Lockdown strategies - get the jump on your competitors

By Fordham
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Snap Covid-19 lockdowns across the nation are causing disruption to the Property & Construction industry – the engine room of the Australian economy. Until we return to a 'covid normal' way of life, how do you ensure your business makes it through to the other side?

If you want to stay ahead of your competitors when you reopen, you should be planning your strategy to restart in the post-pandemic world now.

1. Understand the financial support available

With lockdown restrictions varying across the states, it is not a one size fits all approach to financial support available. There are various grants and financial assistance packages available from each individual State Government and the Federal Government. Please refer to our Fordham website for a detailed list of financial support measures available for those impacted by Covid-19 lockdowns. Remember to reach out to your Fordham team for support.

2. Monitor your cashflow and revise your budgets

When it comes to budgets during lockdowns, plan for the worst-case scenario. If you have no revenue, what are your fixed costs that are unavoidable? Ensure you revise your short term cash flow budget to factor in the lockdown and Government financial support your business is eligible for.

Ensure you have a yearly 3-way forecast, a rolling 12 week forecast, budget to actual reporting and a quick profit reporting mechanism. It is too late to do something about a problem when you only become aware of it after the accounts have been prepared. You need a real-time quick reporting measurement.

Does this deferral of projects now mean you will be hitting your Bank Guarantee facility ceiling unexpectedly in a later month?

3. Are your people engaged?

Good people are always difficult to find. Once you have attracted the best people to your business ensure they are engaged, motivated, locked in and incentivised to excel. Get rid of the cynics. They always show their true colours in tough times.

- Is your team set up to work remotely where possible?
- Consider increasing communication and be open with your team about the business plan throughout this period.
- A plan will be of little affect if it is not shared. Schedule a staff Townhall and one-on-one meetings with all staff.

4. Ensure you have a robust business model - act early - confirm your strategy

Review your business model. What needs changing for a COVID or post-COVID world? What is your strategy. Have you had it independently reviewed and really challenged? Don't be afraid to make the necessary changes now and right size the business. Do you need all those premises in a post COVID world? Can you outsource some functions overseas or through

third party logistics or support solutions so you can focus on the core business. Consider your business inputs, pricing, supply chain continuity and availability. What about the end stakeholders? Are you now in a multispeed economy in your business? How do you take risk off the table in your business?

5. Have an asset protection strategy

Insist that your active wealth (your business) is firewalled from your passive wealth (property, superannuation, toys, etc.) If something goes wrong then you want your passive wealth to be safe and you do not want the external insolvency practitioner taking a line of least resistance through your passive portfolio, which may have taken generations to establish and just one bad event to destroy.

6. Corporate governance

Establish an advisory board if you do not have one. If you have a blind spot in a particular area, invite new talent with the experience and skills onto the board to address the gap. You do not lose any power as the owner by having an advisory board, you still call the shots.

These snap lockdowns can provide business owners with some down time to consider how the business might look well into the future and how they can adapt to optimise these changes.

If you would like to discuss this further, please contact our specialist Property and Construction Team.

Talk to us today

Get in touch

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