

Practical tips for navigating your business through snap lockdowns

By Danielle Zavone

3 August 2021



Snap Covid-19 lockdowns across the nation are seeing more business owners struggle to keep afloat. With vaccines now developed, there is light at the end of the tunnel. However, until we achieve the magic vaccination percentage, lockdowns in some form will be a big part of our everyday lives. Until then, how do you ensure your business makes it through to the other side?

Practical tips for navigating business through snap lockdowns:

1. Understand the financial support available

With lockdown restrictions varying across the states, it is not a one size fits all approach to financial support available. There are various grants and financial assistance packages available from each individual State Government and the Federal Government.

2. Monitor your cashflow and revise your budgets

When it comes to budgets during lockdowns, plan for the worst-case scenario. If you have no revenue, what are your fixed costs that are unavoidable? You still need to ensure you have your normal annual budget in place, but also prepare a short term cash flow budget (both monthly and quarterly would be ideal) that factors in the Government financial support your business is eligible for. If this financial support is not sufficient to meet your current overheads, review your cash reserves and get in touch with your lenders. Review your creditor and supplier terms and take advantage of any extension offers.

3. Check in on your business culture

Your employees will also be feeling uncertainty during this time. They will be a key part of keeping things afloat and also transitioning to the 'COVID- normal' once lockdowns are lifted. Consider ways you can support your employees during this time. Can you offer more flexibility? Is your team set up to work remotely where possible? Consider increasing communication and be open with your team about the business plan throughout this period.

4. Review your technology

Whilst investing in new technology and online platforms might not be feasible during such an uncertain time, spending some time reviewing the way you use your current technology may identify areas to increase efficiency. COVID-19 has changed the way many people work. Remote working will form a large part of the way many industries operate moving into the future. Is there anything you can do now that can optimise the use of your existing technology without incurring additional costs?

5. Reach out to your financiers

Most finance providers are offering some financial assistance by way of principal and/or interest deferral periods. Reach out early and work with them to develop a short-term strategy which can help your business manage its cashflow. Consider your business strategy to move back into business when things shift to the 'Covid- normal' environment once lockdowns and restrictions are eased. Remember that payment deferrals are just that, a deferral. Ultimately that payment will still come due in the future.

6. Consider your business plan in the 'Covid-normal' environment

There aren't many businesses that have not changed the way they work to some extent in the COVID-19 environment. Some of the changes may become more permanent as we see a shift to remote working and increased employee flexibility. Managing these hybrid working models will create challenges, specifically for future office space requirements and commercial premises. Now is the time to review your overhead cost structure and think practically about what your business will look like post-COVID. Review your current lease agreement and renewal dates to ensure you are not paying more rent than you need to. Is there any option to share leased premises with another tenant also looking to downsize? If your renewal is coming up, consider your long-term requirements in the post-Covid environment and negotiate accordingly.

It is also worth considering if there will be any other significant changes to your operating model and overhead expenses. For example, will you need to invest more in technology in the future to operate in online platforms? Will your staff need additional training to adapt the way they work in this new environment?

These snap lockdowns can provide business owners with some down time to consider how the business might look well into the future and how they can adapt to optimise these changes.

If you would like to discuss this further please contact your [Fordham Partner](#).

This information has been prepared by Fordham Business Advisors Pty Ltd (Fordham) ABN 77 140 981 853. Fordham's liability is limited by a scheme approved under Professional Standards Legislation. It is general information only and is not intended to provide you with advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This information is believed to be accurate at the time of compilation and is provided in good faith. Fordham is a subsidiary of Perpetual Limited ABN 86 000 431 827.