



Business Hub

The Business Hub is facilitating a number of free virtual workshops

www.hbbusinesshub.nz









Chatham House Rules

When a meeting, or part thereof, is held under the **Chatham House Rule**, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.







Disclaimer

- Information is changing quickly
- Take advice as required
- These are general principles for consideration, not direct advice
- For additional support contact me or the Business Hub
- RBP funding support may be available for additional business support required







'Go to' place for info

- covid19.govt.nz
- hbbusinesshub.net
- growhr.co.nz
- <u>iod.org.nz</u>
- planaconsulting.co.nz







Zoom tips

- Mic off unless you are speaking helps background noise (bottom left of screen to mute/unmute)
- Internet buffering can occur be patient (if you get kicked off, just log back in)
- If your connection is unstable, maybe turn your video off (bottom left), or close other applications that might be running

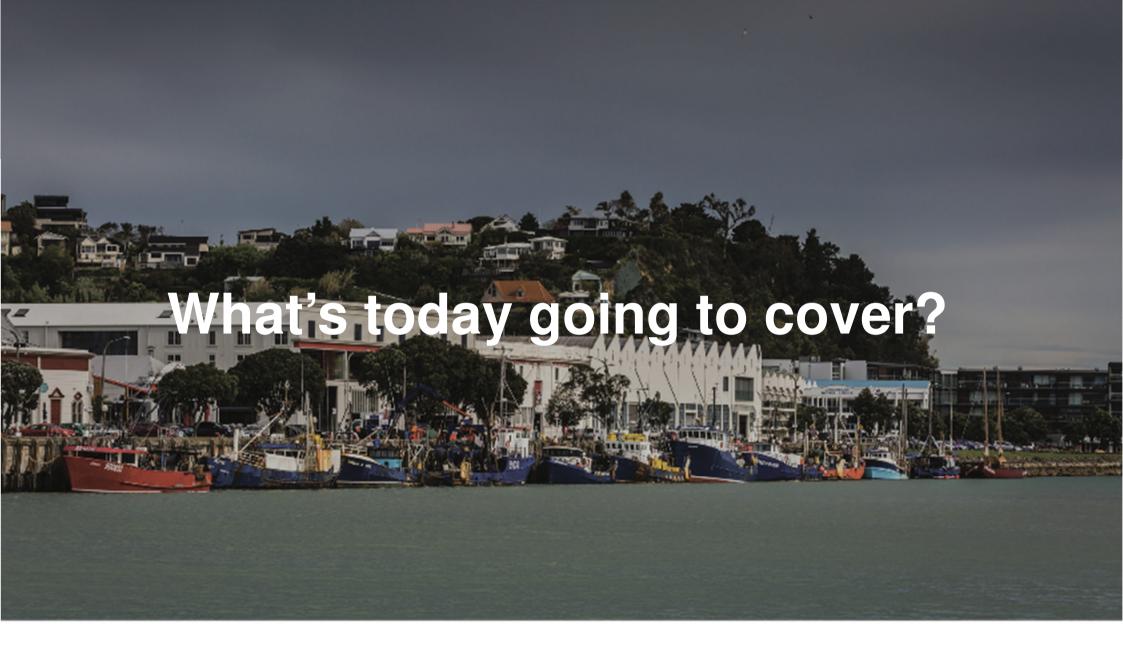














Today

- 1. Try & answer questions
- 2. Share experiences
- 3. Look at the here & now
- 4. Now to 10 weeks
- 5. 10 weeks +
- 6. Keep it simple & real



