate. I personally believe it will be before then. Do you think, if you look at businesses two years from now will things really be that much different? What you know about small businesses in particular. Do you think business owners are really going to be changing, or will things pretty much be the same in 2022 as they were back in 2019?

Alice Bredin:

Ultimately, I believe that there will be just like a return to habit. You know what I mean? Like I'm every year going to eat less ice cream. That's never going to happen.

Gene Marks:

It never happens.

Alice Bredin:

Never, ever [crosstalk 00:00:12:40]. It's one of those things. I might eat more veggies, but the size of this ice cream I'm not going to change. I look at the overall small business community and business at large kind of the same way. I don't think it's going to revolutionize the way things operate; however, I do think some things will stay in place, and those are probably a greater openness to some more work-at-home arrangements, because that's good for business and good for people, and the long commutes were getting untenable and all that. I also do think that this whole experience will probably shift more small businesses online, and I don't mean literally to online commerce, but I mean more digitized, whether that means using more social media, taking advantage of search more, or maybe even taking manual tasks that are huge time eaters and moving those to tools that can help them get above the fray.

Gene Marks:

Alice Bredin, is the founder and president of Bredin Inc., a market research firm, an analysis firm, that has conducted research for Paychex, just recently these weekly snap polls to gain insights and business attitudes during the COVID-19 pandemic. Alice's research can be found online, on the Paychex Worx site. And obviously by listening to us, you'll get more insight into what the research shows into the attitudes, optimism, and plans of small businesses. Alice, thanks very much for joining me today.

For more information about what we discussed today and other coronavirus questions and topics, please visit the Paychex COVID-19 help center. The address is paychex.com/coronavirus-resources. Thanks everyone for listening. Thanks again, Alice for joining, and we will see you all next time.



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