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MANAGING THROUGH COVID-19 AND THE “NEW NORMAL”

WHAT ARE THE STRATEGIES AND OPTIONS FOR BUSINESSES?

You are probably flat out dealing with grants, suppliers, customers, employees and doing the day job. We cannot think of a time where businesses had so many difficult choices to make. We also have been incredibly busy making sure you are informed, prepared to survive the pandemic, and prosper in the future. We have also been helping our clients with Government supports and ensuring as many of our clients survive as possible.

As we enter week 6 of the crisis we have concluded that there are now 3 choices for businesses that are not already surviving and prospering online:

- Pivot or repurpose
- Cocoon
- Liquidate

We are here to help you manage as best you can through the crisis and plan for the future. If you want to have a conversation to discuss anything in this article [please do get in touch.](#)

Pivoting or repurposing a business

For businesses which have been impacted but can continue to trade they have two options available:

- Continue providing the same product / service in broadly the same way to the same customers (e.g. restaurants providing take away service and schools giving classes online) or;
- Repurposing or Pivoting the business to provide a new service which is now in high demand (e.g. manufacturing businesses making PPE and leisure centres providing space for testing facilities)

We can help you navigate any changes in your business and understand what the impact may have on current and future financial performance. Given that repurposing involves a big change in the business there are likely to be many things including approvals, permissions, and supply chains to consider which we can help with.

This is also an opportunity for businesses to review their vision, strategy and how they are going to adapt to the changing business environment. We are using a simple, quick, and highly effective approach called a One Page Plan© which can help adapt to the new normal. Let us know if you would like to have a conversation about this.

Cocooning a business

Cocooning, or mothballing, is a temporary suspension of a business and can be the result of sales reducing to zero (or nearly zero) with no prospect of this picking up in the short term. All cash outflows where possible are stopped or reduced and the business is left in a state which it can emerge from once the prevailing business conditions improve.

Doing this means the business owner can delay taking a decision on what to do next for 2 months – whilst the key government support schemes remain in place.

Businesses should consider the financial impact of cocooning versus staying open (if that is possible), options for repurposing / pivoting as well as the impact on customer and suppliers. We can work with businesses to understand what costs can be cut and how to do it so the chances of emerging successfully post-crisis are maximised.

Liquidating a business

For businesses who have been critically affected by Covid-19 (e.g. revenue has dropped to zero) these are categorised into two groups:

- Fundamentally sound; and
- Previously experienced periods of stress or distress

For businesses that are fundamentally sound, it is hoped that these can be cocooned or repurposed so that they can recover when conditions improve. They are able to take advantage of Government supports such as CBILS, CJRS, VAT and other tax deferment and business rates support as well as rent reductions and other cost cutting exercises.

Businesses who have been critically affected and who have previously experienced periods of stress or distress are unlikely to get CBILS support. They may still benefit from other government support such as CJRS and BLS which will keep them going in the short term, but they are more likely to go into liquidation than emerge successfully after lock down. These businesses should seek expert advice now as there may still be options available to the business owners.

Planning for the future

What is the “New Normal?” It is the most important question, but no one can predict the length of the crisis and what will be the outcomes post lock down. What is certain is that the best way to predict your future is to create it!

We have the One Page Plan© process to help your business adjust to the changing times and prosper post lock down. We cannot guarantee how things will work out, but we do know taking some time now to think about the future may lead to new opportunities and help focus your actions.

Talk to us if you want to create your future – our success depends on yours!