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SPECIAL REPORT

COMMERCIAL DEBT NEGOTIATION

PRACTICAL ADVICE FOR REDUCING YOUR COMMERCIAL DEBT

NO RESULTS – NO FEE

ANDRE LARABIE, PHD

IMPACT OF COVID-19 ON BUSINESS IN THE UNITED STATES AND HOW WE CAN ASSIST YOU WITH YOUR DEBT LOAD

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INTRODUCTION

Faced with an economy deeply marked by the appearance and spread of the Covid-19 pandemic that unfortunately has caused business disruption, massive layoffs and temporary closures generated in most cases by failures in supply chains, sudden drops in the demand for products and services, work teams in quarantine, among other factors that have unquestionably hit the current economy hard, it is evident that most companies are presenting economic problems, and the recent high-profile actions of the United States government United underscore this fact. Even the number of aid programs offered by the government seems to increase every day, scattering billions of dollars everywhere, but they hardly include you or you may receive a little pittance but nothing to help you solve the problems you face with your business.

That's right, government bailout programs are not there to save you. In this sense, you must start by finding creative and viable ways to reduce the debts incurred and keep your company afloat. Keep in mind that if you sit idly by, things will only tend to get worse due to the uncertain scenario we are going through and the crisis that seems to never end, therefore, you must take the initiative and make changes that allow you to guarantee survival. your business, move toward growth, and prosper in these tough economic times. All of this may seem impossible to you, however the reality is that you can grow in times of crisis and one of the best ways to do so is to negotiate with your creditors and reduce your total debt burden. In my book, titled Commercial Debt Negotiation, I provide you with certain techniques and all the necessary information to ensure that you are able to overcome yourself in these times of crisis, so that you can weather the stormy conditions of this economy and emerge stronger than ever.

Some business owners may not yet be aware of their financial woes. Possibly, they have not yet realized the drastic impact that the COVID-19 virus has had on the economy and the way in which that negative impact continues to increase and open the possibility of the risk of bankruptcy of their businesses. Others, for their part, are aware of the difficult times we are going through and fully understand how bad the economic situation is, however, and as is common, they ignore the problem without taking into account that sooner or later they have to face reality of your situation. Now, if when reviewing the growing discrepancy between your accounts payable and accounts receivable, you feel stressed about not knowing what actions to take to reduce your debts and feel that it is too late to save your business and that inevitably all is lost, let me know. I dare to tell you with confidence based on my years of experience and extensive business and debt resolution knowledge that it is never too late to get your finances in order. No matter how deep your financial problems may be, no matter what your particular situation is, it's never too late, and I have the numbers to prove it. During my twenty years working in the field of commercial debt negotiation, I have come across countless financial debt situations and my success rate has been truly incredible, so good that I can show you how to reduce your commercial debt by more than 60% of the same way I have been doing it for other companies for many years. So don't lose hope, I can teach you how to deal with all those debts assumed due to the COVID-19 pandemic through my commercial debt negotiation.

ECONOMIC IMPACT OF COVID-19 IN THE UNITED STATES

The COVID-19 pandemic has not only affected public health, caused the destruction of families, truncated goals, dreams and hopes, but has also seriously affected the world economy. Unfortunately, every day more confirmed cases of COVID-19 are registered; the pandemic has now claimed more than three times the American lives lost in the Vietnam War (Ducharme, 2020).

Based on the above, the pandemic has caused a strong global crisis with unpredictable economic consequences due to the biosecurity measures that people have been forced to take in order to contain the spread of the virus. Especially, the US economy that was experiencing a record economic expansion and according to the National Office of Economic Research (NBER) it was the longest expansion recorded with a strong demand from national consumption, had a great impact radically changing its economic outlook. as a consequence of the appearance of the COVID-19 virus. As the contagion spread rapidly through the United States, the effects of COVID-19 and the restriction measures intensified, producing a contraction of the economy that began in the first quarter of 2020, in addition to the decline in employment figures and production. The United States experienced two consecutive quarters of declines in GDP, even its steepest drop was a 9.1% decline recorded in the second quarter of 2020 (Bureau of Economic Analysis [BEA], 2020).

The COVID-19 virus, since its inception has generated massive layoffs, temporary and permanent closures largely attributed to reductions in demand, risks of closure due to the duration of interruptions associated with COVID 19, decline in industrial production and sales, disruption of trade flows and supply chains and ultimately financial fragility has been generated for many companies.

