

# Keeping Your Business Alive in Challenging Times.



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# How To Keep Your Business Alive in a Post Covid/Brexit World

## How to Keep Your Business Alive in a Post Covid/Brexit world

There are mixed fortunes for business ahead. Many are indeed prospering during the current Covid pandemic, whilst many are languishing in the ever-decreasing spiral of despair. This article will examine what sets those successful businesses apart from the rest and recommends a six-point plan to build greater resilience into your business.

Many markets and sectors remain largely insulated from the challenges of the pandemic whilst many struggle. On a macro level China's economic recovery continues improve as growth increased from 4.9% between July and September compared to the same period last year. The economy in China has grown at rates unmatched in Western markets and this is because strong lockdown measures combined with government economic stimulus has worked well.

Contrast this to the UK position, where the Bank of England boss has said the UK faces 'an unprecedented level of economic uncertainty'. Britain's economy fell by 20% in the 3 months to June 2020 as it battled with the impact of coronavirus.

Many sectors within the economy such as retail and hospitality remain severely affected by impact of the pandemic. A record number of shops closed on UK high streets during the first half of this year (circa 11,120 chain store outlets). The profound effect of changing customer behaviours and move to purchases on the internet happened long before the pandemic struck, but the impact is now exacerbating the situation.

This situation is not unique amongst all business sectors as many have started to thrive, and government initiatives have helped to generate positive cash flow for growth. Such industry sectors experiencing growth can be seen in any leisure or home DIY sectors providing products for home use. Sales of home gym equipment or products for home improvements continue to increase in demand. The main challenge in these sectors is to ensure adequate stocks in the supply chain.

The current situation with Covid is unique and no-one knows when business will return to 'normal'. Doing nothing and procrastinating is longer an option. So, what is your response to deal with this uncertain world to make sure your business can weather the covid and post Brexit storm.

Noted below are our recommendations for shaping your business, with the goal of building 'business resilience' to ensure your business can remain sustainable and profitable and continue to grow:

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## **Re-focus your team**

Make sure you have a team that you can trust that have clear responsibilities to match their skill sets and competencies and empower them to be effective decision makers. Assess the training requirements for your staff and ensure your staff are equipped to cope. Many employees now work from home so plan how best to manage this whilst ensuring a fast and efficient flow of information.

## **Embrace the 'digital age'**

Review how technology can improve the efficiency and effectiveness of your team, the delivery of your products to market and the flow of your internal communication. Having 'real time' information will give you the edge of your competitors – use this information and encourage your team to act on this quickly. You will need to act fast and be 'fluid' in your decision making.

## **Review your current position and future goals**

Review your progress against your plan or goals. If your business is not where you need it to be it is time to act. Review your end goals (for 2-5 years) and define these in SMART terms and reframe these based on your resources and capabilities i.e. on what you can control today. Build a management 'dashboard' with clear goals (KPI'S) and accountabilities for your team to achieve and review these monthly. Understand that what gets measured gets done – and so have the right measures in place.

## **Positively engage with all your stakeholders**

Make sure you communicate effectively with all your staff, shareholders, and external parties such as suppliers and clients. Keep them up to date with what you are doing and measures you are putting in place to deal with the virus. Have a plan for dealing with your market post Brexit and make sure your stakeholders know about this. The key is to involve all parties in the decision-making process so they 'buy in' to the direction you are taking. Above all – promote confidence that you have an effective plan.

## **Understand your customer needs**

There is no better time to evaluate your customers' needs and requirements than now. These may have changed significantly over the past few weeks. For example, they may be more concerned at securing adequate supplies. It may be time to do an audit of your customers and their buying profile and instigate a research campaign to find out how their businesses are being impacted by the virus. Review and respond to your findings in an updated plan of attack.

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## Have a financial plan

Review your cash flow and funding requirements. Currently, it is only banks that must maintain a funding cover in terms of the proportion of cash reserves to lending. It may be time to build and/or conserve your 'war chest' to make sure you can see through these troubled waters – and in such cases you may need around 3-9 months of cover. If you have a funding gap, then identify what is the shortfall and have a plan for bridging this gap. Without a plan nothing will happen, and your business may be put at risk.

Being agile in decision making and incorporate some or all these recommendations in your plan will give your business every chance success. Whilst there are no guarantees of success, failure to act now may result in your business being ravaged by our post covid and Brexit world. Act now and do not procrastinate.

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