

Ep77: America's Small Businesses – Can They Survive?

August 13, 2021

PATTI BRENNAN: Hi, everybody. Welcome to “The Patti Brennan Show.” Whether you have \$20 or 20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

Today, we're going to be talking about small businesses and the impact that COVID had on small businesses. The statistics are quite alarming. In America, today, there are 31 million small businesses.

By the way, what qualifies as a small business? Basically, the definition is a company that has 500 or fewer employees. To be perfectly honest with you, most companies, most small businesses have much fewer employees, the average being about 10.

What was the difference between the companies that made it through and the ones that didn't?

Unfortunately, in spite of the government stimulus, PPP programs, incentives, many, many businesses failed.

Unfortunately, while the estimates were that 400,000 additional businesses would fail as a result of the lockdown, the good news is the data is suggesting it was about half of that. That's 200,000 small businesses that were closed.

We have to keep in mind, America was built on small business. What do we mean by that? Well, guys, I got some information for you. In America, today, small businesses represent over 99 percent of all companies nationwide, 99 percent.

While they may be small, they are huge when it comes to our economy. This is important, because what we're learning is that what COVID has done, especially, if I may say, with larger companies, employees are getting tired of that corporate world.

They're being forced to go back and do the 45 or hour long commutes. They're beginning to think, “Gee, do I really have to do this grind for the rest of my working life? Maybe I



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should start a small business.”

We’re going to talk about what was it about the businesses here locally that made four very diverse consumers not only continue to use them but are now using them even more as a result of their response during a difficult period of time. Let me do some introductions.

First and foremost, Matthew. Matthew is our newest employee. Welcome.

MATTHEW MAINWARING: Thank you. Good to be here.

PATTI: Kristopher is our Army Ranger, father of a newborn. Jessica, mother of three – three young boys, sort of middle boys – and Bernadette Hunter, the ultimate consumer, mother of four. Thank you all for joining me.

Here’s the question for all of you. We’ve been through a difficult time in our country. We’ve all gone to restaurants, and stores, and things of that nature before COVID happened. Then, we had the lockdown. Now, we’re out again.

I would be very curious to hear from each one of you, because you each have different perspectives, has anything changed before versus after? Are you finding yourself going to places more often, or not at all anymore, based on what happened during the lockdown?

Keeping in mind that the people who are listening to this program today may be interested in starting a business. You’re going to be giving them some hints and ideas, in terms of things that work for you as the consumer and why you continue to do business with these companies.

In other words, we want to make sure that anybody starting a business today does not become one of the 200,000 failures that occurred in the last year. Let me start with you, Kristopher. Let’s talk about restaurants.

During the lockdown, it’s not like we were able to go to restaurants, sit down with our families, etc. Tell me the before, during, and after for your family.

KRISTOPHER THOMPSON: Before COVID struck, and the shutdowns, and everything, we were free-for-all-ing it. We would go out a lot. We found out we were pregnant and COVID hit very shortly after that. Our lifestyle had immediately stopped, in terms of going out and all that stuff.

Patti: For two reasons, right?

Kristopher: Yeah.



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Patti: You've got COVID, and then you've got your beautiful son.

Kristopher: Then, the additional concern of pregnancy, and a baby, and things like that. From going out anywhere anytime to being more concerned about not being enclosed with a lot of people when the height of COVID was a concern, we started going and walking around West Chester and going to Jaco Taco.

Patti: I was going to say give me names. I want to know names, guys. Where did you go, and why?

Kristopher: We went to Jaco Taco. They had a little sit down area before. We would sparsely go in there for a smoothie or whatever. After COVID struck, they opened up a little window where you could walk up, do a contactless order and all that.

A good reason to get out in the open air, walk around, get a quick smoothie, or a Taco, or whatever. We started frequently going to Jaco Taco on and off.

Patti: How about now?

Kristopher: We've kept up with that pattern. We go on a morning walk every day. For budgeting purposes, we try to not go out to eat every day. We definitely go at least once a week, like a Friday morning routine is we're going to Jaco Taco every day.

Patti: They adapted to the new reality, made it easy to do business with them in spite of it, and as a result, you're going there now more than ever.

Kristopher: Yeah, definitely more than before COVID for sure.