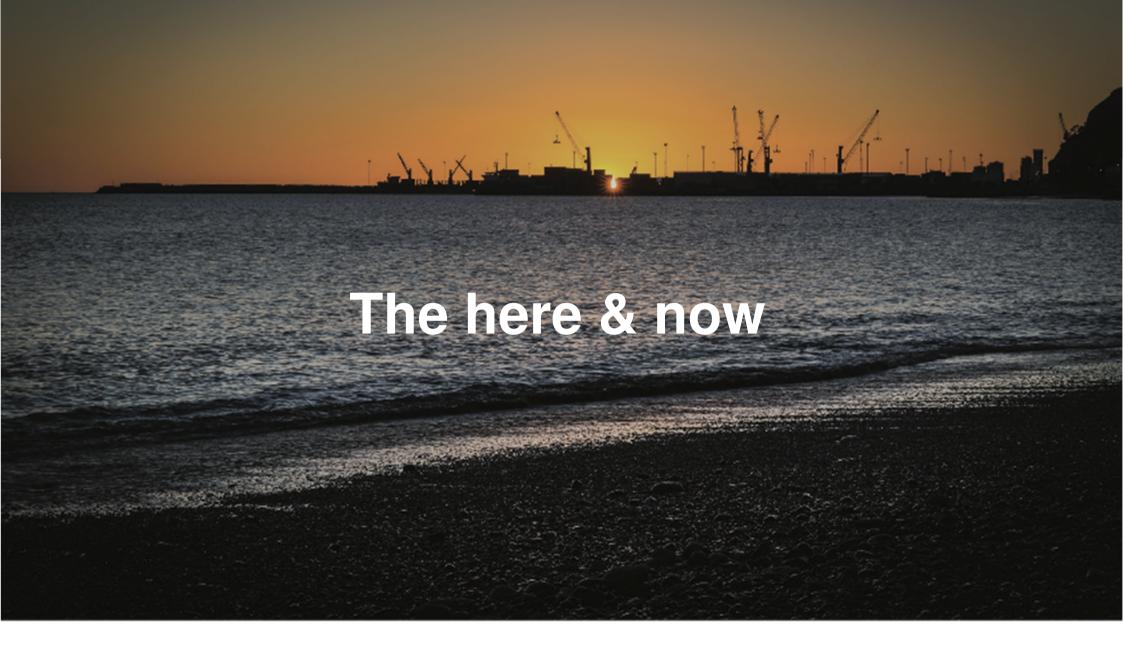




Who's on the call

Quick introduction from everyone

Questions you want answered





The here & now

- Immediate issues
- Cashflow
- Subsidy if required
- Debt management
- Advisors
- Communication







Immediate issues

- What do you need to do now
- Failure to address may put the business at risk







Cashflow

- What cash do you need in the next 2-3 weeks
- Cashflow forecasting
- Internally or accountant assistance
- Xero / Float / Spotlight / excel / paper napkin







Subsidy

- 30% decline or predicted decline (Jan2020 & 9 June 2020) (record why claimed)
- Best endeavours to retain staff & pay min 80% (covid19.govt)
- Ring fence & report on
- GST, tax
- Payroll









What some people are doing

100% / 80% / only subsidy

Annual leave

Take advice

Cash is king







Debt management

- Rent
- Asset finance
- General debt servicing
- Overdraft
- Govt Business Finance Guarantee Scheme
- Speak to your lender







Advisors

- Don't be in isolation
- Many heads offer a different perspective
- Talk to people outside your business dealing with other businesses
- Industry groups
- Accountant, lawyer, HR/ER, banker, broker, business advisor







Communication - team

- How are you communicating
 - Frequency, message
 - The other person's perspective
 - Zoom, txt, email, WhatsApp, video







Communication - external

- Customers
- Suppliers
- Decide what your key messaging & frequency needs to be
- What do they need to know







JH1 John Hutchinson, 5/04/2020

What are people doing?





