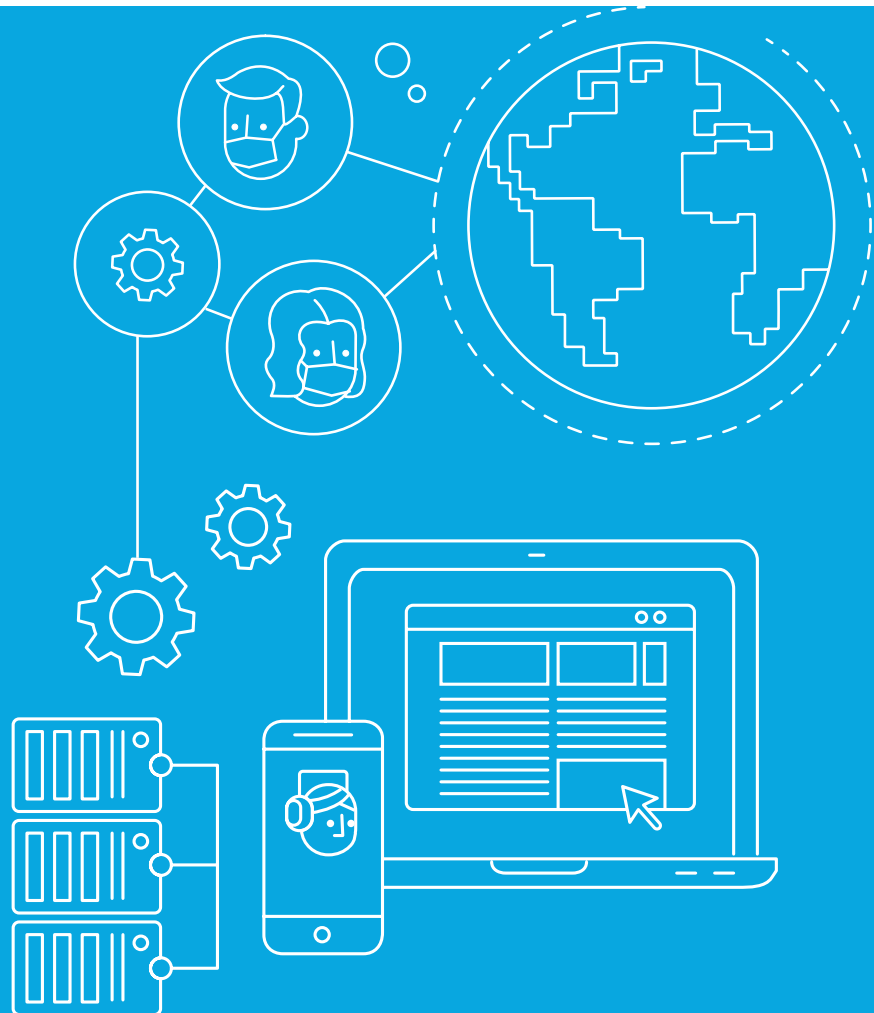
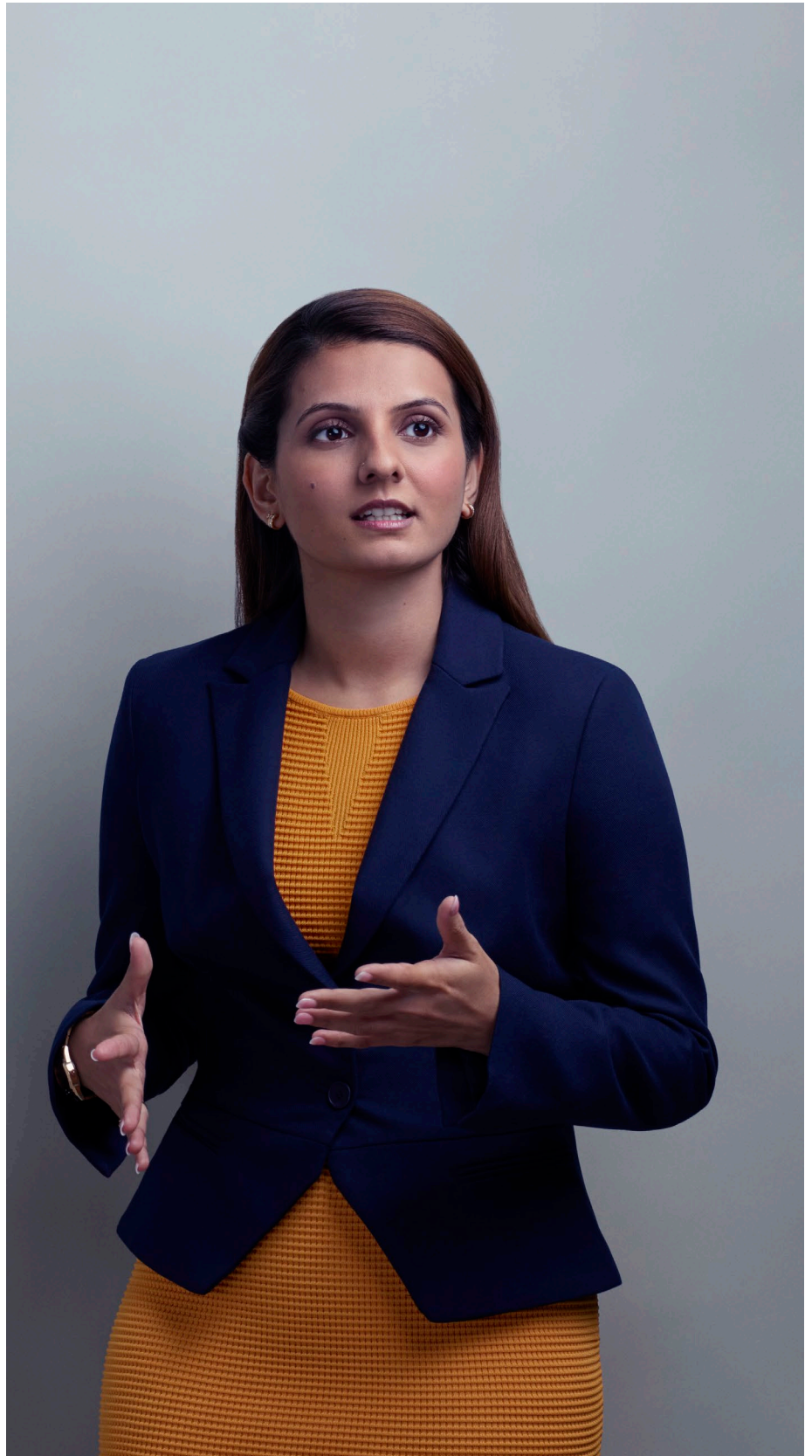


