

A Small Business Owner's Survival Guide



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These are unprecedented times and the challenges being presented to small business owners are huge. Striking a balance between ensuring the wellbeing of yourself, any staff and other stakeholders, whilst productivity and liquidity is going to be very difficult for everyone. But you are not alone. This guide aims to share our thoughts, and knowledge, by way of some tips and advice.

In the coming days, we'll be producing more content which we believe will be useful for you and your business. We will also be contacting all of our clients to discuss the fast approaching recession and how it may impact your business. We urge you to pick up the phone and talk to us, we are here to support and guide you through these extraordinary times.

We have pulled together a panel of experts that go way beyond standard accountancy; covering HR, business resilience, corporate finance and contingency planning. We will be hosting a webinar next **Wednesday 25th March at 10am** to delve into our tips & advice in much more detail and provide guidance on reshaping your business to survive. You can register to attend the webinar here: [ACT NOW – Business Resilience and Future Success](#)

ACT NOW – Business Resilience and Future Prosperity

WEBINAR

Join our panel of experts who will be discussing business survival and resilience during these unprecedented and challenging times.

- Wednesday 25th March
- 10am – 11am

There will be a live feed available so you can ask questions to the panel throughout the webinar.

We are here to support you and your business, together we can ride the storm and come out successful.

[**REGISTER NOW**](#)

Helping you prosper

Here are our top tips and advice on business survival

1. Create a response team

Consider the primary functions of your business, these will fall under four headings; Strategy, Operations, Support and Culture, and will include areas like Sales, Purchasing, HR, Communications and IT.

If you are a sole trader, you may be wearing many hats and you might not have a team to hand. Other than cloning yourself, consider if you can call on additional support from outside with minimal financial impact.

What will be effective? Some suggestions:

- a) The team should include members who can adequately cover those primary headings: again, this may feel like it's all on you but splitting up your time could help with this process.
- b) Clearly set roles and responsibilities; or time schedules for each function.
- c) An agreed way for meetings to be run, especially when getting additional help.
- d) Reporting protocol: even if you're only reporting to yourself, recording the processes and results will help you now and in the future.

2. Protect employees and productivity

The current guidance from the UK Government is that employees should be working from home "where possible", which is rather vague.* The onus appears to be on employers to make the determination as to whether or not that is possible on behalf of their employees.

Depending on the size of your business, you may already be home based. Where you have employees, no matter if that's 1 or 100, we would suggest that:

- a) Employees are profiled according to the roles they perform – how easy is it for them to work from home (WFH), do they have the requisite equipment to perform their job away from the office? If an employee's role doesn't lend itself to WFH, can they be re-tasked? If smaller teams need to work together in person, what social distancing and health and safety rules do you all need to adhere to?
- b) HR policies are reviewed to ensure that WFH arrangements are adequately covered.
- c) Thought is given to utilising technology to retain a sense of teamwork and collaboration; we have seen Microsoft Teams, Zoom, Google Hangouts, Slack, Skype and WhatsApp all be effective in this respect.

3. Review customers and revenue streams

Probably the most important thing here is to keep communication active. Share your business continuity plans, stress that you remain open for business, and ensure that they have access to key contacts.

It's also crucial to have clear sight of your competitive environment. For example - what's happening to demand, how are your competitors behaving, and do you need to consider alternative channels to market (we have seen many restaurants pivot to takeaways for example)?

4. Evaluate your supply chain

There is an obvious need to consider the various links in your supply chain. What could happen up and down-stream that would interrupt your own production processes? Are there alternative supply sources you could tap into? Can you quickly redesign products so that problem components are not required? Do you need to step up your health and safety protocols so that it is safe for deliveries to be made to your site(s) and/or customers? Communicating your efforts in this will be important.

5. Perform financial modelling

An adaptable rolling 13 week cash flow forecast is strongly recommended, as it was during the last recession. This is an early warning system. Will the business run out of cash? What is the funding requirement? How long will this situation last?

It's hugely valuable for you (and for us as your advisers) to take these forecasts to your bank, alternative funders, suppliers or indeed HMRC when looking at solutions to working capital problems. The key thing with forecasting is to clearly state assumptions, try to support those assumptions with data garnered from outside of the company, and include sensitivity analysis.

Whilst performing your modelling, examine overheads – are there some easy wins where you're incurring expenditure unnecessarily? Sometimes even a review of your direct debits can reveal some surprises.

6. Think legal, insurance, tax, etc.

It's crucial that you understand the potential legal ramifications of business interruption, particularly where you have contractual arrangements with customers or suppliers. Determine worst case scenarios and what recourse you have to your insurers, and what can be done to mitigate risk.

You may need to open dialogue with a landlord with respect to rent payments (or indeed a lender with respect of loan repayments), the local authority in respect of rates, and HMRC in relation to time to pay any current tax liabilities. The Government have announced financial support in the form of grants and loans, and we'd expect to see more of the same in coming months, it's important to understand if and how you can access that support.

7. Make use of the help available

From the Budget and subsequent announcements, the Government have extended the following support to help UK industry to meet the considerable challenges we face.*

a) Business rates relief from April 2020

All businesses in the retail, hospitality and leisure sector will be given 100% relief from business rates for 12 months.

b) Grants

£25,000 grants to retail, hospitality and leisure businesses in smaller premises with a rateable value over £15,000 and below £51,000.

Local Authorities in England will provide £10,000 to each of the approximately 700,000 businesses currently eligible for Small Business Rate Relief (SBRR) or Rural Rate Relief.

There are also offers outside of the Government – for example, [Facebook is offering \\$100 million in grants](#) to 30,000 companies in over 30 countries.

c) Loan Support

For small and medium-sized firms, the Business Interruption Loan Scheme allows the government to guarantee 80% of loans up to £5m, with no interest due for the first six months. This scheme will be administered by the High Street banks working alongside the British Business Bank.

d) Regulatory

The Chancellor confirmed his advice is sufficient for businesses to claim insurance if they have appropriate business interruption cover for pandemics in place.

Mortgage lenders have agreed to support struggling customers as a result of COVID-19 with an up to three month payment holiday.

The implementation of the off-payroll working in the private sector rules that were due to come into force on 6 April 2020 has been delayed until 6 April 2021.

e) SSP

SSP is now payable from the first day of sickness absence, rather than the fourth day, to people who have COVID-19 or have to self-isolate in accordance with government guidelines.

Employers, with fewer than 250 employees, will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19. The refund will be limited to two weeks per employee.

To support the self-employed and employees below the lower earnings limit who are not entitled to SSP but are affected, contributions will be paid from day one rather than day eight, and advance payments of universal credit will be available without attending a jobcentre.

There is more information on our blog here: [A HR Helping Hand During COVID-19](#).

f) Time to Pay

There is a dedicated line – 0800 0159 559 – for businesses and self-employed struggling with tax debt due to COVID-19.

**As at the time of publication 20/03/2020*

Further resources

- [When to take action – contingency planning with UHY](#)
- [Cashflow concerns in the face of COVID-19](#)
- [COVID-19: support for businesses – Gov.uk](#)
- [Support for employees, benefit claimants and businesses – ICAEW](#)
- [Technical guidance – World Health Organisation](#)

We'd like to close by saying, please do what you can to stay safe, look after yourselves, your family and your work family. We'll all get through this together.



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