

## SMALL BUSINESS EMERGENCY ACTION PLAN

Not all businesses are going to survive the next three months. If your customers are in isolation and cannot get to you or you cannot deliver or they cannot pay you, there is the reality of reduced or no sales for the next three or so months and even beyond if the virus remains.

The situation we face is one we cannot change. Accept that.

It is the same for everyone - we know because our business depends on your success.

What you can do is stay healthy and ensure your loved ones are too. After all, if the business closes down and you are healthy you can start again.

We believe in planning for the worst and hoping for the best.

**So, here's what you need to do if your sales are going to take a hit.**

1. Stay healthy, follow the Government guidelines for you, your family, co-workers, employees and community. Work from home where you can manage administration.
2. Work out your expenses (including salaries) for the next three months.
3. If you are in retail – work out your breakeven point by dividing your costs by the Gross Profit margin. That's the sales figure you have to achieve to cover expenses.
4. If you are in the service sector add your expenses to how much do you need to live on and that's the breakeven point in terms of billings or fees you need to charge over the next three months.
5. For hotels and restaurants work out the number of covers or rooms you need to sell to cover expenses and salaries. For manufacturers work out product sales and do the same calculation.
6. If it looks like you are not going to be able to operate at break-even look at your cash or bank balances – have you got sufficient money saved to survive after paying anyone you owe money?
7. If you need help in doing these calculations talk to us immediately – we can calculate these figures for you. Without them you cannot make clear decisions.
8. Once you have a grasp on your figures and you consider you have a “viable” business (i.e. you can survive):
  - a) There is Government support in the way of a business rates holiday, Small Business grant funding of £10,000 for all businesses in receipt of small business rate relief or rural rate relief, Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000, A Business Interruption Loan Scheme to

support long-term viable businesses who may need to respond to cash-flow pressures by seeking additional finance and HMRC Time To Pay Scheme.

- b) We will provide you the information and guidance on how to apply to this help and if you qualify.
- c) Talk to your bank if you have loans or an overdraft. They will be supportive of viable businesses.
- d) Get your members of staff involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- e) Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- f) Get rid of won't pay customers.
- g) Review your debtors list and chase up overdue invoices (if appropriate).
- h) Offer existing debtors extended payment terms and/or discounts.
- i) Agree extended payment terms with all suppliers in advance.
- j) Put extra effort into making sure your relationships with your better customers are solid.

9. If your business is not viable – talk to us and we will run through the options.

**Above all stay strong! Remember your health and welfare is more important than anything else just now. We will help you every step of the way. Together we will beat this!**