What's your plan?

THE RELAXATION OF THE COVID-19 PROTOCOLS IS GOOD NEWS FOR BUSINESS, BUT DO YOU HAVE A RECOVERY PLAN?





To access our ongoing analysis and view more resources to deal with the impact of coronavirus on your business, visit our COVID-19 advisory centre at:

www.rsm.com.au/coronavirus

Overview

The relaxation of the COVID-19 protocols is good news for business, but... what's your plan now? Do you have a Recovery Plan?



**S
T
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P**

Stop. Take a breath. Assess your situation.

- ☑ Assess cash flow
- ☑ Understand stimulus measures
- ☑ Determine risk
- ☑ Protect your personal assets

Key discussions:
Accountant, cash flow expert, asset protection specialist

Develop a plan. Remediate and innovate.

- ☑ Cut costs
- ☑ Access funding
- ☑ Defer or negotiate payments
- ☑ Assess employees
- ☑ Enter safe harbour
- ☑ Seek opportunities

Key discussions: Business adviser, qualified recovery and restructuring expert

Re-open with a bang.

Having developed a solid plan, you are more likely to come out on top and can leverage this to propel your position in the marketplace.

Key discussions: Business adviser, corporate finance specialist

Wind up with ease.

Having entered safe harbour early, you reduce the risk to your personal assets from potential insolvent trading.

Key discussions:
Registered liquidator

We are continuing to experience the ongoing impacts of the lockdown, however welcome relief is on the horizon.

By now you have likely put your business hibernation plans into action and are continuing to grapple with the endless daily updates, moving goal posts, and ongoing capital and funding requirements.

Most sectors of the economy are really starting to feel the pinch, and we've seen an increase in calls seeking support to work through step 2 in this document – which we see as the Review and Recovery stage.





At RSM, our central goal as a firm remains the same, which is:

To help you emerge from this crisis with as little impact as possible on your business and personal finances.

To do this, we cannot stress how important it is to continue to review and monitor your position; pressure test your strategies; and seek external support, feedback and advice.

During step 2, Review and Recovery, you are likely to be:

- contemplating viability
- assessing the risks
- weighing the options

If your business model is fundamentally strong and likely to be viable longer term, you would be looking at strategies to position and improve your business for when normal returns (or whatever normal looks like for your specific industry and business).

If, however, you have concerns about ongoing viability, it is critical that you reach out early. We can work to limit your losses, review your risk and asset protection strategies, and generally seek to support your recovery.

