

**CORONAVIRUS (COVID-19)**

# **BUSINESS PLAN**



**pmw.**  
**plus**

65 Hill Street, Orange NSW 2800  
T 02 6362 1966 | W [pmwPlus.com.au](http://pmwPlus.com.au)

## BUSINESS PLAN

# CLIENT COVID-19 CONTINUATION PLAN

## Introduction

As a business owner, it's important to understand what potential impacts your businesses may experience during this uncertain period. It may present an opportunity to set your business up for the future.

Remember that while cash flow is under control then so is your business. It is important to continue to work on your business so you can identify potential areas of disruption and opportunities for positive change.

If you take actionable appropriate steps to plan, then in reality a downturn is just a stop gap to the next upturn, where your business will be cash flow fit and ready to take full advantage.

Here are some key areas to consider:

1. **Funds** – Consider holding some of your profits in cash to potentially help you through the next few months. Determine what other funds you have access to, for example, stimulus, rebates and concessions.
2. **Protection** – It's very important to review strategies to protect the equity in your family home and other assets in personal names. You may also consider updating your Enduring Power of Attorney (EPOA) and Will, and let your family know where the original signed copies of these are located.
3. **Employees** – Determine what your workplace obligations are, for example to employees and a healthy working environment. Communication with your employees is important, they need to be reassured by you and given an understanding of your plan.
4. **Customers & Suppliers** – Clear communication is needed so that customers have peace of mind and understand its "business as usual" where possible. Open up your communication channels (if you haven't already), to confirm the strength of your supply chain and your operations so you can continue to trade.
5. **Mental Health** – This may be a stressful time for you and your employees. Here are links to support services who can assist you emotionally through this time.
  - a. [Beyond Blue](#)
  - b. [Lifeline 24/7 Support Service](#)
  - c. [NSW Mental Health Line](#)

---

*Remember, we at pmwPlus are here to support you and your business through this period. Should you have any questions or concerns, please don't hesitate to call us on (02) 6362 1966*

---

# A CHECKLIST TO CONSIDER

## Maximise Cash Receipts from Stimulus Package

Review the Australian Government stimulus package for business cash flow. Identify which parts of your business are eligible for assistance and get the process started to obtain these cash flow bonuses.

There may be some opportunities to restructure how business owners receive wages payments so that your Stimulus Package amounts received are maximised.

## Cash Flow Preparedness

Understand what your cash flow potentially looks like over the next 6-12 months. You need to know your cash position to make informed decisions. For example, if additional bank funding is needed.

## Consider Delaying Tax Payments to the ATO

Keeping your business alive means paying your employees, their superannuation, your key suppliers and your rent. You may need to delay making payments of GST, PAYG Withholding Tax and Employee PAYG Tax to the ATO.

Consider setting up a second bank account (separate from your main trading account) and each week transfer cash for these payments across into it. You can then dip into this cash reserve when required.

ATO Tax Relief Options:

*Important: It's vital you keep lodging your Business Activity Statements (BAS's) and Instalment Activity Statements (IAS's) by their due dates and negotiate a delayed payment with the ATO, otherwise the ATO may view the PAYG withholding portion as non-compliant and you will then lose you tax deduction for these amounts.*

## Consider Funding if required

Determine what your funding options are and consider contacting your bank to begin the process if necessary. A reminder that bank approvals may take up to six to eight weeks or longer, so consider the timing if you do require funding.

## Understand how your assets are protected

It would be beneficial to review and understand how your assets are protected so you can determine whether you need to update the current structure.

### Enduring Power of Attorney (EPOA) + Will

Consider if your EPOA and Will are up to date. If they are, ensure your family know where the original signed documents are. Your solicitor can assist you with getting these documents prepared and signed.

### Workplace and Employee Obligations

Consider the following in regards to employees and how it may impact your operations:

- Obligations under [Fair Work Australia](#)
- Understand your work agreements
- Rostering policy (consider rotating staff)
- Staff contracting the virus
- Sick leave policy

### Insurance

Review your general insurance policies for any Business Interruption Insurance inclusions. Now is the time to contact your insurance agent to review your policy to understand precisely what you are and are not covered for in the event of an extended incident.

### Review ATO Tax Relief Options

The Australia Taxation Office (ATO) is implementing a series of relief options to assist those impacted by the coronavirus. The relief will not be automatically applied. The ATO will need to be contacted to make any of the following requests for assistance.

