



COVID-19

BUSINESS GUIDE

What your business can do right
now to deal with the pandemic.

PRESENTED BY RECKON

INTRODUCTION

The spread of COVID-19 has changed the world and your business is likely facing extreme challenges that are overwhelming to tackle.

We've created this guide to arm you with practical information to protect your business through the pandemic.

In this guide, you'll find relevant initiatives and steps you can take to insulate your business and keep thriving – complete with details on:

- [New ways of doing business](#)
- [Employee changes](#)
- [Cashflow management](#)
- [Government business assistance](#)
- [Preparing for the future](#)
- [Positivity and wellbeing](#)

We have created this guide to help businesses like yours pull through this pandemic successfully. We will all get through this if we work together.

NEW WAYS OF DOING BUSINESS



There are a number of practical measures you can take right now to help your business ride out this storm.

From cashflow and updated business models to communication, work your way through this section to ascertain all the changes you need to address.

Limit in person contact

All unnecessary in-person business contact should cease.

As a business, it's your responsibility to ensure contact between you, your staff and your customers is the absolute bare minimum. Adhering to social distancing practices is of great importance.

Make sure you take the time to create policies and workplace changes based directly on government advice. There are penalties in place for non-compliance, on top of serious health implications.

Communication

Communication will be key to riding out this storm.

Staff and customers alike will be facing uncertainty and confusion – set minds at ease by stepping up and providing clear communication around your current business circumstances.

Staff communication

Make sure your staff are well aware of where they stand. They will need clear direction.

- What communication do you have for staff? For example, work practices and hygiene.
- Keeping them informed of changes to hours.
- Keep them abreast of government support you'll be applying for that affects them.
- Ensure they limit contact as per government guidelines.
- Be available for questions.

Customer communication and expectations

Clear communication to your customers about your changing circumstances is paramount.

They need to know how to continue doing business with you and what changes are being made.

Use email, social media, ads and signage to keep your customers up to date. Let them know about ways they can support your business, what your new hours are, or if you're closing for a period of time. Be direct and succinct.

You may also need to:

- adapt communication messaging to respond to current circumstances – it's not business as usual
- be there for your customers and demonstrate care. This will be returned in goodwill
- highlight relevant product or service benefits during this time
- be authentic and set realistic expectations for customers
- constantly monitor and act upon customers' feedback & changes in consumption scenarios.

New business model?

Your business may have to start stretching and become flexible enough to adapt and overcome the current challenges.

If you're COVID-19 affected, you should consider adapting your revenue streams or creating new ones.

Can your business open up new and profitable avenues to replace or supplement unhealthy or unviable sales channels?

Is there a new way of doing the same business using technology?

Look to online strategies and **ecommerce** if physical locations are untenable. If your business revolved around travel and physical interaction, seek digital and online alternatives.

Ecommerce

Selling online had become a ubiquitous part of modern life long before this pandemic.

This means there's a plethora of **ecommerce** solutions and models out there to draw from and reinvent the way you work.

If your business is retail oriented this may be an easy transition. Others not so much. If **ecommerce** is viable for you, consider the following:

- Make sure your website is up to scratch. Your site will likely need some work to transform into an online store.
- You'll certainly require a modern, full function **ecommerce** platform to integrate into your site.
- You'll need to nail down viable shipping solutions.
- Make sure your website solution has adequate cybersecurity.
- Market your new **ecommerce** business ruthlessly using physical signage, social media campaigns, paid ads and e-newsletters. You'll need to drum up clicks quickly.

Delivery and takeaway

If you're used to patrons visiting your small business for consumables, moving to delivery and takeaway could be the only legal way for you to trade at present.

As an example, you may have seen cafes delivering locally for the first time. Local eateries have begun selling toilet paper, veggie boxes, milk, bread and eggs to replace eat in trade.

Make sure you advertise these changes through positive physical signage, (distant) word of mouth and through your traditional marketing and advertising channels.

Think creatively about what people need right now and deliver it.

New tools

Is your business armed with the right tools to tackle the situation, run your business remotely or under changed circumstances? You may need new software or solutions to adapt and overcome.