Developing a Recovery Plan may be the most important thing you do in 2020.

Your Recovery Plan should be achievable and comprehensive. It should include input from various specialists who are well placed to help you make informed, proactive and sensible financial decisions. It should cover both your business and personal or family position.

For you, success may mean making it through the next few months with your business intact or it may mean leveraging an opportunity to acquire struggling competitors or merging with a like-minded business. It may even mean winding up your business in such a way that you give yourself every opportunity to keep your family home.

Whatever success looks like for you, here are 3 steps you can take to review your *new normal* and develop your personal COVID-19 Recovery Plan to minimise the risk and maximise the opportunity.

1

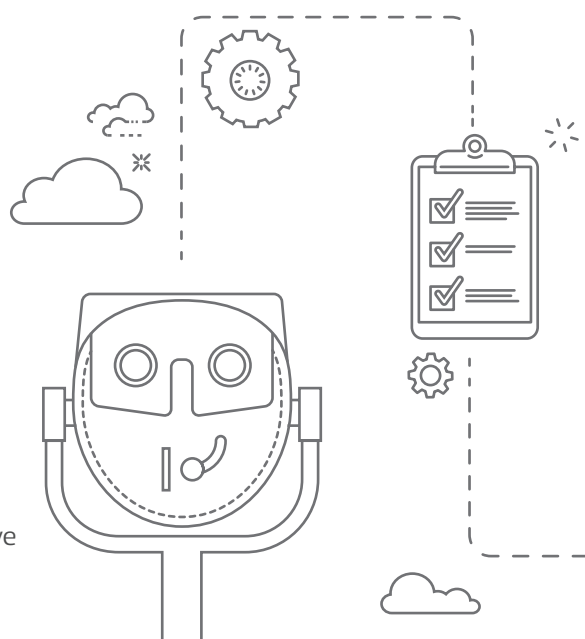
Assess and review the situation – “The Health Check”

Studies have proven that anxiety short circuits the decision-making process. So try to remain calm as much as possible, and shift your mindset from reactive to proactive.

A lot of hard work has already been done in implementing hibernation strategies. Now is the time to re-assess your position with a view to developing your Recovery Plan and positioning yourself and your business as best you can.

The questions you should ask at this stage include:

- **What is my financial position and how is performance likely to change as COVID-19 restrictions relax, or if there is another wave?** An RSM cash flow expert can help you determine how to limit the losses while cutting costs and seeking to boost cash reserves.
- **What other stimulus and support measures are available and apply to me and my business?** At RSM, we understand which measures you're eligible for and how to apply for them. We also update our resources as soon as new initiatives are announced. You can find regular updates and support on our [Coronavirus Resource Centre](#).
- **What and where are my risks?** Our Restructuring and Recovery team and risk consultants can deep dive into any potential risks you face and how to mitigate against them and assist to resolve commercial disputes.
- **Has my Asset Protection Plan been reviewed?** At RSM, our asset protection specialists can help you urgently review your asset protection strategy to limit your personal exposure.
- **How has my competitive and operating environment changed?** Our Business Advisory team are well placed to work through your S.W.O.T and associated analysis.



2

Develop a Recovery Plan

Do you plan to hibernate or innovate? Is your business likely to be viable, or is it vulnerable and potentially at risk – and how you would identify if or when it is? Are you missing key opportunities to excel?

These are the types of questions that you may be contemplating in developing your Recovery Plan. It should be a roadmap to see you through any potential bumps along the way.

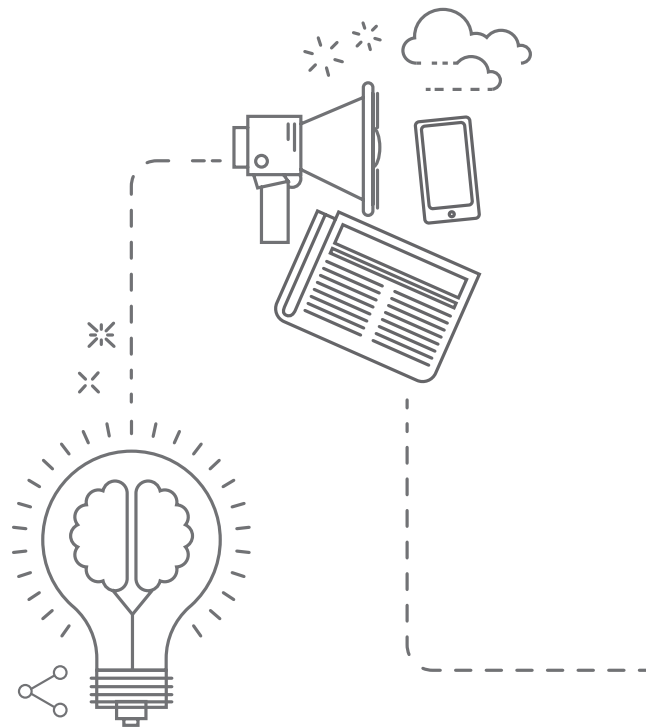
Ideally, you should consider developing your plan with a [qualified restructuring adviser](#).