- Businesses can call the ATO's Emergency Support Infoline (1800 806 218) to discuss relief options based on their needs and circumstances.
- Individuals and businesses can request deferral of some payments (by up to 4 months) and vary instalments.
- Businesses (under \$20 million turnover) can elect to report and pay their GST monthly instead of quarterly to accelerate access to GST refunds, but only from 1 April 2020, and must remain monthly for 12 months.
- Quarterly payers can vary their PAYG instalments for the March 2020 quarter, and claim a refund of instalments paid for the Sep and Dec 2019 quarters.
- Businesses can request remittance of interest and penalties applied to tax liabilities incurred after 23 January 2020.
- Businesses can request a low interest payment plan.
- Employers still need to meet their SG obligations. The ATO has no discretion under the SGC rules to vary the due date or waive the SGC where contributions are late/unpaid.

# YOUR CASH FLOW

It is important to remember to keep a level head, you're not alone in this and your team require you to lead them through this. This will allow for decisive and clear decisions to be made without any undue disruptions.

Remaining positive and being seen to be positive is the best way through any crisis.

## CASH INFLOWS

### Outstanding Accounts Receivable

Review outstanding invoices to identify customers who may have reason to delay payment.

### Follow Up Late Payments

Follow up late payments and communicate with customers to determine when the payment is expected.

### Unused Equipment

Be realistic about what equipment you need in your business. Consider if you can sell any underutilised or obsolete equipment that is not essential for both the short-term and long-term.

## CASH OUTFLOWS

### Fixed Term Contracts

Discuss these with Suppliers and ask if they can be amended for the short-term. Paying a supplier a smaller payment may be better for them than receiving no payment if your business closes.

### Supplier Terms

Discuss terms with your suppliers to see if you can extend your terms, have a cash reserve request or get a discount from your suppliers if you pay early.

### Reduce Costs

Reduce costs where possible. Many businesses have non-essential expenditures that in the good times seem to be needed (e.g. lunches, training courses). Be critical and if there is an expense that will not put you at risk or reduce productivity at this time, then think seriously about cutting it.

# YOUR TEAM

## Open Communication

Talk openly and often with your employees. They may be a possibility they are unsure of their position. Let them know you are in control and that while there is a tough outlook in the short term, the business is prepared to sustain things as best it can. Be honest but positive and rallying your team to give all they can is the best plan of action.

## Policy for Customer / Client Meetings

- No hand shaking – use toe taps or elbow bumps instead
- Encourage Zoom / Skype / Microsoft Teams online meetings

## Innovation + Technology

Use technology wherever you can such as Zoom, Skype, Facetime or Microsoft Teams. This is an effective way to communicate generally, however it is even more important during this time.

Note: This could be adopted in the long-term.

## Health Policies

Have measures been put in place to support good hygiene and health for your employees, including restrictions to international travel, advice on attending client meetings, site visits and events?

## Policy if Feeling Unwell

Do you have a clearly communicated policy on what your employees should do if they are feeling unwell – including seeking medical attention and isolation? What will this mean for colleagues and clients if you suspect a case of COVID-19?

## Reduce Infection Risk

How will you reduce the risk of others becoming infected, such as closing the workplace and cleaning?

## Monitoring Health

How will you monitor the health of any employees that may be exposed?

## Working from Home Policy

Consider a working from home policy. Requirements include:

- Policy Agreement for employees
- Hardware requirements
- Internet speed
- Software

- Video conferencing
- Management of data security risks
- Can you test working from home arrangements?

### **Policy on Events**

Defer non-essential face to face events and training. Reduce attendees.

---

# Your Customers / Clients

## Communication

Communicate regularly with your customers/clients through email, your website and social media pages to ensure they know you are open for business.

- Advise clients/customers of your business' COVID-19 plans.
- Do you need to inform your clients and customers of any changes to your services? This could include different opening times, delays in deliveries (the way you are delivering) or deadlines.

## Safety Protocols

Advise your customers/clients about the measures and protocols you are taking to make your premises safe and how you will interact moving forward.

## Key Customers

Offer discounts or other payment terms to your key customers to encourage them to keep buying from you.

## Unwarranted Fear

How will you respond to customers not consuming your goods or services for fear of catching Coronavirus?

## Forward Purchases

Give reasons to customers to increase their purchases of your goods and services now before the full impacts hit their business.

## Marketing

Consider strategies for winning back customers.



# Your Suppliers

## Communication

Talk to your key suppliers about their COVID-19 business plan.

## Alternative Suppliers

With international travel and export impacted by COVID-19, have you assessed the strength of your supply chain and do you have alternatives in place if you need to source another provider?

## Keep your Stock Levels Up

Stockpile essential items you believe may run out. Consider how you will find these items.

## Support from Suppliers

Which customers will need extended terms from you and which suppliers might require different arrangements? Liaise with your suppliers to determine how they can support you. For example, potentially renegotiate contracts.

---

*Remember, we at pmwPlus are here to support you and your business through this period. Should you have any questions or concerns, please don't hesitate to call us on (02) 6362 1966*

---