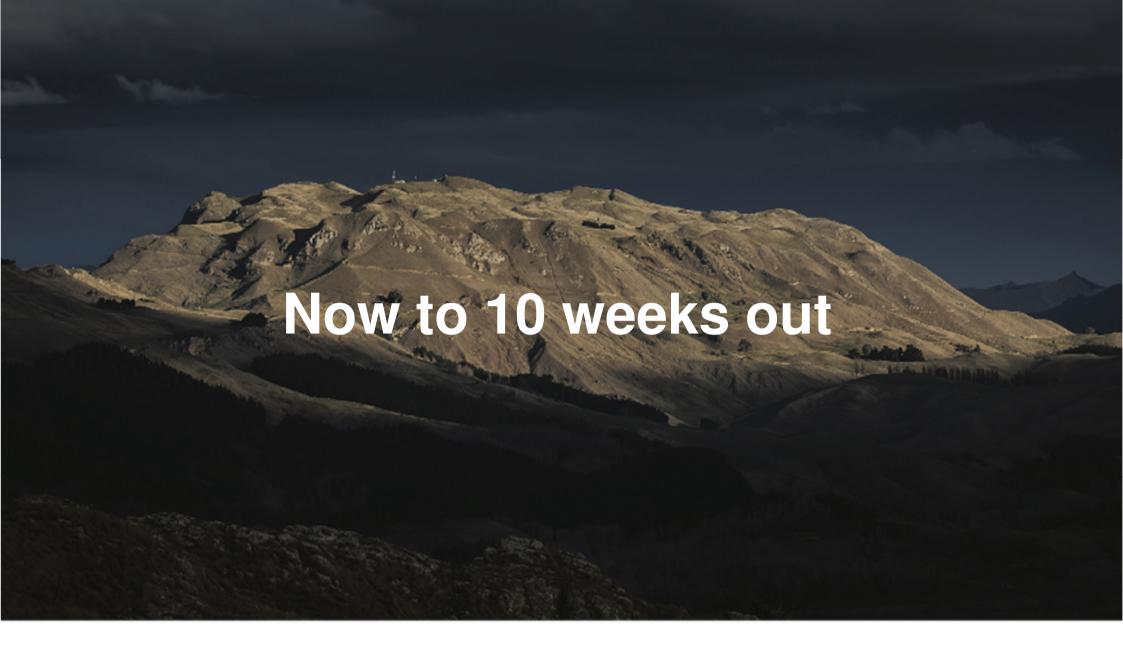


Your questions











Now to 10+ weeks

- Cashflow (in & out)
- People
- Activities
- Supply chain







Cashflow out

- Cash is king
- Expense reduction
- Where does the \$\$ come from if not trading (reserves, facilities)
- Decide on frequency of cashflow reporting







A dollar is not a dollar

- There will be limited COS unless you are an essential business (excluding wages)
- If you have no income you will have no GP\$
- Expenses are paid out of GP\$ (sale cos = gp\$)
 - \$1 GP\$ @ 50% needs \$2 of sales
 - \$1 GP\$ @ 30% needs \$3.33
 - \$1 GP\$ @ 15% needs \$6.66







Cashflow in

- Chase accounts receivables
- What (if anything) can you do to generate income, now or in the future
- Can you support essential services
- What forward work can you confirm
- Debt or funds introduced (debt is repaid by surplus cash via profits, additional equity introduced, other debt)







People

- Who can you support (internal/external)
- Who can support you
- Who can you collaborate with
- Who do you need on your team in the future
- Talk to people you work with you can't over communicate
- Ask the hard questions can you afford to keep all your

people onboard







Activities

- Planning
- Sales & marketing
- Operationally
- Finance & admin
- People







Planning

- Review strategic direction (more on that shortly)
- Confirm or review business plan for Mar21
- Look at 90 day focus
- Look at sprints to implement 90 day focus
- Do the thinking now







Sales & marketing

- Review sales plan & processes
- Review marketing calendar
- Keep profile in market
- Review digital offer
- Look at CRM processes
- Talk to customers (B2B or B2C)
- Team idea generation is there an opportunity to change

PlanA Consulting





Operations

- Unless essential service prob not too much
- Any supporting tasks that can be done (ie on-boarding, terms of trade, customer care programme)
- What can you do that will make you 'fit for purpose once we get out of Level 4 (look for small improvements)
- What is your transition from Level 4 to Level 3 & Level 2







Level 3

Level 3 Restrict

Heightened risk that disease is not contained.

Risk assessment

Community transmission occurring OR

Multiple clusters break out.