This serves many purposes including:

1. We can undertake a Business/Corporate Health Check, assess business viability and offer turnaround strategies. This is the ultimate fork in the road consideration, and it can be confronting. We are here to help and guide you through the options.
2. We are experts in helping businesses recover from financial crisis including restructuring and identifying risk mitigation strategies.
3. If insolvency is a risk but not a given, we can help you meet the crucial legal elements of a **safe harbour strategy**.
4. If viability is a significant concern, we can help you implement a plan to limit the risk and damage, while ensuring maximum return to stakeholders (such as creditors and shareholders) and limit your personal liability.

As your Recovery Plan evolves, we can also connect you with other experts in different fields to assist with certain aspects such as legal, selling agents, and banking support.

For example, if there is scope to acquire a competitor or merge with a like-minded association, our corporate finance specialists can assist in planning, negotiations, due diligence and capital raising.



3

Trade or wind up

No one has a crystal ball, however, proactive and well-advised planning is critical to you achieving what success looks like for you.

Naturally, some industries will be presented with significant opportunities from COVID-19, whilst many industries are facing unprecedented challenges and financial uncertainty.

Upon developing your Recovery Plan, we will then assist with implementation whether it be assisting with growth opportunities post COVID-19, restructuring and repositioning to remain viable or ultimately answering the difficult question of solvency, including the risks factors and warning signs associated with the same.

If your hibernation or innovation strategy is effective in the long run, you will be well ahead of the game and can seek out new opportunities in response.

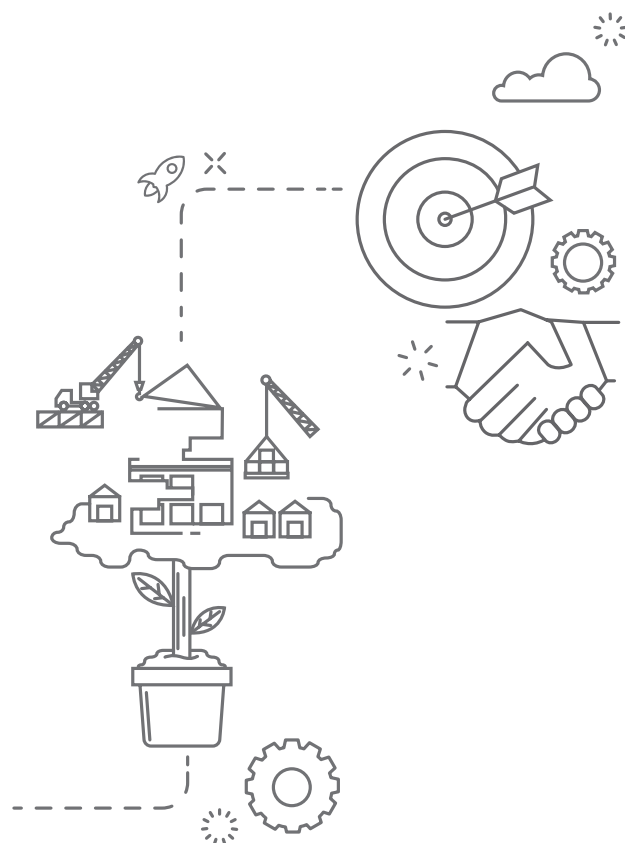
If your business does not make it through, our Restructuring and Recovery team will help you wind down operations in the least intrusive way possible with consideration to your individual and family position.

WE'RE ALL HERE FOR YOU AND WE HAVE BEEN FOR ALMOST 100 YEARS

RSM has been helping businesses with their financial affairs for almost 100 years – from regional and remote Australia right through to our capital cities. We survived the great depression and every economic slump since – and all of our financial experts are passionate about helping you do the same.

We are well placed to help you develop and implement your COVID-19 Recovery Plan offering a unified experience with our specialists all working together, across specialisations, drawing on centuries of combined experience, to support you.

For a friendly chat on how to get started, contact your local RSM adviser at rsm.com.au/offices



Updates will be provided as more announcements are made.
For more resources, visit our COVID-19 advisory centre at:

www.rsm.com.au/coronavirus

THE POWER OF BEING UNDERSTOOD

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