Unemployment and closures

Due to the instability of commercial income due to the pandemic, many companies have been forced to lay off part of their staff in order to reduce their costs. “The collapse in employment is of an unprecedented magnitude and is likely to reach or exceed that of any recession in the past 150 years (Rogoff, 2020). The large number of job losses as well as the high number of people applying for unemployment insurance benefits, show that COVID-19 ended the longest period of job creation in the history of the United States that spanned 113 consecutive months. According to data provided by the Economic Commission for Latin America and the Caribbean

(ECLAC) based on data from the United States Bureau of Labor Statistics (BLS), in April 2020 the US economy lost nearly 21 million of jobs, in what was the largest drop ever recorded and more than doubled the accumulated loss during the global financial crisis of 2008-2009. The unemployment rate jumped to 14.7%, from 4.4% in March and 3.5% in February, which had been the lowest in 50 years.

According to certain unemployment and closure statistics, the economic impact was greatest for Hispanics, African Americans, and low-wage workers in the restaurant and retail sectors. Women had a higher unemployment rate than men in all groups (BLS, 2020). In addition, taking into account age and level of education, younger workers who do not have university degrees are more likely to lose their jobs in these times of crisis. Despite attempts to recover economic activity in various states, historically high unemployment figures are still recorded. In relation to company closings, based on the results of surveys conducted by the Proceedings of the National Academy of Sciences (PNAS) of small companies in the United States, 41.3% of companies reported that temporarily closed due to COVID-19 and 1.8% reported that they were permanently closed due to the pandemic.

Decrease in industrial production and sales

Measures to contain the spread of the virus such as physical distancing, confinement, restrictions on the movement of people and restrictions on means of transport, although they have contributed to the mitigation of the COVID-19 infection, have inevitably caused a strong fall in consumer demand. The impact of demand resulting from quarantine, unemployment and business closures dealt a blow to consumer services (Bartik, Bertrand, Cullen, et al. 2020). Basically, the production of goods and services was drastically reduced in the face of the low income received by companies and the low capacity that consumers have today to purchase goods and services. In other words, the high unemployment rate and the fear of contagion have strongly weakened consumer demand and, according to the results of the surveys carried out by PNAS of small companies in the United States, 41.3% reported that the main reason why they had temporarily closed their businesses is due to reductions in demand.

On the other hand, figures from the United States Census Bureau (2020) indicate that "retail sales (a measure of purchases in stores, gas stations, restaurants, bars and online) registered a record decrease of 14, 7% in April and 8.2% in March. This shows that the pandemic has forced people to stay as long as possible in their homes, to the point of curbing their consumption habits and limiting them to buying only products from the basic or strictly necessary basket.

This, in turn, has generated sales growth in certain areas such as supermarkets and pharmacies, whose demand for products has increased as confinement restrictions increase. And, although with the lifting of some restrictions as well as income to households through the rescue programs authorized by the United States Congress, at the time they allowed the gradual recovery of sales, there is still a low percentage in comparison with pre-COVID-19 figures.

Disruption of trade flows and supply chains

It is clear that the COVID-19 pandemic has severely affected many industries around the world. The fact that it hit China first caused significant contagion in the supply chain, intensifying the decline in trade and manufacturing production (Baldwin and Di Mauro, 2020) Business closures, mass layoffs, meager revenues have weakened significantly global demand.

In addition, movement restrictions have had a direct impact on industries linked to the trade of products and services such as transport, travel and tourism. In particular, trade flows are seriously affected by restrictions on trade in materials, medical equipment, and pharmaceuticals and food products.

According to data obtained by the Economic Commission for Latin America and the Caribbean (ECLAC), based on data from the Office of Economic Statistics and the United States Census Bureau, exports of goods and services decreased by 141.5 billion of dollars (13.6%) and imports fell 173.1 billion dollars (13.3%) in the first five months of 2020 compared to the same period of 2019. As a result, the trade deficit decreased 32 billion dollars (12.2%). The industries in which exports contracted the most were: motor vehicles, spare parts and motors (decrease of 22,800 million dollars or 33%); consumer goods ($ 19.2 billion or 21.9%); capital goods ($ 37 billion or 15.9%); travel services ($ 33.3 billion or 41%), and transportation services ($ 12.8 billion or 33%). In the same period, meanwhile, the greatest falls in imports were also registered in the automotive, spare parts and motors sectors (decrease of 49.1 billion dollars or 30.9%); goods such as mobile phones and other household items ($ 36.3 billion or 13.2%); capital goods ($ 28 billion or 9.8%); travel services ($ 29.1 billion or 52.3%), and transportation services ($ 15.2 billion dollars or 33.6%). All of this decline in trade in services is directly attributed to biosecurity measures taken as a result of the spread of the COVID-19 virus.

