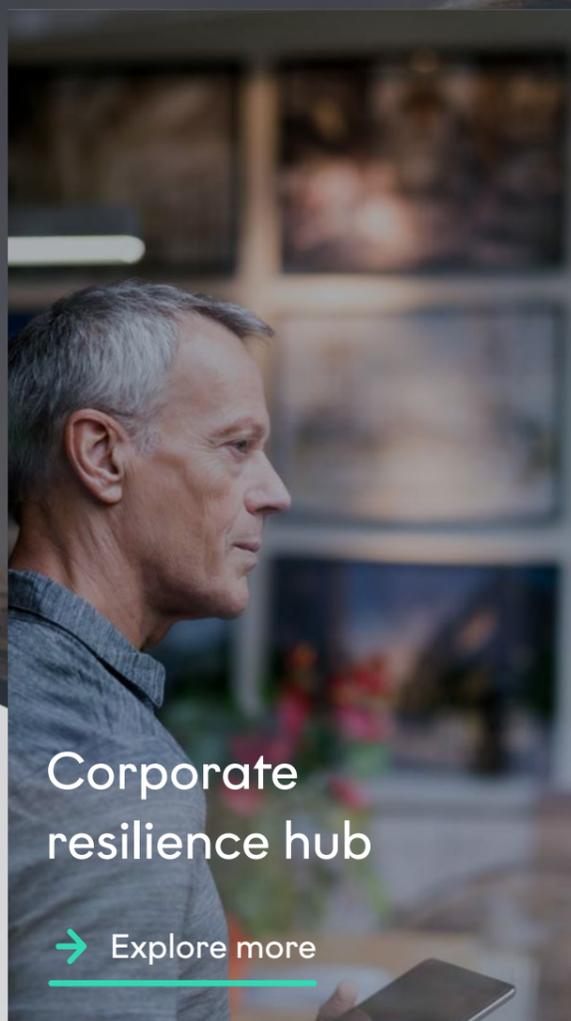
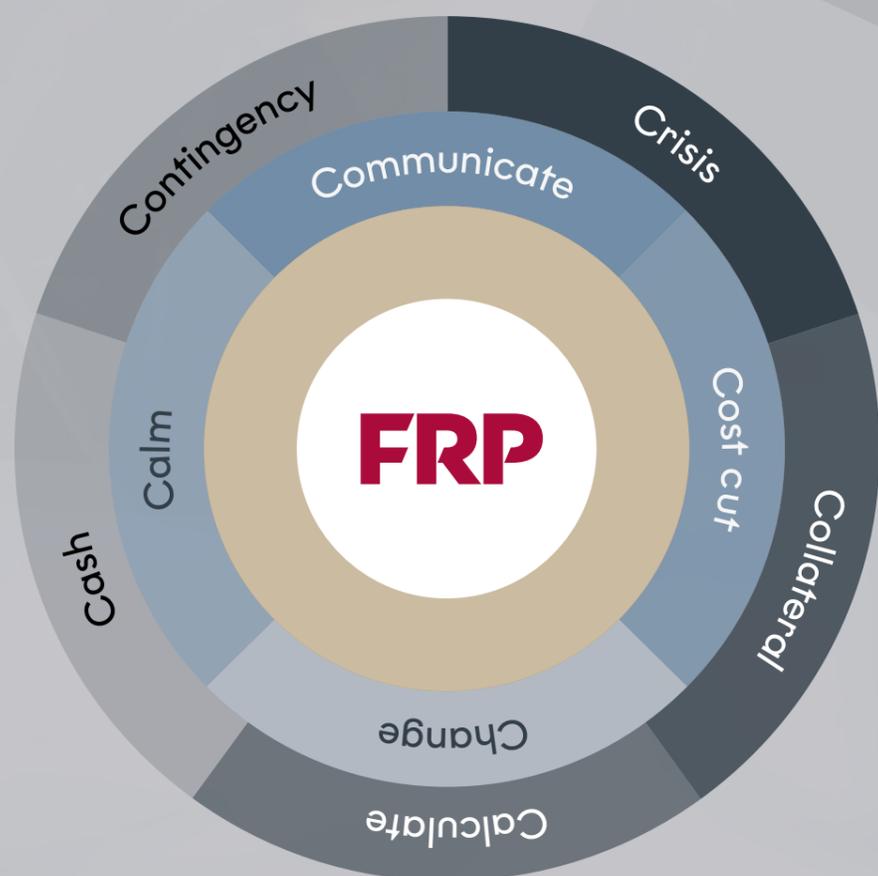


COVID-19: FRP crisis toolkit



Crisis wheel



Crisis Businesses should take a proactive approach to dealing with their challenges but focus on controlling the controllable.

Cash Conservation and conversion are the key focus. Prioritise cash rather than profit and consider cash management strategies (Who to pay? When to pay? Prioritise. Discuss Time to Pay). Have you considered all options?

Collateral Assess and protect your assets. Value is likely to have changed dramatically - what is the impact? Any unsecured collateral?

Calculate Reforecast for multiple scenarios (duration and depth of crisis) and reassess daily/weekly as the situation is fast moving. Challenge assumptions and be both realistic and conservative. Your plan needs to have flexibility, with tangible plans in place to pivot direction if needed. A thoughtful approach will expedite credit applications with lenders.

Communication Engage with all stakeholders. Be proactive with lenders, provide definitive plans with proposals based on quality analysis. Work together with customers and suppliers allowing give and take. Discuss rent free periods or deferral with landlords. Employees remain your most valuable tool, keep them well informed.

Contingency plan Stress test all business continuity and mitigation of disruption plans, both inside and coming out of lock-down. Be sure to test your systems. Assess other liquidity options: a) can equity holders contribute cash; b) consider alternative lenders beyond your incumbent bank.

Cost cut Difficult as it is, you may need to consider mothballing and furloughing (temporarily laying off staff), redundancies, reduced working hours or defer or suspend all non-business critical costs or investments.

Change Be decisive and don't be afraid of changing direction or being creative - extreme times may call for extreme measures.

Calm Don't make rash decisions. Take a considered approach. Everyone is impacted so let's work together.