Patti: College graduate, brand new job, what about you? Tell me what restaurants did you like to go to, and have things changed? By the way, I totally get the fact that you're not in a dorm anymore, so we'll keep that in mind.

Matthew: Not in a dorm anymore, but I've started go to, during the pandemic, the Split Rail Tavern in West Chester. I'd gone a little bit before, but I wasn't 21 yet, so there's a bit of a limit selection there.

Ever since the pandemic, they were doing a lot of takeout, so we were doing takeout there. One of my favorite dishes is their mac and cheese, has Cheez Its sprinkled on top of it. They just started back up with their live music, too, so we've started to go on Saturday nights to listen to live music there, which has been great so far.

Patti: You get the food, the entertainment, and you feel like OK, life is coming back to normal.



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Matthew: Definitely.

Patti: Fantastic. Excellent. Jessica, mother of three boys. You feel like you're always feeding them, right?

JESSICA STUNDA: All the time.

Patti: Where are you going?

Jessica: Before the pandemic, I have to be honest, Wawa was one of our favorites...

Patti: You and me both.

Jessica: ...because you could pick up a quick meal, and then get gas for wherever you needed to go after that. During the pandemic, I had a friend from grade school who was a chef on one of the chef competitions.

He saw an opportunity and started his own business called Philly Hots. What he'll do is he'll make a gourmet meal that all you have to do is throw in the oven or the microwave for a few minutes and voila, you have dinner for your family.

Patti: Pandemic or not, I am calling Philly Hots.

That sounds like a dream come true.

Jessica: It started out with just posting it on Facebook to a few friends, and now, he has a weekly rotation of different meals. They're delivered usually by his wife and his daughter, which is great, so it's a family thing. He has a little kitchen in a little church, I believe, in West Chester.

Patti: That's fantastic. Thank you. How about you, Bernadette, where did you go before, and where are you going these days?

BERNADETTE HUNTER: Being recent empty nesters, my husband and I had this idea that we could go anywhere, we could do anything. A week before the PA shutdown happened, my oldest daughter, her six week old, her husband, and her yellow lab moved into our house.

We weren't empty nesters anymore, and there was a little bit of stress involved with that, a pandemic and a newborn. We were trying to keep things as normal as possible.

One of our favorite restaurants in town is Limoncello. On the weekends, and it turned out after our first experience with them, we went every weekend, we got Limoncello. I'll tell you why, because nobody else brought this up. A very serious turn in the pandemic was no



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alcohol.

Bernadette: It was very hard to get wine or anything you wanted. Limoncello, not only did they give you double portions of everything, because they were so grateful you were coming, they also created drinks in containers that you could get.

They gave you so much extra that the four of us had food for two nights and we would just order a couple of entrees. They devised the system – only my husband and my son-in-law were leaving the house at that point because we had a newborn in the house – that you could just pull up. It was like a delivery line and they would bring it out to you.

These servers were so grateful, A, to have a job, and then if you tipped them, it was sad. They were so grateful for everything that you tipped them. We kept coming back. The food is excellent, and we go back there all the time now.

Patti: That is interesting to me. I should know this, but are they continuing that process where you can order and drive up and leave? Is that a permanent change?

Bernadette: Yes. Now, they have two open spots in front of their restaurant for curbside pickup. They created what's called family-style dinners. Huge portions that serve four, not to mention it's hardly anything that you would think is expensive and the food is excellent.

Patti: That is interesting. There you go, guys. Thinking about what an awful period of time, adversity brings out amazing creativity and solutions that many of these companies and these restaurants are going to continue to do because it's what people want.

What else? Are there other retail outlets, other places – again, before, during, after – that you felt did a good job taking care of whatever it was that you were looking for, etc.?
Jessica, this time I'm going to start with you. What do you think?

Jessica: I have a musician in my house and he loves to play the trumpet. We reached out, after the pandemic, to Taylor Music, because they're a small family shop, and they were still open, and they provide good service. We took the opportunity to stay local.

It's hard because Taylor's is not able to use the Zoom yet to do the lessons and not everybody can play guitar and learn on a Zoom call.

Patti: Taylor's, I'm so glad you brought Taylor's up. That is a unique store in our community. That store was started in the year of the stock market crash in 1929. That has been around forever.