Some solutions you may need to consider:

- Proper accounting tools to keep on top of cashflow, expenses, invoicing, [payroll](#), bank feeds etc. Cloud accounting tools will be instrumental in making use of government stimulus packages through the ATO.
- Connectivity tools for your business.
- Productivity apps to manage teams, workload, tasks and communication.
- Contactless payment solutions for retail.
- Ecommerce solutions for taking your business online.

EMPLOYEE CHANGES



One of the major hits we're experiencing is job uncertainty and changes to employment. It's up to you to be completely across entitlements, options and support while communicating this clearly to your employees.

We'll get to government employee assistance in a moment, but first...

Staff policies

Define, create and implement policies for your employees. They must be based on the most up to date government health mandates and recommendations.

Some will be law; some will be best practice.

Policies to consider:

- Not attending the workplace to perform duties if unnecessary.
- What will happen if they need to isolate themselves at home?
- Working from home policies for staff where practical.

Changes to employee leave

This is the time when it's in the nation's best interest to look after staff and keep them gainfully employed – for all involved. There'll be significant government assistance aimed at achieving exactly this.

However, measures of leave will also need looking at.

Using and amending employee leave may well be necessary in spite of assistance.

Having a complete understanding of your employee's leave entitlements, balances and rights is essential.

Make a plan around how you'll approach the subject of leave and how you'll communicate this to staff.

For many business owners, the thought of having to let staff go during a downturn is a major source of stress.

After applying for any government assistance for your staff you're entitled to, also be aware of measures you can take short of termination.

Can you change an employee's regular hours of work?

Reducing a permanent employee's ordinary hours usually requires the employee's agreement and is usually completed via consultation.

Other options that may be considered instead of standing down employees include:

- Seeking employees' agreement to take paid (or unpaid) leave for a period.
- In certain circumstances, directing employees to take paid annual leave.
- In certain circumstances, negotiating with employees to change regular rosters or hours of work.
- In certain situations terminating the employment of the employees, in which case the employer may have to provide redundancy pay.

The Commission recently varied some awards to provide flexibility during the coronavirus outbreak. The following awards have already been varied in relation to taking annual leave:

- Hospitality Award
- Clerks Award
- Restaurant Award

More information on [pandemic leave](#) and the awards it relates to.

Managing a team remotely

If you manage a team of employees and are now confined to online contact only, you have some planning to do.

Map your team's processes and look for gaps

It's wise to get a full understanding of what tasks and duties your team can and cannot do under isolation, while looking for any new solutions.

Some ideas:

- Do a forensic analysis of your normal processes.
- Track each team member and come up with a list of common workflows and interactions.
- Note any instance when an interaction would be physical or not feasible doing remotely and check for common solutions.
- Make a list of all new solutions necessary to mitigate your team's workflow gaps.
- Remap your team's workflows and communicate the new working conditions clearly.

Set very clear expectations

Your team will be looking to you for direction, goals and expectations.

Set the scene for your team by creating weekly KPIs, set tasks and goals. Bring them up at the beginning of the week and have a debrief at week's end.

It's best to use productivity, task and workflow solutions for this, such as Trello, Monday or Asana.

Be mindful of focusing on outcomes rather than 'time in chair'.

Communication is paramount

Communication, communication, communication.

You'll need to set clear expectations of how and when your team communicates.

Some ideas:

- Have a morning check in each day.
- Decide on which primary platform to use to keep team communication central e.g. Slack.
- Host regular video meetings on Microsoft Teams or Zoom with all your staff.
- Give lots of feedback to every employee.
- Break up professional chat with fun or personal communication.

CASHFLOW MANAGEMENT



Effective cashflow management will be critical at this time. It won't be necessarily easy, but there are ways to put yourself in a better position.

Small businesses are going to be impacted across the country and the ability to maintain cashflow during this pandemic will be paramount.

Know Your Numbers

Understand your numbers and check in frequently.

Keeping a watchful eye on your business financials has always been entwined with good business management. Now, more than ever, it's crucial to be across the critical numbers in your business.

Income, overheads, payroll and inventory – you need to become ruthless and regular in checking in on these.

It's also important to be able to get those numbers as quickly as possible, use your [accounting software](#) for this.

