

COVID-19 Survival Plan

Businesses need to make decisions as to whether they are going to submit applications for access to those components of the stimulus package that they are eligible for, including: -

- Apprentices / Trainee Subsidy
- JobKeeper Payment Scheme
- Loan applications in conjunction with the Coronavirus SME Guarantee Scheme
- Other assistance

You do not have to apply for the “Boosting Cashflow for Employers” which will be automatically processed by the Australian Taxation Office when you lodge your Business Activity Statement for the month or 3 months ending 31 March 2020 which is due for lodgement by 28 April 2020.

In addition, each of the State and Territory governments has released their own stimulus packages and it is advisable to review those to determine whether you need to submit an application or register.

The problems being caused by COVID-19 will not last forever and it is appropriate that you start the process on the development of your COVID-19 Survival Plan so as to ensure your business gives itself the best opportunity of surviving this crisis and being ready to *“come out of hibernation and get right back into the game when the crisis ends”*.

Your COVID-19 Survival Plan will assist in restoring confidence in your organisation and building your business for the challenges of the future. Where do you start? Here are just a few suggestions: -

- If you've not already done so, prepare an estimate of your expected sales revenue on a weekly basis for the next 6, 12 and 18 months – and apply scenario planning – expected position and worst-case position;
- Review your staff cost relative to your income projections. Then decide whether any of your team members are or will be surplus to your requirements;
- Give consideration to the JobKeeper payment scheme (if you consider that you'll be eligible and you wish to apply for it) which could provide \$1,500 per fortnight per employee; however, the government's subsidy payment is being paid one month in arrears – how will this affect your cashflow;
- Consult your HR adviser on the strategies that you should adopt with your team members;
- What is your supply chain situation – are you going to be able to receive the quantities of product that you require to meet your sales expectation;
- Communicate with your suppliers – try and negotiate lower costs and longer payment periods;
- Communicate with your landlord for a reduction in rent – if your turnover has reduced by 30% you're eligible to apply for the JobKeeper program.
- Review debtors and immediately contact any customers who are taking longer to pay you than your stated payment terms and try and negotiate some mutually workable arrangements – they too are most likely suffering cashflow issues too;
- Review stock - identify old or hard to sell stock and organise a “sales promotion” to try to convert that “dead stock” into cash;
- Review the business assets – do you have assets that are not being used on a regular basis? Could they be sold to generate cash for the business;

- Prepare a Budget and revise Cashflow Forecasts and, if your forecasts show that you'll need additional funds for working capital purposes, give consideration to the submission of a loan application to your bank for a loan of up to \$250,000 under the Coronavirus SME Guarantee Scheme;
- Review costs – what savings could be instigated;
- Create a COVID-19 coronavirus disaster team which would meet daily to consider issues, government announcements and review the implementation of strategies;

Please click on any of the following links that provide further useful details and checklists on this topic: -

- [A COVID-19 Survival Plan checklist – here;](#)
- [A COVID-19 Business Impacts Analysis checklist – here;](#)
- [Your COVID-19 Business Battle Plan questionnaire – here;](#)
- [CCIWA Business Continuity & Disaster Recovery Workbook – here;](#)
- [Detailed Summary of Business Tips to Assist SME's – here;](#)
- [CCIWA Workforce Options during COVID-19 – here;](#)
- [CCIWA COVID-19 Employer Guide – here;](#)
- [Commercial Tenancies \(COVID-19 Response\) Bill 2020 Explanatory Memorandum WA – here;](#)

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