Range of measures

These can all be applied **locally** or **nationally**:

travel in areas with clusters or community transmission **limited** affected educational facilities closed

mass gatherings cancelled

public venues closed (eg libraries, museums, cinemas, food courts, gyms, pools, amusement parks)

alternative ways of working required and some non-essential businesses should close

non face-to-face primary care consultations non acute (elective) services and procedures in hospitals deferred and healthcare staff reprioritised.







Level 2

Level 2 Reduce

Disease is contained, but risks of community transmission growing.

Risk assessment

High risk of importing COVID-19 OR

Increase in imported cases OR

Increase in household transmission OR

Single or isolated cluster outbreak.

Range of measures

These can all be applied **locally** or **nationally**:

entry border measures maximised

further restrictions on mass gatherings

physical distancing on public transport (eg leave the seat next to you empty if you can)

limit non-essential travel around New Zealand

employers start **alternative ways of working if possible** (eg remote working, shift-based working, physical distancing within the workplace, staggering meal breaks, flexible leave arrangements)

business continuity plans activated

high-risk people advised to remain at home (eg those over 70 or those with other existing medical conditions).

PlanA Consulting





www.planaconsulting.co.nz

Finance & admin

- Cashflows
- End of year
- General admin
- Budgets for Mar21
- Forward currency cover







People

- Communication (internal/admin)
- CPD
- Review job descriptions
- Look at performance appraisal process
- Seek ideas
- Set realistic expectations







Supply chain

- What do you need & when do you need it
- What do your customers' need & when do they need it
- May be materials, other people, contractors, transport, storage
- Alternate suppliers
- Timelines & lead in times





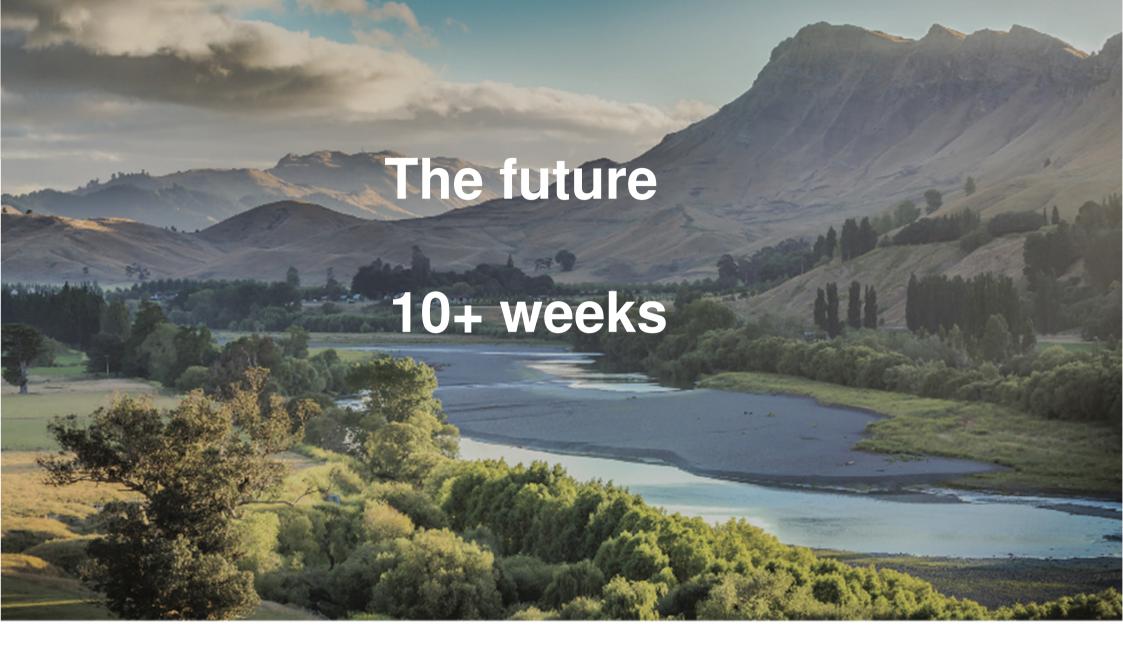


What are people doing?











