

9 ways to help your business get through the next phase of the COVID crisis

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Despite more shops opening as the lockdown is being eased there are still many businesses that will remain closed or at best will be operating at reduced capacity for a while yet. A large number of employees will stay on furlough until autumn. All this means that 'business as usual' is a long way off. Unless your business happens to be one of those fortunate ones that have been doing well since the lockdown started, you may be seriously concerned about survival.

In this article, I will explore nine ways to help your business get through the next phase of the COVID crisis, says Jonathan Amponsah from [The Tax Guys](#).

1. Make looking after yourself a priority

There is no doubt that the current crisis has made a profound impact and will continue to affect our physical, [emotional and mental wellbeing](#). Some of the help from the Government (furlough and grants) is coming through now. Hopefully, these will go a long way to helping avoid total collapse and will ensure the economy gets back up and running.

But if our mental health suffers in the meantime, the government schemes are a bit irrelevant. After all, if the business closes and you're healthy, you can start again. The reverse is sadly not true. There are plenty of resources and articles online from medical experts on this subject. Make looking after yourself a priority.

2. Use a financial action planner

You will need some form of action planner that covers areas in your business to review, as well as a checklist on all the support from the government and how it applies to you.

I suggest creating a spreadsheet and [listing all the grants](#), loans and deferred payment options available to you. Take a look at where you can save money (tax, rent, staff, agreeing longer payments terms with suppliers etc.) and where you can make more money (new business ideas, speeding up customer payments etc.) and then review your tangible assets – is there any way to leverage those? You can download the 'Peace of mind financial action planner'.

3. Applying for government schemes

Ask your accountant about [what help is available to you](#). Make a list of the options and then work through them to see where you qualify.

For example, if you're sole trader/freelancer there is a grant available. It's important to understand your own financials and the rules of the scheme before applying. If you are eligible, you'll have received a letter from the government. This scheme opened on the 13 May 2020 and you need to register for an online account and prepare to file the claim. It's worth getting help from your accountant as you need to get your paperwork right – not just on the claim, but on your tax returns too.

Similarly, if you run a limited company (including one-man-band companies) there is help available. And these keep changing, so please watch out for the dates and deadlines. Please use our action planner and furlough paperwork templates.

4. Cutting cost without undermining your business

In times of crisis, resist the knee jerk reaction to cut all costs immediately because this can actually cripple your business. So do approach this with some consideration and financial analysis.

Even where you have no income coming in for, say three months, unless you plan to close your business, there are some expenses you may consider to leave alone or even increase when your [competitors](#) are cutting back (for example, smart marketing).

We have one client who ramped up [their marketing](#) at the start of lockdown (despite clients cancelling and the signs indicating that there were tough times ahead) and found that they almost doubled their business as a result plus they have a large number of warm leads for later in the year too. So, think carefully – is it time to ramp things up rather than cut back?

If you need to cut costs, [create a spreadsheet with all your expenses](#) and then look at each in turn and see where you can cut back. A few small cuts can make a big overall difference and will often be less damaging to the business than one or two very large cuts. Ensure you understand your cashflow and what 'target' you need to reach in order to survive. This will ensure you cut enough, but not too much.

You can download a cost reduction exercise and savings tool (excel template) that you can use to save time and money.

5. Cashflow forecasting

Once you've reduced your costs and you know where your income will come from in the next 6-12 weeks (including income from the government), you now have a [12 week cash flow forecast in place](#). This will give you some peace of mind, at least for the time being. This document is the basis of your business going forward. Stick to it. If you've decided to cut some costs, make sure you cut them. If you're going to ramp up the marketing or add a new service – do so as soon as you can. You need to follow the decisions you made when creating the forecast – or it very soon becomes a work of fiction!

Especially if you're not using an [online accounting platform](#), you can download an integrated cash flow forecast tool called 'Time Saving Tool to project income-expense and cashflow'.

6. Save tax in during the COVID crisis

Ask your accountant to see if your business qualifies for any of these areas of potential tax saving:

1. VAT bad debt relief (Reclaim any [VAT](#) you've paid on bad debt)
2. Negligible Value Claim (Get a tax refund if an asset you purchased has gone down in value)
3. Normal Loss Relief (Generate a tax refund from last year)
4. Terminal Loss Relief (Generate a tax refund from the last 3 years)
5. Company closure and paying 10% tax (Don't overpay your tax bill in this difficult time)
6. Research and Development Tax Credit (Are you missing out on generous tax cuts? Would your new business re-invention lend itself to tax a refund?)
7. Realising capital losses (If an asset you hold has gone down in value, consider selling it)
8. Passing assets to the next generation (If an asset you hold has gone down in value, consider passing it on)
9. Transferring assets at low values (If an asset you hold has gone down in value, consider transferring it to, say, your company)
10. Early tax filing (File your returns early to secure eligible tax refunds)

7. Adapt your business model to recover lost income

Successful businesses are always adapting, leveraging and taking advantage of new commercial opportunities. This has never been truer than in the current situation. You may have heard of businesses taking their goods and services to their customers at homes or adapting and taking their products and services online. [Restaurants](#) that didn't offer take-away service or delivery, now do. Spas are selling their exclusive creams and serums direct to their customers. How can you adapt your business to "make lemonade out of lemons"?

8. Attract new customers by looking at demand now

There are certain [products and services](#) that are being consumed at high levels right now. Cycling is a good example of this, with sales of bicycles and accessories seeing a massive increase. Others that will come into their own as lockdown eases. How can your business solve some of the current pressing problems posed by the pandemic? If you're a services business, can you "productise" (or split off) parts of what you do and sell these at a reduced price for now?

For example, a psychologist can create a five-step programme to help improve the mental wellbeing of business owners, or help your staff build resilience? Or maybe you can run your craft workshops online via a platform like Zoom? Post out the craft items beforehand and then everyone logs on and makes together.

9. Anticipate future trends

Even after lockdown is fully lifted, it's unlikely business will ever be quite the same again. The way we do business has changed and some of those changes are here to stay – at least for the short to medium term. For example, social distancing and increased hygiene awareness. If you run construction or space consulting business, how are you preparing now to help businesses solve these challenges in the workplace? If you're an [accountant](#), how would you support businesses in the coming months when they have to pay back all their deferred taxes? And if you're a marketer, how are you preparing your clients with the right messaging to market their business successfully?

A great way to be inspired with new ideas about how to adapt your business and spot the upcoming trends is to look at what other successful businesses have done. How did they approach it? What did they do? Read business books and good news business stories to be inspired, and also our [whitepaper on 16 UK companies who are taking advantage of new commercial opportunities](#).

Please make use of the free resources on our website. We've made them available and easy to download as our contribution in this difficult time.