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**Free Virtual Seminar
Business Continuity**

Covid19



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Business Hub

- The Business Hub is facilitating a number of free virtual workshops
- www.hbbusinesshub.nz



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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.



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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



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'Go to' place for info

- covid19.govt.nz
- hbbusinesshub.net
- growhr.co.nz
- iod.org.nz
- planaconsulting.co.nz



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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



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Governance & management



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What's today going to cover?



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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



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Who's on the call

- Quick introduction from everyone
- Questions you want answered



The here & now



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The here & now

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



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Immediate issues

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



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Cashflow

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



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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
- Audit



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What some people are doing

- 100% / 80% / only subsidy
- Annual leave
- Take advice
- Cash is king



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Debt management

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



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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



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Communication - team

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



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Communication - external

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



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What are people doing?



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Your questions



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Now to 10 weeks out



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Now to 10+ weeks

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



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Cashflow out

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



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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



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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)



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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



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Activities

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



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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



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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



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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



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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.



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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).



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Finance & admin

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



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People

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



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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



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What are people doing?



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The future

10+ weeks



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The future

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



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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?



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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



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**What is the difference between a
strategic plan & a business plan?**



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Strategy tells you where to go

A business plan tells you how to get there



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Five strategic questions to ask yourself

1. 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)



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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)



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Where will you play

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



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How will you win

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



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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



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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



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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



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Questions on strategy formulation?



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90 day activities & sprints



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Sprints

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



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General thoughts from me



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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)



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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)



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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



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Next steps



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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



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Final questions or comments



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