

The Business Challenges Faced by Business Owners and Clients During the COVID-19 Pandemic and What Is Needed to Meet These Challenges

It's no secret that the last five months have posed extremely difficult challenges for business owners in all verticals. This article explores some of the challenges within the commercial real estate space; some of which had surfaced immediately and some of which took some time to show themselves. In either instance, both have continued.

According to Barry Familetto, President of Stetson Management & Development, "Everyone is still putting themselves together on which way this is all going to shake out. Right now, in this pandemic, we are all worried about our cash flow. And, it's hard to get service when people don't want to work, or the company is just having problems with their people who are working." Such a three-fold problem is pervasive and requires innovative and creative ideas to increase efficiency and profitability.

To address these problems, Mr. Familetto first believes that the old-world mentality of signing a lease and leaving a client to fend for themselves is *wrong*. "That's never been my philosophy. My philosophy has always been that you have to take *more* care of your building customers, than anything else, because if they can't make it, nobody wins. That's what we're seeing now and so many companies are struggling," he noted. One example of how Stetson looks after its clients, is to educate in matters of investing in minor curb appeal upgrades.

This suggestion might seem like a small thing, but is critical and has proven to be effective for restaurants, especially, to draw customers in and ensure cash flow. If a restaurant is currently restricted to offering only take-out or delivery, or limited inside seating, curb appeal really counts and is an investment in sustaining the business. Even with a retail store, clear and bright signage, flower boxes this time of year, and clean windows go a long way in increasing foot traffic. These simple upgrades pay dividends in being better than the next guy, as leasing continues in this economy. "People are not going to lease commercial property that looks old and dilapidated. It becomes a question, now, that clients can be more selective because they find the buildings that are well-maintained. It's up to us to educate our owners to that," Mr. Familetto stated.

As a less myopic, general view, the economy has to work in total or it's not going to work for anyone. For example, some building owners assume that because there's a lease, that they're in control. That speaks, again, to old-world thinking that if there is a contract, the client must pay. However, if the client is not successful, they can't pay. "Whatever is in writing, doesn't matter when reality hits, and right now, reality is hitting," Mr. Familetto confirms. He added that a Massachusetts judge is going to likely side with the customer who is having a hard time meeting their financial obligations.

To prevent all parties from going before a judge, Mr. Familetto shares two important insights: Starting with good negotiation and maintaining a vested interest in your clients. How do you

know ahead of time if the negotiation will get off to a good start? “We have an understanding and we both have integrity. We put something in writing to give us guidelines and formalizes the agreement. You really have to take the time to get to know your clients, your customers, *before* you sign on the dotted line. It’s negotiation, which has to be a win-win for everyone, or nobody wins,” Mr. Familetto asserts. “I’ve had multiple conversations with customers and have said that to them, that if they aren’t successful, we are not successful.” Part of contributing to a customer’s success is keeping an eye on variables that could adversely affect them and highlighting these potential issues in advance. In this way, Stetson assists its clients in keeping the buildings operating and customers appreciate that it’s not just about the demands in the fine print of the lease, but more of an interest in making sure that the business prospers.

To further that point, Mr. Familetto continues, “Some people think that a business is an entity with no feeling. That’s not necessarily true. A business is made up of employers and employees. We are together in what we’re doing and it’s the same with all successful businesses. If there’s business coming in, it’s a safe environment, and employees demonstrate a vested interest in the success of the business, they show themselves to be valuable contributors. This is another dynamic where it’s got to be a win all around. Good business starts at the base, with good people.”

The third quarter of 2020 is our best chance at recovery and keep the disease at bay, Mr. Familetto said, cautiously optimistic. Those who show grit, remain positive, look for innovated and creative ways to overcome challenges, support their customers, clients, and employees, while staying healthy and taking all necessary precautions, these are the people whose businesses will survive this pandemic.

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#businessentity #safeenvironment #goodbusiness #grit #innovativeandcreative