Then, in the 1950s, the father of the current owner – the current owners are Julie and Len Doyle – Julie's dad stepped in. He was a music teacher at one of the high schools. They



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called him Mr. B. He took over Taylor music and supplied these instruments.

Even to this day, what I love about that particular business and all of the businesses is that when they have equipment that's really used, etc., it's not appropriate to sell, they donate it. They donate it to schools, elementary and middle schools, etc., so that young people can at least give it a try.

You never know when somebody might have a musical talent that nobody in the family realized, but they need the equipment to be able to do so. They're very community-oriented. I got to tell you, like you, I have the kids. My sons love playing the guitar.

They would continue to go in there, get great advice. It wasn't a pitch. Most of the time, they talked them out of the most expensive guitars, which I was happy about?

Jessica: Thank goodness.

Patti: They're good, solid people. I appreciate you bringing them up, because we all think about the mall, etc. You know what? That's a good question. I'm curious to ask all of you, and I want to hear from all of you in terms of the places, but as part of your answers, I want to know, is the mall dead?

Bernadette: Yes.

Jessica: Absolutely.

Patti: It's dead? No kidding. Somebody, step up. Tell me why and tell me where you're going instead.

Kristopher: My wife and I have competing ideologies on this a little bit. Before the pandemic, I wasn't going shopping anyway. During the pandemic, I feel like things that happened with online shopping, free delivery, free return, faster delivery, all those things made shopping more convenient.

I don't think I'll ever step foot in brick and mortar again for things like clothes or whatever, because if I don't like something or if it doesn't fit right, I return it for free. It's been made a lot more simple and streamlined.

Patti: Can I interject?

Kristopher: Yeah, sure.

Patti: I was forced to do that online stuff as well. I got to tell you, the stuff that gets sent to me doesn't quite fit right, or the colors don't look quite the same as they did on the screen.



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I got to tell you, I'm not proud of this, but that stuff tends to stack up on top of each other on my dining room table. I tend not to bring it back. That's a pain in the neck.

Kristopher: That is a pain in the neck. You're 100 percent right about that. That's something that it's like one of those things you got to deal with. For me...

Patti: I'm going to interrupt you. Especially since you got to go online, go to their website, find the little teeny box that says "Returns," figure out how you're supposed to return it. They don't make it easy.

Kristopher: You threw the box away a week ago when you got it, and then you changed your mind, and then you got to find the box. Sure enough, something will come through the mail again, and then you get a new box, and then you're good.

Patti: Here's a question. I get you, how about your wife?

Kristopher: She is a huge fan of the little boutiques. There's a store in town, in West Chester, called Tish Boutique. Customer service is what brings her into the door there. It's not a big store by any means, but they have a lot of nice stuff, unique items. She likes going there to look around and get ideas of what she wants to wear.

For me, I'm less of a fashion-forward type of person, so it's like, "I know I wear a large. Click. I'm going to get that." It's a little easy.

Patti: I don't know, Kristopher. You're looking pretty good.

Kristopher: She dressed me this morning.

Patti: Attaboy. Good. Matt, what do you think?

Matthew: One of my favorite spots to go is Trail Creek Outfitters. They have this place in Glen Mills. They're an outdoors store, so they sell equipment for hiking, and snowboarding, and have jackets and that sort of thing. They opened their second store in Kennett Square somewhat recently, right before the pandemic.

They survived through it as the community came together and shopped there frequently. It's a great spot to get Christmas gifts. I feel like I've gotten my sister fuzzy socks from there for the past four years. It's a good spot to get gifts.

Patti: No kidding. Fuzzy socks, Carrie Brennan, here you come. Good deal. Thanks so much. All right, Jessica.



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Jessica: I can't say I've done too much retail shopping, but Amazon would be where I would go for retail. The other kind of shopping I've done is obviously grocery shopping, and it went online. I can say I've utilized that pick your cart, schedule your time to pick up, or have the delivery person bring it to your front door.

Patti: That's very interesting.

Jessica: During the pandemic, they pumped up that.

Patti: Did you have any trouble, in terms of being able to go online, get the orders in? Was it days and days before they could...?

Jessica: During the pandemic, it was difficult to find the right time for when you wanted your groceries delivered, or finding the groceries you wanted. There were a lot of shortages. Now that the pandemic's over, it still works for me to do the online delivery.