The future

- What is your 'new normal' your strategy
- Cashflow
- Income generation







What is your new normal

- Has your strategy changed, or does it need to change
- Air NZ, Sky City, tourism
- Is this an opportunity to look at how you deliver your key service or business (the power of many)
- If you continue to operate pre Level 4, will that still work for you?







What is strategy & does it matter?

 Strategy is about understanding what you need to do to get a competitive advantage over your competitors

Before you do things right, understand what right is

Don't climb up the wrong wall











Strategy tells you where to go

A business plan tells you how to get there







Five strategic questions to ask yourself

- What is winning
- 2. Where will you play
- 3. How will you play
- 4. What activities must you do really well
- 5. What management support systems do you need

Playing to Win – How Strategy Really Works (Lafley & Martin)







What is winning

What is your strategic aspiration – what's it all about

Start with people (customers) rather than how much money you want to make

 What benefit are you going to give your customers – how do you know what your customer wants?

When a company sets out to participate, rather than win, it will inevitably fail to make hard choices (Playing to Win)







Where will you play

- Geography
- Products
- Product categories
- Consumer segments
- Channels
- Vertical stages of production







How will you win

- What is your value proposition
- What will be your competitive advantage
- Will you focus on cost leadership or differentiation







What capabilities must you do well

- What capabilities are you strong at
- What capabilities are you weak at
- How are your capabilities better than your competitors
- How are your competitors capabilities better than yours
- What constitutes your core capabilities

Capabilities = activities







What management support systems are required

- Systems & processes documented
- Reporting financial & non financial
- Software to support business (technology is an accelerator)
 - CRM, time & cost tracking, other customised software, GL







Income generation = cashflow

- Don't be an order taker create opportunities
- Be what your competitors are not
- You need GP\$ to stay alive
- Remember a dollar is not a dollar
- Continue cashflow reporting processes





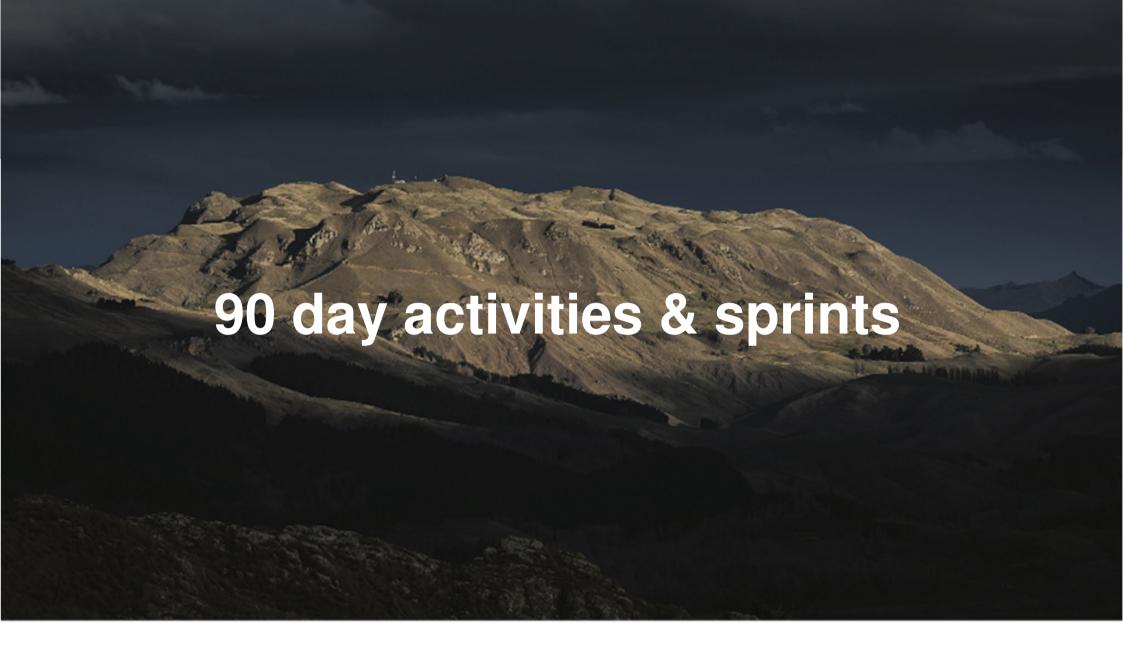


Questions on strategy formulation?











