

SIX C's

**SIX SIMPLE STRATEGIES
FOR BUSINESSES
MITIGATING THE IMPACTS
OF COVID-19**

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Business Transformation | Turnaround
Restructuring | Interim CEO Services
Board Advisory | Management
Private Equity Support
Financial and Operating Improvement

SINCE 1996, RESULTS, NOT REPORTS

CASH: MANAGE IT.

1. Manage Cash. Forecast inflows, outflows, based on a worst-case scenario, ideally a 13-week forecast (a rolling quarter). Be conservative. Liquidity is your lifeline. Diversify your cash and make sure you have resources in case your branch is closed. Draw down raw materials and inventory and convert them to cash through incentive pricing and volume discounts to customers.

COSTS: CUT THEM.

2. Manage Costs. Cut all unnecessary expenses. Cancel debit and credit card charges and auto debits that are getting paid automatically. List expenses and categories of expenses in terms of priorities – taxes, utilities, payroll, e.g. This is the time to skinny down nonessential expenditures and prioritize spending.

CREDIT: REACH OUT AND STRETCH.

3. Manage Credit. Reach out to creditors and ask for relief. Stretch out obligations and payments in installments. Ask for interest-only payments. Tell them you'll be late. Keep up with minimum payments. It's critical to be communicative with your lenders and creditors.

COMMUNICATE: TALK IT UP.

4. Manage Communications: Communicate with stakeholders. Stakeholders include your vendors, customers, employees, your advisors and service providers, and anyone who pays your business or anyone your business pays. What is your message? It's also a great idea to communicate with your competitors to share resources, best practices, and establish common goals and understanding.

CORE OPERATIONS: CONTINUED.

5. Manage Continuity of Core Operations. Make a list of what must keep happening, on what level, when, why, and where. Group personnel into key core personnel and nonessential – hint, look at the categories of labor – generally direct and indirect employees in manufacturing and service are critical to output, where SG&A employees are generally linked to sales and administration. Ensure that you still have a business. Don't slack on things like taxes, registrations, permits, regulations, compliance. Continue core, scaled back operations. Focus on what is absolutely necessary.

CUSTOMER EXPECTATIONS: EXCEED.

6. Manage Customer Expectations: Speak with customers regularly and offer to help them, and, ask for their help. How you treat your customers in a time of crisis, when their crisis is your crisis, determines what kind of relationship you'll have with each other long into the future.

CONTACT US!

- **Our Business is Helping Yours. Let us know how we can help.**
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