

What EVERY business must do NOW to protect against COVID-19



Almost every business in Australia will be impacted by COVID-19. Here's what you need to do now to safeguard your company's financial future.

If you are a small to medium business in Australia, there is every chance that COVID-19 will impact your trade.

Many industries are already feeling significant pressure: manufacturing businesses which rely on China for parts; hospitality businesses experiencing the most significant downturn in years; education and training where the \$35+ billion industry is facing significant losses; wholesale businesses importing goods manufactured in China for sale at Australian retail outlets; and in turn, Australian retailers experiencing a lack of stock... the economic impacts of this health crisis are being felt far and wide.

Experts say it is difficult to predict exactly how the full impact of the coronavirus will be felt in the Australian economy over the next few months. It is however safe to

say that the negative economic 'shock' is set to grow after outbreaks of the virus have been seen in such diverse places as South Korea, Iran and Italy - with the case growth in Australia skyrocketing.

While it is certainly cause for concern, there are steps your business can take to protect and minimise the negative impacts.

1. Identify your businesses vulnerabilities

Even if you aren't feeling the impact right now, there could be consequences to come. Take time to identify the risks to your business. Will the downturn in another industry eventually flow down to your business? Are there equipment or parts that you may require in the future that you may be unable to source? Do you have ground-staff whose absence could bring your business to a halt?

What EVERY business must do NOW to protect against COVID-19



2. Assess your preparedness and create contingency plans

For each of the areas of vulnerability you have identified, create a contingency plan or assess any existing plans. Look for innovative, cost-effective solutions and work with staff to ensure these plans are understood and workable. Do you have alternate sources for equipment? Are staff members set up to work from home if required? Do you have access to stand-by staff should they be required?

3. Check the fine print

Insurance policies, financial arrangements, loans and mortgages should all be discussed with your financial specialist as part of your contingency plan. Do you have adequate insurance? Are you covered for events relating to COVID-19? Do you have the capacity to reduce or freeze payments should your business take a hit? These are all details that need to be checked now, rather than in a panic should a negative event occur.

4. Take advantage of Government incentives

Talk to your financial specialist about how your business can take advantage of the Government's recently announced range of assistance packages available to businesses in response to COVID-19 (most of which have limited time frames). Packages include an increase in the instant asset write-off threshold from \$30,000 to \$150,000 (expanded to include businesses with an annual turnover of less than \$500 million - up from \$50 million) until 30 June 2020; a 15 month investment incentive accelerating depreciation deductions used or installed by 30 June 2021; and a Boosting Cash Flow for Employers measure which provides up to \$25,000 (tax-free) to provide temporary cash flow support to small and medium businesses that employ staff.

5. Communicate

Communicate with your staff, suppliers, customers and any stakeholders in your business. Ensure you are aware of any impact COVID-19 is having on the people and businesses that affect your business. Ensure your customers are kept aware of your safety practices and ability to service their needs. Let your financial specialist know if you believe you may have trouble servicing your mortgages or loans. Honest, early communication will serve you well in uncertain times.

6. Prepare for this to happen again

It's easy to view COVID-19 as a freak, one-off event. Smart businesses are preparing now for future events that can have a global impact on their business. While you may not be able to predict the future, you can prepare for it by ensuring you have contingency plans in place should one or more aspects of the running of your business be impacted by a global event.