Financial fragility

One of the immediate effects of the COVID-19 pandemic was the debts assumed by the companies that provide products or services due to the low and almost non-existent income received. The increasing number of infections by the virus, the establishment of increasingly severe containment measures generated the financial fragility of many companies, even increasing their probability of bankruptcy. The results obtained from the surveys carried out by PNAS in 2020 highlight the financial fragility of small companies. When asked how much cash (e.g. savings, checking account) do you have access to without seeking more loans or money from family or friends to pay for your business? The midsize business with monthly expenses of more than $ 10,000 alone had enough cash on hand to last for about two weeks. Three-quarters of the respondents only had enough cash on hand for two months or less. Such limited levels of available cash justify the frequent firing and closing actions that companies took as a cost-cutting measure, since they could not otherwise have paid their employees' payroll.

However, an important aspect that must be highlighted is that companies became much weaker in the face of the appearance of COVID-19 due to the debts assumed at the beginning of it. The fragility of companies increases as their debt load increases, and the pandemic has unfortunately only contributed to the collapse of their income and the increased chances of filing for bankruptcy. Many companies, like Whiting Petroleum to name one example, have already filed for bankruptcy under Chapter 11 of the Bankruptcy Act. In addition, data from the American Bankruptcy Institute shows that 722 US companies filed for bankruptcy protection under Chapter 11 of the bankruptcy law in May 2020, a 48% year-on-year increase. In these difficult times, it is important to find ways to reduce our commercial debts, as the number of bankrupt companies continues to increase and the potential growth rate of the economy decreases, the pandemic can do even more damage severe to the economy.

Affected economic sectors

The COVID-19 pandemic has been particularly damaging to small businesses, which account for the majority of businesses in the United States and employ nearly half of all private sector workers (Bartik, Bertrand, Cullen, et al. 2020; Small Business Administration 2012). Although initially the pandemic severely affected the income of the tourism, hotel and education sectors given the quarantine measures that imply the cancellation of trips, prohibition of eating in restaurants, closing of bars or any other place of recreation, which were imposed immediately due to the high number of cases of COVID-19 infection and the high numbers of deaths caused, other sectors also suffered negative consequences. In particular, some sectors in which employees were unable to work remotely and in which companies were not considered essential to be open performed particularly poorly (Papanikolau and Schmidt 2020).

Even those technology, consulting and service companies that initially supported their employees through telecommuting are beginning to lay off their employees due to their low income. However, the service sector arguably suffered an unprecedented shock. Around 37.3% of job losses in April were recorded in the leisure and hospitality sectors, but there were also notable decreases in education and health services (12.4%), professional and business services (10.4%), and retail trade (10.3%) (BLS, 2020). Additionally, there is a record of high unemployment rates in the manufacturing sector (6.5%), because containment measures and restrictions in supply chains limited production and construction (4.8%).

In effect, all sectors have been affected to a greater and lesser extent, including COVID-19 has had repercussions on households and local economies, taking into account that rents, wages or sales taxes are no longer being paid. Although it sounds alarming, the current economic situation forces all business owners to take action to maintain their costs and ensure the survival of their companies.

UNITED STATES ECONOMIC POLICY RESPONSE

To mitigate the economic impact of the COVID-19 pandemic on households and businesses, policymakers in the United States quickly and widely took a number of measures. The fiscal policy response is unprecedented and includes a series of three stimulus laws in response to COVID-19, called the Families First Coronavirus Response Act, Coronavirus Preparedness and Response Supplemental Appropriations Act and The Coronavirus Aid, Relief, and Economic Security Act. (CARES), the latter predominant in which more than 2 trillion dollars (about 11% of GDP) are available for new expenses and tax breaks, making it the largest rescue package in the history of the United States .

Briefly, through the CARES Act, the United States Congress authorizes a certain amount of millions of dollars for different purposes such as expanding unemployment benefits, for food assistance, to avoid the bankruptcy of companies through the granting of loans and loan guarantees, to support federal reserve programs, to assist small businesses that retain their workers, for hospitals and healthcare, for state and local governments, for education, transit systems and international assistance. The main CARES Act program that provides relief to small businesses is the Paycheck Protection Program (PPP).

