

# Getting Back To Business Toolkit



## Step 1: Business Review

COVID-19 and the resulting lockdowns have challenged long-held business assumptions and rules of operation. It will be important to review our Help Sheet on *What Makes a Successful Business* (click [here](#) to view) and review the *7 Actions Businesses Need to Take Now* (click [here](#) to view), a guide produced by multinational computer technology corporation Oracle to help you assess which areas of your business needs attention.

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## Step 2: Scan the Horizon

How has the pandemic changed your industry in terms of the products and services you provide, the value you add, the way customers now buy your products and services, the methods of delivery to customers and the changes it has made to your customer base?

These will be structural changes to your sector, disruption from your competitors, supply chain developments, the processes you use, technological developments and you will need to respond to them all in order to survive and thrive.

This may include technological changes in the way you communicate with your customers and your staff. It may also challenge your place of work as more staff may prefer home working and what will you need to implement to make all this possible going forward.

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## Step 3: Business Activity Level

Sales levels and the future assessment of how these will stabilise and grow over the coming months will be vital to your success. Discuss the current business climate with key customers and key suppliers to gain further reliable insight into market conditions.

Assess new revenue streams and the likely recovery period of the customer base and suppliers. A realistic assessment of future sales and future cash flow is essential to determine the size of your business in the short to medium term, its staffing levels and the overhead you will need to deliver products and services to your customers.



## Step 4: Review your Economic Model

Businesses need to reassess their current approach in the light of changes in the market place including:

- Online and technological changes
- Do your products and services still add value to your customers?
- Pricing
- Variable costs
- Wages
- Overheads
- Net profit
- Does pricing need to be reviewed?
- Do variable costs including hygiene and safety costs need re-assessing?
- Do your processes and procurement process need to be reviewed in the light of the new norm?
- Do wages costs need to be reviewed in light of forecast sales levels?
- Do you need to cut overheads to bring net profitability back in line?

Current change/improvement projects should be reviewed to establish whether they are still relevant or whether new initiatives are now required to meet the needs of the business in this new environment including in respect of the use of technology and could the business be pivoted.



## Step 5: Prepare your Financial Forecast

Companies need to be able to forecast their finances and monthly cash flow to assess future profitability and how much funding you may need over the next 12 months as staff are unfurloughed and deferred payments such as VAT, income tax and PAYE are brought up to date by 31<sup>st</sup> March 2021 and deferred supplier payments and overheads payment plans are brought up to date.

Applications to funders can take eight to 12 weeks to put funds in place so these forecasts need to be completed in good time.



## Step 6: Scenario Planning

Following the review of your economic model you will need to undertake a wide range of scenario plans as various potential future outcomes will need to be considered because planning over the next 12 months will be much more difficult to do as there are so many unknowns in the economy and in your particular sector.

Updating your forecasts every month based upon better and more up to date information will be essential to firm up your future plans and ensure that they are based upon sound assumptions.

### Links

The CIMA Business Recovery Toolkit (click [here](#) to view) contains:

- The CGMA Horizon Scanner
- The CIMA Strategic Scorecard
- The CGMA Business Model Framework

We have provided **Financial Forecasting and a Business Modelling Service** to our clients for over 25 years including developing excellent relationships with banks and funding bodies and can support you in assessing the economic impact of the pandemic in your particular business sector, securing finance and preparing various financial scenarios to help guide you through the next 12-24 months.

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