

Crisis management: **TMA response to COVID-19**

BUSINESS CONSIDERATIONS RELATING TO THE IMPACT OF COVID-19

There is no doubt the uncertainty facing businesses from COVID-19 is unprecedented in today's global world. Business leaders need to be proactive and face the challenges head on, understand their options and manage stakeholder relations. If they don't, there is risk of business failure. Navigating through this crisis will see you well positioned to bounce back, once normal economic conditions return.

The Turnaround Management Association (TMA Australia) brings together a wide variety of professionals with strong expertise supporting stressed businesses through a corporate renewal process. Our experts have the tools, knowledge and expertise to assist your business navigate through these uncertain times and circumstances, as a consequence of COVID-19.

Visit the TMA website or contact us for further assistance to direct you to one of our members - info@turnaround.org.au | 1300 042 811

Below are 6 key actions for Boards to consider as they navigate this crisis:



STAGES

KEY FOCUS

1 Health impact

- Consider the health of yourself, management, employees and your customers / suppliers - lead your people in a measured way; there is no cause for panic
- Go to health.gov.au for further information to ensure you are informed on the latest developments
- Establish a crisis management working group with clear actions and responsibilities
- This event affects all business and social communities ; build a support network of trusted peers

2 Financial and liquidity impact

- Urgent financial assessment of short term liquidity and funding needs - be transparent and upfront with your stakeholders (see below).

3 Scenario planning

- Scenario analysis and contingency planning
- Update forecasts, particularly cashflow, and stress test
- Plan for the worst and prepare for an extended period of uncertainty i.e. short and medium term through 2020

4 Cut costs

- Assessment of short term and medium term levers to reduce costs and collect cash; your counterparties will also be asking for advice, and likely assistance

5 Stakeholder management

- Consider how, what and when you are communicating to employees, suppliers, customers, lenders, shareholders, regulators
- Understand what government support is available such as ATO relief options
- Consider the social and community impact of your decisions
- How will you report and track progress to plan
- Force majeure is technical and is often not available - take legal advice

6 Safe Harbour

- Consider the need to utilise the Safe Harbour provisions and seek professional advice from a TMA member

NAGIVATE YOUR WAY TO A SAFE HARBOUR
TMA BEST PRACTICE GUIDELINES

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