Additionally, to keep financial markets functioning, the Federal Reserve lowered interest rates to the lower limit of zero, offered unlimited quantitative easing, and resorted to different policy instruments, some that already existed and others that were new. Now, although everything seems to be resolved through government rescue programs, taking into account that PPP loans increased the expected survival probability of companies by between 14 and 30 percentage points "(Bartik, Bertrand, Cullen, et al. 2020), we must be clear about all the bureaucratic hassles and difficulties in accessing the program. Studies reveal that only companies with pre-existing connections to banks were more likely to benefit from the program. For their part, Humphries, Neilson, and Ulyssea (2020) found that of the companies that applied for the APP, the smallest companies applied later, faced longer processing times, and were less likely to have their applications approved.

Similarly, APP funds were disproportionately allocated to the areas least affected by the pandemic: 15 percent of facilities in the most affected areas received loans, while 30 percent of those in the least affected areas They received them (Granja and others, 2020). Highlighting what was expressed by Hamilton (2020), while the PPP supported many small businesses in the spring and early summer, the support was temporary. It was not enough to keep small businesses viable during the pandemic. Small businesses are now in dire straits and need more help.

The reasons outlined above make it clear that government aid programs ultimately do not represent the solution to their financial problems. If you want to reduce your debt burden and at the same time ensure the survival of your business in these times of crisis that are getting longer every day and the end date is uncertain, start by taking action. Surely, what has you paralyzed is the uncertainty and desperation for not knowing what actions to take, but don't worry, I have the solution to your financial problems. As stated at the beginning, thanks to my extensive knowledge and my extensive experience in commercial debt negotiation I can teach you and help you reduce the debt burden assumed due to the COVID-19 pandemic.

COMMERCIAL DEBT NEGOTIATION

An excessive debt burden poses a risk to the economy. And, taking into account that we continue to be submerged in an unfavorable economic scenario whose duration and intensity is uncertain, since it is difficult to estimate the social and economic repercussions of the pandemic, which depend on the success in containing the outbreak and the measures adopted to restarting economic activity, it is imperative for business owners to find creative ways to keep their business profitable and reduce debt incurred as a result of the pandemic. For this reason, I am here to provide you with a series of techniques that will help you reduce your debt and cope with this tough economy today.

Through my extensive knowledge of business debt negotiation, I teach you how to prioritize debt, that is, select creditors that are so critical to your business that if you don't rescue the relationship, you will inevitably bankrupt your business. In addition, I teach you different methods of creditor negotiation which includes alternative dispute resolution, conflict resolution, mediation. In addition, direct negotiation techniques with your creditors, negotiation techniques with collection agencies, negotiation techniques with lawyers, negotiation of an out-of-court settlement, negotiation by mail versus a fax agreement, settlement proposal techniques, as well as various tips practical that will undoubtedly help you reduce your commercial debt and ensure the survival of your business.

To be straightforward about it, the whole point of my services is to show you that the situations you are currently going through might be daunting and complicated but it is not impossible to fix and that is why I'm here. I have been working in the management of debts for businesses for many years and I have developed a certain degree of expertise on the many different ordeals we must go through to keep your afloat. And not only that–we are also looking forward to help you solve your debt issues and then help you grow as a business during these difficult and trying times.

Let me quote myself from my book, *Commercial Debt Negotiation* (2011): It is never too late to put your finances in order. Even during these times of crisis, there is a chance to fix our finances and put a degree of order in our finances, which is something that we should always take into account. There might not be crystal balls to fix your economy, but there is the old fashion way: hard work, dedication, discipline and getting the assistance and help of those that have a lot of experience on the field.

This is where I come in.

I will help you assess all the different types of debts that you have accumulated throughout the years, all the different receivables you have gathered in your business and any other type of information that might be pertinent for this situation. Why? Because we need to have a concrete understanding of where you are standing as a business and how far you can go when it comes to fixing your own finances.

I'm going to help you set your priorities straight, to have a better grasp of what your problems are and come up with the necessary solutions. Debt management might be daunting, but it is all about knowledge and information –once you understand your situation, it is a lot easier to come up with the correct solutions and slowly but surely come out of the complex problem you currently find yourself in.

I do this for a living, but I also do it because I get a lot of happiness in seeing my clients overcome their financial problems and once again find enjoy and stability in their own projects and businesses. And just like I have done for many years in my career, I can also do it for you.

So, if you are interested in saving your business and reducing your debt burden, feel free to CALL ME at 321-785-6048 or use this link to book an appointment:
www.TimeWithAndre.com

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