



The following is a summary of our high-level relief and planning measures to help you manage through the current lockdown period and plan for the post lockdown period.

These are general observations and as every business will have different needs and challenges, it is important that you seek help and advice.

We have also issued separate updates of the Government assistance measures. As you will appreciate, these measures are subject to change, so we recommend that you stay up to date with the Government announcements as much as you can or contact us should you require more detailed information. We also suggest that if you meet the criteria that you should consider making an application for assistance. These updates and the application process can be [found here](#) on our website.

1. Develop a Plan

Follow the principles of sound corporate governance to ensure that the risks to your business are mitigated as much as possible. Create a plan that identifies what your risks and challenges are and how you will manage them.

This plan should include the following:

- Challenge your thinking; it is a time to innovate and introduce smart thinking and ideas.
- Review your future strategy even though there is so much uncertainty. What we can be sure of is that this challenge will be with us for more than just a few weeks. While this situation presents many challenges and threats it can also present opportunities.
- Look at what you can and cannot control and how they impact your business.
- Determine the expected business risks.
- Determine how to manage your employees.
- Determine how to manage your customers.
- Determine how to manage your IT requirements and security.
- Determine the likely financial impact on your business.
- Establish what actions you are going to take and what help you require.
- Have a Plan B especially if we face a full global economic or prolonged downturn.

2. Risk Management

- Document all perceived risks, both internal and external and how best to mitigate.
- Undertake a risk review of your clients and the work you undertake for them.
- Consider how these risks may change over time, especially if we have a longer - term recovery.

3. Employee Management

- Remember you have a duty of care to your employees and yourself. Consider their needs during and post lockdown and assess what additional measures you need to take regarding their well-being and the workplace that you provide.
- Lead and encourage team communication during the lockdown. Communicate your performance expectations and get them involved in a review of what can be improved in the business.
- Consider whether you can retrain or redeploy staff into other areas if necessary.

4. Customer Management

- Maintain communication with your customers, remember you will need them to continue doing business with you.
- Review what potential risks they may have and how this impacts your business.
- Identify how you may be able to help them.
- Consider the effect of the virus on your supply chain and plan for contingencies around supply interruption - are you going to be able to access goods and what delays should be considered.
- Review contracts to determine whether you can rely on force majeure or other relevant clauses.

5. IT Management

- Are your current systems appropriate.
- Have they been reviewed especially regarding Cyber risks and back up security.
- Are you set up for video conferencing.
- Do you have policies regarding security of files under remote working environments.

6. Cash Flow and Financial Forecasts Management

- Revise your budgets and forecasts, modelling best and worst-case scenarios.
- Analyse significant impacts on turnover and profitability.
- Determine your critical and most profitable services / products and review the resources required to produce and deliver these.
- Ensure you have the means to continue producing and delivering these products /services.
- Suspend high-cost-low-revenue operations.
- Consider the impact of lower margins.
- Diversify your customer and product base if possible.
- Consider strategic partnerships, especially if they allow entry into a new market or provide more security for your current markets.
- Review your foreign currency exposures, especially if you are an importer or exporter, and discuss these with your bank.
- Look at ways to cut costs in the immediate short to medium term.
- Review any securities that the business has provided and consider the impact if they are called up.
- Speak to your financiers about placing loan repayments on hold, re-scheduling debt or converting to an interest-only facility.
- Consider alternatives forms of finance or capital. Look at possible increases in funding lines, even if you don't need them now, they may be helpful if the problem goes on longer than we hope it will.
- Discuss the lockdown with your landlord and ask for a rent holiday or temporary rent reduction, especially if you have clause 27.5 and cannot access the premises.
- Consider the sale of assets that are surplus to requirements.
- Review your future investment plans and defer non-essential capital expenditure.

- Manage your working capital by collecting receivables and optimising inventory levels to enable the building up of cash reserves. This may require offering customers an incentive to pay or an instalment arrangement.
- Defer making provisional tax payments and address tax pooling options.

7. Understand What This all Means and Develop Your Next Steps or Action Points

- Document the key issues and how best to overcome these via an action plan.
- Determine what help you require from your advisors and the bank, including funding under the Government Guaranteed Finance Scheme.
- Talk to your advisors and ask for help.
- Make sure you have good quality information to hand to allow you to make sound business decisions. Get your management accounts up to date so you are dealing with live rather than historical information.
- Update your cashflow forecasts regularly and understand them.
- Maintain regular management and planning meetings.

8. Post Lockdown Challenges

- The COVID -19 crisis will change the way society and businesses work. When the immediate crisis is over, consider how the economic landscape has changed and what can be improved in your business.
- Prepare a plan for the end of lockdown and the current 12-week wages subsidy period, as it is likely that there will be significant cash flow and operational challenges.
- Consider what you can do to stimulate growth back into your business and the broader economy.
- Consider what steps you can take to better protect your business from future interruptions of a similar scale.
- Consider how to fund your expected working capital requirements as expenses will increase but revenue receipts will lag. This may require additional banking facilities and retention of current cash reserves.
- Review, update and monitor your performance, risks / challenges and your planning.
- Be prepared to change and adapt.

9. Consider Defensive Measures

- You may need to consider more extreme defensive measures, such as requesting your bank to allow you to put repayments on hold. In the event of a default and as a last resort you may need to consider Voluntary Administration or, if you are insolvent, possibly even liquidation.

These are unprecedented times and in such times of adversity people tend to come together and to help each other.

We are here to help you and if you have any questions about how to navigate your way through these difficult times, then please contact one of our directors.