Patti: Excellent. Bernadette, how about for you?

Bernadette: I definitely believe malls are dead. I'm with you, Patti. I don't like buying things online. I'm tall, and inevitably, the sleeves are too short, pants are too short. The pro side of the pandemic with our wardrobes, as you know, it was...

Patti: Sweatpants.

Bernadette: From here up, we looked great, and from there down, we were wearing sweats. The online things I did buy were more sportswear geared. That is, across the board, an easy size.

Patti: Let's talk a little bit about some of the services that we were receiving before the pandemic, things shut down, and then now, they're back open again. Matthew, why don't you step up and tell us a little bit about your experience, what you did, and what you're doing today?

Matthew: My hair's pretty important to me. As you could tell...

Patti: Let me tell you guys. If you're watching this, you can see this guy's got a head of hair. Wasn't necessarily the reason he was hired, but certainly didn't hurt.

Matthew: Before the pandemic, I usually get my hair cut about once a month. Once the pandemic hit, I had to get haircuts from my dad. He would give it to me, which didn't turn out very well, because I usually to go to Cruisin' Styles here in West Chester.

My barber, Dom, we went to high school together. He's a few years older than me. They had to shut down from March until June. They had three months where they weren't



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allowed to operate at all, weren't even allowed to go into the shop.

Patti: Good for your barber. Good for them, because they are in a minority. Of the businesses that failed as a result of the pandemic, salons – hair salons and nail salons, number one and number two – those were the ones that ended up failing more than any other type of business.

That says a lot about the person who owns your barbershop and where you go. They're good business people as well as styling really well.

Thank you so much. How about you, Bern? How'd you do it? We women, we tend to have to do our dye, and our highlights, and all that stuff.

Bernadette: I know. It was terrible. Vanity had to go out the window. Obviously, we weren't getting highlights and our hair was all getting longer. I do want to give a special shout-out to the salon I go to in Newtown Square, Prive.

My heart went out to these stylists. We know we book six months out. Those appointments are sacred. Based on what was happening with the governor, they were sending rescheduling two times, three times, four times. They were trying to rebook people.

Then, they had to completely clean out their salon and put in the dividers. Every other chair could be used and only three people in at a time. They make all their money cutting hair and styling hair.

To your point, Patti, I don't know that they were ever able to recoup enough in whatever stimulus payments went out. They suffered. The most I could say is I told everybody about Prive so that when things started opening again, they were hopping.

In terms of coloring, it didn't happen. It was what it was.

Patti: You know what I'm hearing from all of you? What I'm hearing is relationships, the importance of relationships. It is so interesting. I know that during the pandemic, we wanted to do something special for the hospital, the frontline workers in the hospital. They were there working double shifts, etc.

At Key Financial, we made the decision as a company to get everybody in the hospital. We took care of lunch one day. It was the coolest thing in the world to be able to do. We called Carlino's and asked them to cater a lunch for like 300 people.

I got to tell you, they rallied. They rallied, they pulled it together, they were incredibly generous, and they were so grateful for the fact that we called them and wanted to make



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sure that we were supporting a business in our own community.

They, too, suffered as a result of the lockdowns but have come out of it because of people like you and all of us who are listening to this podcast today.

If I can pull this all together for all of you, when it comes down to it, whether you're starting a small business selling products or services, if you're thinking about going out on your own, remember, we are all human beings. Relationships matter. They really do.

What is it that's going to differentiate your business from everybody else? Is it going to be faster? Is it going to be of higher quality, lower price? Ultimately, it's what we say to our clients, our customers that ultimately makes the difference in the end.

For all of you who are listening, let me take this moment to say thanks to all of you for doing so. It means a lot to us. We feel a special relationship to all of you. Thank you so much for the emails. Thank you for going to our website, asking the questions, helping us to make this content the kind of content that you want to listen to time and time again.

With that in mind, please, go to our website at keyfinancialinc.com, log on, go around. There are lots of resources there. There are white papers if you want to learn about certain things. We've got like 80 podcasts on all kinds of topics.

If you have a question, feel free. Send us what you're thinking about. What would you like to hear about, what would you like us to address because we're here for you. Thank you so much for joining us. I hope you have a great week. Take care.



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