

#cfrresults

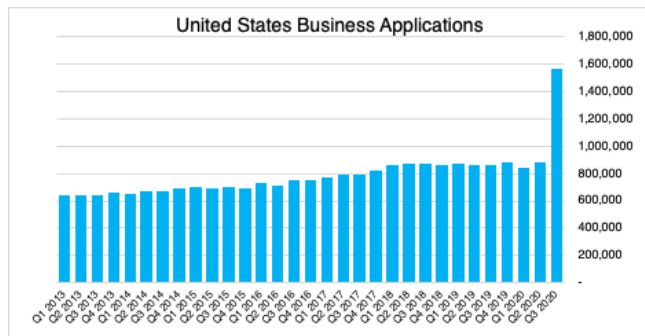
Why would anyone start a business in the middle of this chaos?

Insights from Tom Hershberger, CEO, Cross Financial, 2020

I was reviewing articles in my daily newsletters recently when a chart with a significant spike caught my attention. The chart presented a historical trend for the number of business applications recorded in the United States. Amazingly, the 2020 third-quarter volume is nearly 1.6 million applications. That compares to less than 900,000 for previous quarters.

Initially, the trend struck me as unusual. We're in the middle of a pandemic. Our world is filled with uncertainty on a variety of fronts. The economy is experiencing adjustments.

Business Development Opportunities



U.S. Census Bureau, Business Formation Statistics

Most of the people I talk to are busy hunkering down and focusing on survival. Their goals are directed to serving customers as effectively as they can and trying to stay relevant until we return to pre-pandemic conditions. If we only looked at the opportunities from that perspective, it is hard to see any conditions that would fuel more businesses. That's where I missed the business dynamics illustrated by the spike in the chart.

Uncertainty Creates Opportunities

Uncertainty can generate opportunities, and life in a pandemic is loaded with uncertainty. Opportunities drive the emergence of new businesses that will be delivering solutions for problems and needs created by conditions that are not 'business as usual'.

Businesses that support technology, PPE manufacturing, delivery services, medical testing, lawn services, food trucks, and other creative endeavors, are now potential opportunities. Are you ready to help counsel, finance, and grow these new businesses?

Don't Wait For Things To Get Better

Now is not the time to sit back and wait for things to get better. Business owners value the relationships they develop as they pursue their dreams. They build strong connections with banks and bankers that help them when they need it most. That puts nearly 1.6 million new businesses in the cross-hairs for community banks.

Granted, we might lose 50% of these new businesses over the next five years, but, that doesn't change the fact that considerably more businesses are entering the competitive landscape this year. Each representing the potential for a relationship you can support with deposit accounts, cash management services, financing, and advice from your skilled professionals.

While most financial institutions have been busy with PPP loan activity, many have lost their momentum for business development. If that includes you, spend some time examining your small business opportunities.

This is the wrong time to sit back and wait. Let's get busy helping new business owners achieve success in a new marketplace.

