



MANAGING YOUR BUSINESS While in Lockdown

Top Tips for Working On Your Business



COVID-19 has made big change happen in a short space of time – and its impact reaches far and wide.

For businesses, this impact has been particularly harsh. While your business might have been through a downturn before, this situation is unique. It isn't lack of work, but an inability to go to work that's causing issues – unless, of course, your work is deemed essential.

We've put together some tips to help you. We know looking at budgets and forecasts can be overwhelming, but that's what accountants, banks and other experts are there for – so don't be afraid to ask them for help and advice, or check out their online resources.

1. Essential Service

Can any of your work be considered essential? See if you qualify to register as an essential service at this [link](#). If you do:



TRY THIS:

- Make sure you update your website and/or Facebook page and let any relevant customers know.
- Look at your Health & Safety Plan – this will now need to take into account COVID-19 and any threat to your team or your customers.
- Be aware of pressure from some customers to also carry out non-essential work. Have a response prepared in advance, so you aren't caught on the hop.

2. Understand your Cashflow

Cash is King and every business will need to address its cashflow – how much is coming in and going out – due to reduced or no workload and continuing overheads. You might also be facing slow or non-payment from customers. Even your regular customers may have come under financial pressure, impacting their ability to pay. And this, sadly, may carry on well after lockdown finishes.



TRY THIS:

- Do a cashflow projection for the next three months. Cater for various scenarios, like slow payment from debtors. It's important to revisit it each week and update it with Actuals. There are plenty of guides online to help you do this, so don't be shy about getting on Google or watching some videos.
- Contact your accountant if you need some assistance. It's good to involve them early.

3. Check that Budget

If you haven't done so already, look at your budget to find out what income you'll need to keep the business running (or breakeven) at your current staffing levels. This, paired with a workflow forecast of what may be in the pipeline, will help guide you on the workforce size you need to maintain in the short-term and the long-term.



TRY THIS:

- Check out the information in your accounting package, as this may help give you an idea of what it costs to run your business at current staffing levels if you are unsure.

4. Talk to Your Team

People are key to the success of any business so talk to your staff. This is a time of great anxiety for everyone – and your decisions directly affect them. Staff will also be more motivated if they feel supported and part of a team.



TRY THIS:

- Ask their opinion – you may be surprised with some of the solutions they come up with.
- Keep them informed. If you are having problems with cash or facing layoffs, let them know. They may be willing to take a reduced income to help, or those without families and financial commitments may put their hand up first to be laid off. Also, let them know about wage subsidies available from the government.
- It would also be wise to review employment agreements and policy documents early, so if you do have to lay off staff, you follow the correct procedure.
- Before talking to staff, take a moment to catch your breath and think about what you want to say. As a leader, people are looking to you for cool, calm leadership.
- However you approach things, do it with compassion and care.

5. Customer Care

Even though there may be issues with payment, it is important to stay focused on your customer. Because once work starts again, you're likely going to face a lot more competition for jobs.



TRY THIS:

- Identify your top customers and make contact early to find out how they are and offer support.
- Share any relevant information with them that you have found useful.
- Find out what future work they may still have coming up. This will help with your workflow forecasts.



6. Contact Your Bank Early

Banks are happy to support businesses, so contact your bank manager to see what options are available. Send your cash projections to them, key information such as debtors and creditors, along with a snapshot of where your business is at now and in the future.



GOOD TO KNOW:

- Banks don't want to hear from you when you've run out of cash. They want to know well in advance, as this gives them confidence in your business model and means they can give you advice before things get out of hand.
- Investigate loan and mortgage holidays or lease relief options, so you have the right information to make informed decisions.
- Involve your accountant early on.

7. Review Your Business Plan

Review your business plan if you have one. If not, now is the perfect time to do one. Focus on the external environment and how the effects of COVID-19 may affect your business and your clients.



TRY THIS:

- Identify ways your business can adapt, such as positioning it to take advantage of an increasing government spend on infrastructure and schools. There are plenty of guides online to help you create this. Check out business.govt.nz or other sites such as your own bank for other tips and advice.

8. Systems Check

While business is quiet, take the time to do a review of the IT systems you use – how could your business adapt through using technology?



TRY THIS:

- What works well and what doesn't? What have you learnt by working remotely that you could potentially bring into the business after lockdown ends?
- Do you have an accounting package, health and safety, and job management software? Maybe now is the time to research options?
- What do your suppliers link in to?

Every business will need to work their way through their planning in their own way – but having a good knowledge of what your business requires to survive, and grow again, will make life much easier when you can finally get back to work.