This is a prime time to get serious about budgeting and expenditure. Review your regular expenses, seek alternatives, understand essential purchases vs. unessential ones and comb them out. Be brutal.

Remember, what gets measure, gets managed.

You may well look at your numbers regularly, yet it's really the frequency that needs to change – from monthly to weekly, or from weekly to daily.

Keep on top of your reporting

Understanding your financial situation is extremely important. During times of financial stress, it's even more important to keep on top of your:

- income and expenditure
- stock levels
- debtors and creditors
- payroll
- bank feeds.

Use cloud accounting tools like [Reckon One](#) to make accurate and regular reports on your current financials.

Good decision making and understanding of cashflow comes from timely and accurate financial reporting. Stay on it.

Chase last payments

At the best of times, late payments were already a top item of concern for small businesses across Australia. In stressful times such as these, getting on top of payment tardiness is crucial.

However, tact and understanding must be employed.

I'm sure we can agree that these are difficult times. As such, it's important to work compassionately with your customers and be flexible with unpaid invoices.

If your customer can't cover the entire balance of the invoice in one go, try to get a partial payment or create an instalment plan. But at least have a plan laid down so you can make more accurate cashflow predictions.

How do you go about chasing invoices?

You can start by chasing late payments with a friendly email, followed by a phone call. Be firm but understanding.

If that's not getting you anywhere, try asking to talk to the person who will actually make the payment. That way you can extract a promise from the person in charge to pay by a particular date.

Can you refinance?

Interest rates have just dropped to historic lows. This may help.

Are you able to refinance the current business debt you have? If you have personal debt or a mortgage, is there an opportunity to refinance that?

Check in with your bank or financial institution. Only by discussing the options with the right advisor will you have the chance to do something positive for your business' cashflow by refinancing.

Credit cards

While you're at it, have a discussion with your bank about credit cards (particularly if you hold significant debt on a card). Try to renegotiate interest rates, payment terms and late fees. There are increasing signs this is becoming a more approachable topic.

Renegotiate with suppliers

Approach your suppliers about extending their credit terms.

They may be hurting too, so be sensitive about the issue, but you're within your right to try and renegotiate in order to remain cash positive.

Be creative. For example, if your suppliers won't extend terms look at them decreasing order requirements when qualifying for discounts.

Keep in mind that the Australian Federal Government has stepped in here to give small businesses further relief from creditor pressure. See the government support section of this guide.

Cut expenditure

Your overheads will need an overhaul. Look at your income and expenditure with fresh, realistic eyes and see where you can cut.

Get brutal about all unnecessary business spending and seek cheaper alternatives for all supplies and suppliers. Ruthlessly examine your profit-and-loss statements (P&L) to cut all but the most vital expenditure.

Government cashflow assistance

In addition to measures you can take yourself to improve cashflow – there are also cashflow boosts being granted to affected businesses. Read on to get details of this incentive and a range of other important government assistance packages.

GOVERNMENT BUSINESS ASSISTANCE



We live in unprecedented times. Fortunately, there's an evolving rollout of Australian Federal Government assistance available for businesses like yours doing it tough.

The ATO will be particularly lenient during this time, so reach out directly or through your advisor for tailored solutions.

STP is necessary

Single Touch Payroll is essential to claiming many government COVID-19 support packages. If you're planning to receive JobKeeper payments, you'll need to be sharing your payroll information to the ATO and STP makes that process much easier.

You should already be using STP if you're a small business with employees on the payroll. We know that many, however, are yet to catch up. Now is the time.

Find our free [STP app here](#), or contact your bookkeeper, accountant or advisor for information and guidance.

JobKeeper Payments

This is an important new wage subsidy designed to help business' like yours pay employees at no cost to yourself – even if there is no work.

Please apply now for all of your affected employees and recently laid off

staff.

Dubbed the 'JobKeeper Payment', the primary details include:

- \$1,500 dollars flat rate per employee, per fortnight for six months.
- Business must have suffered 30% COVID-19 related business losses to qualify.
- Job losses are 'backdated' to March 1st 2020.

Register your interest with the ATO here: [JobKeeper Payment](#)

ATO business tax support

The Australian Tax Office (ATO) is now providing relief for some tax obligations for businesses affected by the outbreak, on a case-by-case basis.

