

3 Ways start-ups can reduce the impact of Covid-19 on their business

With the uncertainty still looming over us due to Covid-19, it's time start-ups revised their go-to-market strategies, cash burn, and employee expenses.

"The times they are changing."

- Bob Dylan

This poem, released in 1963 by Bob Dylan, seems to be very relevant today, given the uncertainties businesses face. From lockdowns to restricted movements and timings, the past two years have had a higher impact on the economy, than any other decade.

While large-scale corporations may survive the blow to a certain extent, it will be start-ups that may be most impacted. In this blog, we look at the impact of Covid-19 on their business and how they can address the same.

1. Reduced Consumer Demand

With healthcare and basic necessities being a priority, over other requirements, your business may take a hit especially, if you are in the luxury, hospitality, or real estate sector. Start-ups can use this time to further research and develop their products & services, to meet the surge in demand once the pandemic ends.

2. Lack of funding opportunities

As investors and venture funds adopt a wait and watch policy to see how the market scenario evolves, and which will be the new in-demand sectors, your start-up may face a lack of funding opportunities.

With only the best and financially strong start-ups expected to survive the pandemic, it may be time to adopt cost-cutting measures and reduce the cash flow.

Any start-up that can demonstrate its ability to manage with limited resources while still providing acceptable service levels is bound to see renewed interest from investors once the markets open up again.

3. High Overhead Costs

While sales may not be the same as pre-pandemic levels, your overhead costs are going to be the same, if not higher due, to existing business commitments. Reduced working hours are also going to impact how long you can keep the business open, reducing the potential for generating more cash flow.

Start-ups facing such scenarios could be better off by outsourcing their not-so-core functions to companies that provide virtual assistants. Not, only will this help you reduce employee and overhead costs, but also help you manage your business more efficiently, by selecting professionals with the exact skills your business needs.

Companies like Wishup have trained employees in the fields of admin, operations, and marketing to help manage your business so that you can focus on growing the business.

Having a long-term vision will help your start-up survive the Covid-19 crisis.

As a start-up founder, your priority is ensuring the survival and growth of your business, while reducing overheads and cash flow. Using the downtime to improve your products and services, building growth opportunities, and reducing the outflow by using virtual assistants are some of the ways you can reduce the impact of Covid-19 on your business.