Sprints

- Work out what needs to be done, when & by who
- Be accountable to someone
- GSD (get shit done)











Some general things

- Try & come out of this stronger make the most of the lockdown (discipline & structure)
- Be thinking how to increase income (are there customers you are not doing business now that you could in the future)
- What resources are you lacking
- What can you do next (build you support team both internally & externally)







Some general things

- Force yourself to look at your business differently (ask your team what is possible – don't bury your head in the sand)
- Use the time at both a governance & management level
- How can you add value
- People want to trade with people they know & trust (be genuine, show the love, no bullshit)







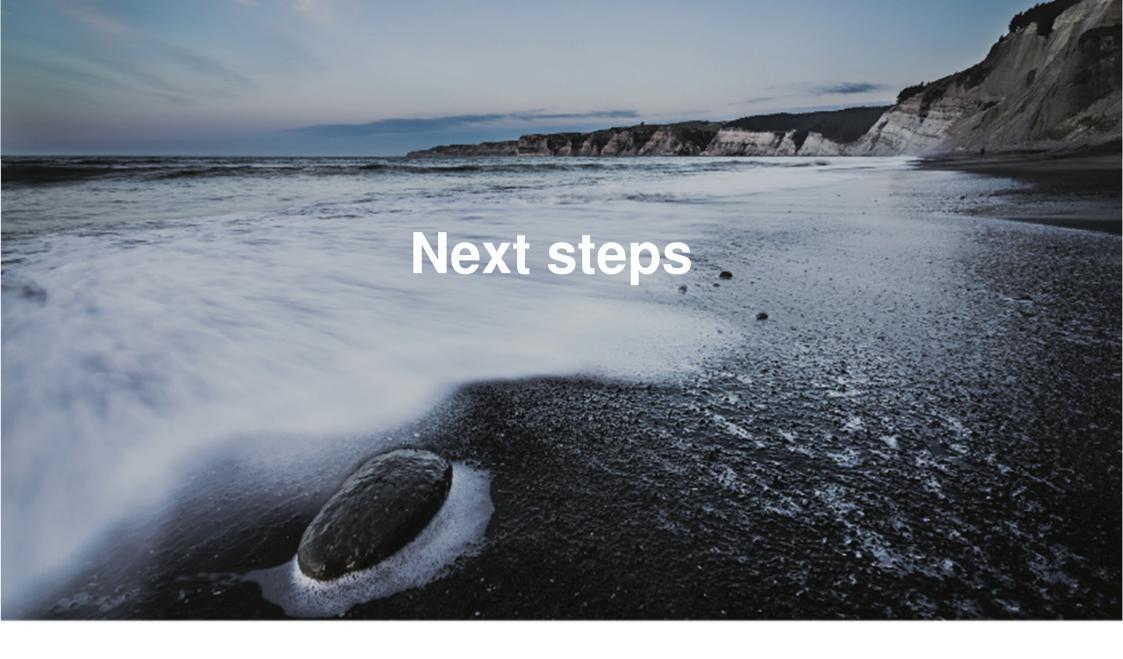
Some general things

- Look after your own physical & mental health
- Watch your self talk where you look is where you go
- Have a critical eye start with a blank sheet
- Make sound decisions take advice & support
- The bluntest pencil is better than the sharpest mind
- Continue to assess the impact











Next steps from here

- Free Business Hub courses
- RBP funding support (around business continuity, strategic review, business planning, general business support, outside view)
- Connect with my digital channels if interested (Linked In x 2, YouTube, website, edms)
- Slideshow PDF & feedback
- Stay safe & positive