Chris Jordan, the Commissioner of Taxation, says the ATO will work "shoulder to shoulder with businesses to assist them through this difficult period and do what we can to ease the pressure".

"Once you contact us, we'll tailor a support plan for your needs and circumstances," he says.

"Support measures could include deferral of some payments, quicker access to GST refunds, and options to enter low interest payment plans for existing or future tax debts."

Contact the ATO's Emergency Support Infoline for businesses on 1800 806 218 for more detailed and personalised information or to request this tax assistance.

Cashflow boost for employers

As it stands:

"We will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system" – ATO.

This will come in two stages starting on the 28th of April 2020.

All assistance will be subject to case-by-case review and will only be available for those businesses who lodge their business activity statements (BAS) to the ATO.

Payroll tax changes

To assist businesses who have payroll tax obligations, the government has announced the following changes:

- The tax-free threshold has increased from \$900,000 to \$1 million.
- There will be a six-month deferral of payroll tax for business with payrolls over \$10 million.

Bank loan assistance

Are you struggling to repay your business' bank loan? Your small business may be eligible to defer its bank loan repayments.

The Australian Banking Association has announced that Australian banks will defer loan repayments for small businesses affected by COVID-19 for six months.

Contact your bank to discuss your options and find official information from the Australian Banking Association [here](#).

Government property rent deferral

The Australian Federal Government has announced that there'll be a deferral of rents for six months for commercial tenants with less than 20 employees in all government-owned properties

Regional, community and industry assistance

Some areas, communities and industries will be affected worse than others. There's now an allocation of funds to be filtered through to these communities.

Particular focus will be placed on tourism, agriculture and education.

The \$1 billion will be provided through existing or newly established federal government programs. Details forthcoming.

Instant asset write-off increased

There are now enhanced measures in place to incentivise capital investment through a revamped and notably boosted instant asset write-off (IAWO) scheme:

- The current threshold of \$30,000 has now been boosted to \$150,000.
- The turnover cap (which was \$50 million a year) has also ballooned to include business' turning over up to \$500 million.

Backing Business Investment (BBI) incentives

Under this new BBI scheme, if you purchase business related assets between 12 March 2020 and 30 June 2021, you may be eligible for further accelerated depreciation benefits.

Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset cost.

Credit assistance: Coronavirus SME Guarantee Scheme

If you require extra cash through unsecured loans, the government will incentivise the process.

Under the scheme, the government will provide a guarantee of 50 percent to small and medium enterprise (SME) lenders for new unsecured loans to be used for working capital.

This will enhance these lenders' willingness and ability to provide you credit.

Businesses with a turnover of up to \$50 million will be eligible.

The government has set the following terms:

- The maximum total size of the loans per borrower will be \$250,000.
- The loans will be up to three years, with an initial six-month repayment holiday.
- The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

Creditor restrictions and liability relief

The federal government is temporarily increasing the threshold at which creditors can issue a statutory demand on a company. You'll also receive more time to respond to such payment demands.

Furthermore, directors of companies will receive temporary relief from any personal liability for trading while insolvent.

PREPARING FOR THE FUTURE



An exceptionally important aspect of this process of transformation is the recovery phase.

This too shall pass and we need to keep our chins up and look to the future we all know will come.

Let's not cast any predictions on exactly when and how your business will return to normal trading. Know that it will.

There are some steps you can take now and in the near future to prepare for business after the pandemic measures are slowly lifted.

Disruption brings opportunity

Yes, you're likely hurting as a business right now and prospects may seem bleak. But there's silver in that lining.

Many industries and businesses will be disrupted and undergo massive changes. With this disruption, however, there's also opportunity.

New opportunities will emerge, new ways of doing business will eventuate. Certain products or services will become extremely valuable and some will diminish. Look for fresh opportunities amid the chaos as often as you can.

Disruptions have a long history of prompting innovation and this crisis is no different.

There are scores of examples of small businesses here and overseas that have reacted to the unprecedented disruption by pivoting to run their business in entirely new ways, while making sure they're complying with government social distancing guidelines.

Looking to the future, there are also further business opportunities to position yourself for. When the time comes, be ready to adapt and make lemonade from lemons.

