

ARTICLES

## What should I do now? Business and Planning Considerations During the Crisis

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During this unprecedented time we are all facing difficult challenges and decisions in dealing with COVID-19 business-related issues. Whether those issues involve staffing decisions, cash flow, accounts payable, accounts receivable, sales, or government programs, all businesses must confront their specific realities and make plans for dealing with the inevitable fallout.

Many businesses will suffer, and some will fail. Others will be strong enough to survive, and a few will thrive. Now is the time to evaluate your business and make the individual plans and changes necessary to ensure your survival or strategize to take advantage of the opportunities an economic calamity can bring.

### **Businesses**

If you own or manage a business and anticipate facing difficulties, now is a good time to:

- Conduct a critical and realistic analysis of your business, its cash flow, and projections;
- Identify your liabilities that might need to be renegotiated;
- Review your books and records to be sure they are accurate and complete;

- Review your business interruption insurance coverage to see if you have coverage; and
- Consider and evaluate your place in your industry market and that of your competitors to see where you stand.

Additionally, you should investigate the strength or weakness of your creditors and your competitors and develop strategies to make the most of the situation. Stressful times often present the best time to look for and recognize opportunities, whether locally, nationally, or even internationally, that can prove to be very profitable and even transformative.

### **Business Owners**

As a business owner, review the debts you have personally guaranteed so you know how much personal risk you may face. This is not the time to just hope things get better. Sometimes you are too close to your business to make an objective evaluation and decision, especially in stressful times like we now face. If you need professional business restructuring advice, whether from a restructuring attorney or outside restructuring or “workout” professional, you should consider those options.

### **Creditor or Commercial Lender**

If you are a creditor or a commercial lender, look carefully at your portfolio to identify which of your clients are at the greatest risk of failure. Consider how best to deal with their problems so they do not become your problems. Is a lawsuit the best answer, or are you really facing a “shared problem” you need to creatively address? Should you consider a forbearance agreement or an informal restructure instead? Check to be sure all of your documentation is in order, properly drafted, and executed. Would forcing a client into Chapter 11 expose defects in your agreements, or be more damaging than “working it out?” What could a debtor-client do to you if they were to file Chapter 11? These are types of questions you need to ask and get answered. In other words, look before you leap.

### **Sussman Shank LLP Business Restructuring & Bankruptcy**

Our team has more than 150 years of collective experience. We have assisted many businesses in financial distress or facing business challenges, looking for opportunities, and litigating complex business issues.

We have informally reorganized, or restructured through Chapter 11, many companies in diverse industries with complex problems. Those industries range from retail to agricultural, from manufacturing to religious



organizations, from trucking to nonprofits, from commercial building owners and lessors to food processors and restaurants, and from individuals to construction companies. We have worked with clients to negotiate and to acquire businesses and assets of troubled companies and competitors both in and out of Chapter 11 cases. We also represent secured and unsecured creditors in bankruptcy cases filed in Oregon and throughout the United States.

We are here to help you manage and navigate the myriad of issues this difficult time presents. But most importantly, stay healthy, keep your family and those close to you safe, and weather the storm.

## Related Attorneys

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