

# *BC'S BUSINESS BRIEFS*

## **Covid -19 and what have we got to look forward to?**

Anyone who tells you they know what life for all of us is going to look like after we exit the Covid-19 lockdown is either telling fibs, delusional or perhaps both. There is no doubt that the month of April 2020 (predominantly) will go down in history as the defining time of our generation and most probably the largest single disruption to the world since World War 2. The health impacts look set to be felt as far as into the future as we can imagine until a Vaccine is developed and wide spread inoculation world wide is available. Financially it is probably not too big a stretch to suggest that the disruption is the greatest since the Great Depression of 1929-1933, depending where in the world you were living.

How do we cope with the huge unknowns of the next 6 months, initially, and then perhaps the next couple of years having got through the first 6 months? I certainly don't know any better than anyone else does but here are a couple of things I intend putting into practice that I hope gives me a chance of coming out of this situation in as a good a position as I can.

### **1 Listen**

- a. While it seems like I am currently consuming more TV news bulletins and online news feeds than is probably healthy or desirable long term, I do think it is important to have the best knowledge I can on ours, and the world's progress in combating the virus. I think it's important to focus on the positive progress we seem to be making to both give myself a sense of hope and also to be informed so that from both a health and financial perspective I am ensuring I am looking forwards. Knowing the up to date facts and looking forwards enables me to focus on the things I want to be doing to prepare myself to exit lockdown and move on;
- b. Make sure I consume reasonable amounts of world news as what happens overseas will undoubtedly influence what we can and can't do here;
- c. Exercise. Do daily exercise that fits my needs and helps me think positively;
- d. Plan. What will life look like after lockdown? Will I be able to get some sense of normality back reasonably quickly? Will I be able to re-open my business physically in the next short while? If so, what changes will I be likely to have to make to ensure I am providing a safe work environment for my employees, clients and I? "Social Distancing" of some sort looks inevitable for the foreseeable future.

### **2 Plan**

- a. Will I need to make different arrangements to run my business? Can we work as we did inside the office? Additional sanitation measures will be essential, but to what extent will they be required? What will the staff expect? What will my customers expect?;
- b. Will my customers still be there? If they are – like I hope to be – still in business, what would they expect from me at this time? How can I help my customers to assist them?;
- c. How are my cash flows looking now, and perhaps more importantly, in 2 months, 4 months, 6 months? If I don't know what they look like in 2 months, even though I seem ok at present, I definitely think some projections are a useful tool to enable me to navigate the next periods and assist me to decide whether I need some form of external financial assistance?;

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- d. Exercise;
- e. Will I need to do anything special when we finally get the go ahead to move back into our business premises from the government? Will I be able to run my business with my existing cost structures, including staff. If I am going to make the very difficult decision to reduce our staff numbers, how am I going to be able to do that in a way that is both compassionate and lawful, yet achieves our financial objectives?

**3 Communicate**

- a. After our customers, our best resources are our people – our staff. Make sure they know what our plans are, whether their roles are secure, what the future holds for them. Are they going to have to modify their work practices in the new environment? Overall – keep them in the picture.
- b. Be available to communicate with customers. Take their calls, make calls, send emails. They will be going through a lot of the same emotions we are and it is surprising the number of good ideas that come out of a good old fashion chat with a customer.
- c. Don't be afraid to use technology to communicate, Platforms such as Zoom, WhatsApp give us tools to communicate we have never had before at minimal cost. Make use of the technology.

**4 Take up all the financial assistance available**

- a. The government has made available a range of packages to support business. These include the wage subsidy which is available to both company and non company businesses and is designed to support businesses to retain staff, IRD ability to waive penalties and interest accruing on late payment of all tax types as a result of the impacts of Covid-19. IRD have asked that if tax payments are missed, taxpayers contact them regarding relief once we are out of lockdown.
- b. It would appear inevitable that there will be additional forms of support so keep watching and listening and be prepared to take whatever lawful action is necessary avail yourself of the resources being made available.

Finally, please don't lose hope. We are resilient, our countries economic position is vastly better than most in the world, we have a current government who appear to have taken decisive action early, are still listening and we appear well positioned to come out of this pandemic as well as pretty much any country in the world.

Finally, STAY SAFE.

Kind Regards,

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