Plan your business' recovery

You may be in survival mode right now but some planning on how to recover will pay dividends when we eventually resume a type of normality.

It will also help you stay positive and give you and your business something to look forward to.

Keep in mind the developments so far and understand that your business may look different in the future. Be prepared for altered business plans and focuses when the pandemic recedes.

What can you do?

- Prepare business operation, sales and marketing plans for a recovery path.
- Leverage learnings to enhance supply chain resilience and develop contingency plans for future crises.
- Understand how government assistance will benefit you in the months to come – not just right now.
- Reevaluate viable products and services. Learn lessons around viability from current circumstances.
- Do your best to predict roadblocks to recovery and avoid them if possible.

Keep on top of your marketing

Don't abandon your marketing – adapt and be ready to come back strong.

Marketing campaigns, ads and general messaging should have been adapted during this time to remain relevant and timely.

Avoid trying to be a health expert and instead concentrate on being useful to your base and remaining sensitive.

What you can do:

- Don't abandon your marketing and brand presence. Momentum is key to recovery.
- Instead of abandonment, reprioritise marketing channels and content during the outbreak.
- Make sure your content is relevant to the current circumstances.
- Show empathy and be careful of how you phrase messaging.
- Avoid giving health advice.

POSITIVITY AND WELLBEING



It's not all business and numbers. As human beings, a large part of keeping on top of unprecedented change and emerging intact will come down to how positively we respond and how much we value community wellbeing.

Take care of yourself first

There's an old saying 'you can't help someone out of a hole if you are in there too.'

As a business owner you'll have a lot riding on your shoulders. Income loss, staff management, government restrictions and ATO reporting concerns are just the start.

You need to ensure you're taking care of yourself, so that you're in the best position possible to handle the increased stress and responsibility.

Think about your:

- exercise
- diet
- sleep
- planning
- wellbeing

We are all in this together

Now is the time, as a community and country, to come together in unity.

We're all hurting, but we're all resilient too and together, with mutual support and understanding, we will thrive again.

Please be courteous and patient with your staff, customers, suppliers and colleagues. If you have space to be generous, please be so. If you need help, reach out.

If you can help your customers smile, do so. If you can alleviate stress by providing new services and products, make it happen. If you can use your social media presence and marketing power to spread positive messages, go right ahead.

We need it.

Some examples of business positivity:

- Ensuring access for those most in need: Woolworths has a dedicated shopping hour from 7am to 8am for the elderly and those with a disability.
- Shifting to production of essential supplies: businesses such as LVMH (known for their brands Louis Vuitton and Moët) are using their factories to manufacture hand sanitiser.
- Helping people stay connected: Optus is offering its mobile customers 20GB of extra data for free.

Managing stress and emotions

This is a time of heightened emotions and stress. For many in our community, mental wellbeing may be suffering. Be mindful and respond appropriately.

Some of your customers may be very stressed at times. Emotions could be heightened. This could come across as customers behaving rudely to your team. In order to counter this:

- Train your team to expect and manage stress and heightened emotions. Make sure your staff know how to respond.
- Talk to your team about their wellbeing and how to keep them positive at work. Get your team to consciously increase their own level of friendliness. What they give out will be reflected back.
- The meet and greet is one of the most critical stages in your customer's experience – ensure they are greeted warmly when they arrive (or on the phone) and are farewelled equally.

At the end of the day, keeping our cool during a crisis may make the difference as to how well we all pull through this period of uncertainty.

Take care everybody.

RESOURCES

You should be referring to official government advice to shape your actions during this time.

For official up-to-date information and contacts:

- Register your interest for JobKeeper payments with the ATO here: [JobKeeper Payment](#)
- [The ATO COVID-19 page](#)
- [The Government COVID-19 page](#)
- [Australian Government](#)
- [Australian Treasury](#)
- [Australian Department of Health](#)
- ATO's Emergency Support Infoline for businesses: 1800 806 218
- Businesses impacted by COVID-19 can call 13 28 46

ABOUT RECKON

Here at Reckon, we know that running a business isn't easy at the best of times. We're dedicated to helping our customers and businesses during the COVID-19 pandemic.

Visit our COVID-19 [Resource Hub here](#) for a range of information and tips to help your business.



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