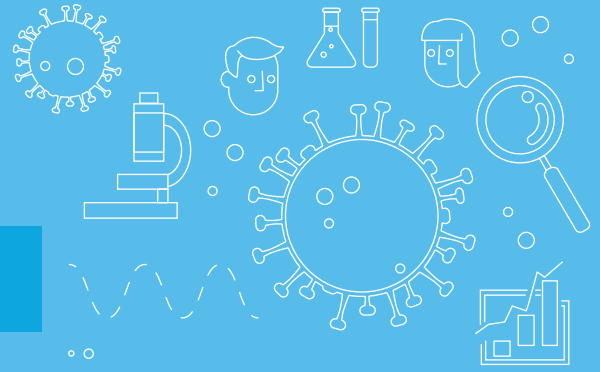


CORONAVIRUS

Restart under Covid-19



BUSINESS RESTART UNDER COVID-19 AND PREPARING FOR OUR 'NEW NORMAL'

Due to the pandemic, the World took lockdown measures in an effort to prevent the spreading of the virus, measures that seem to be effective and thereby containing and decreasing the spreading of the virus. Thus, Cyprus is now gradually relaxing these measures, announcing the steps forward to finally end the lockdown and restarting the economy and the business activity.

Of course, despite the relaxing, both government and the counseling scientists team, do explain and warn that the pandemic of Covid-19 is still around us and the next day after the lockdown is to be different for all of us, affecting both our lives and the way we do business. It may take some time before we are in the position to say that the threat exists no more, projecting that it will take time to get back to normal conditions, maybe even the time that the vaccine for COVID-19 is successfully developed. Businesses must be prepared to take this into account in preparing to restart their operations, mitigating in the best possible way the risks and adverse effects, ensuring the business survival under these abnormal and unexpected conditions.

While the COVID-19 crisis has influenced our work and lives in many ways we cannot control, it is important that we remain focused on our goals and concentrate on the parts of our businesses that we can influence.

At RSM the path to our 'new normal' is set at four stages: This is a forward looking approach which is to act as a reference point as we journey to understand the various challenges to be faced over the coming years.

1. React - The initial steps to secure our businesses and the safety of our people in the crisis.
2. Resilience - Ensuring business continuity and supporting clients through the worst of the crisis.
3. Reactivate - Returning to the workplace and reactivating our processes and supply chains as we come through the crisis.
4. Reimagine - Utilizing our learning from the crisis to innovate, reshape and increase our relevance to clients and our people in the 'new normal'.




The first four months of 2020 have been a real test for us all, whether on a personal level or as in business. In both cases we have had to adapt to new ways of staying connected, testing our agility and ability to incorporate and use new technologies. As it becomes clearer that physical distancing is likely to be our reality for the foreseeable future, it does not mean we have to remain socially distanced or that we cannot plan for what lies ahead.



For successful reopening, while the lock down measures are gradually relaxing, requires strategic thinking and a well thought and calculated plan for the business continuity considering our 'new normal' for an expected period of at least 24 months. Businesses must be prepared to adapt and change the way performing their operations, while overcoming any financial difficulties arising from the 'new normal'. A business needs to know how, when, what will be required and what to target for. It is not an easy task for businesses to do this as many considerations and estimations may be required.

- Planning in uncertainty and be prepared to change: Take time to think and consider how long this return to the 'new normal' will take. Consider the effect of these new circumstances on the business holistically. Consider the effect of the technologies and keep communicating and learning. This crisis has shown that we can't just do what we've always done and we need to continue learning and adapting to the changing world and the changing needs.
- Assess the impact the lock down measures had on the business operations and how the business should adapt to these operation changes in reopening and in the near future. This may require new ways of setting up the operations both for safety and hygiene and best practices for the successful operational continuity of the business under the 'new normal' conditions. Assess the capacity for safety reasons, new rules due to hygiene measures, suppliers due to operational difficulties, customers, employees, etc.. All these must be assessed and establish the readiness for the next day of reopening. Is the business ready operationally to reopen?

- Assess the current financial situation of the business including the financial effects the lockdown had on the business, the liabilities accumulated during this period and any necessary inflow of new funds that may be required for the business reopening. Plan the way how these financial effects can be dealt with, taking into consideration the above possible changes in the operations of the business. If the business does not already have the required capital then it may be difficult to reopen and continue in the near future. The ways of raising capital must be planned before reopening which may involve preparation for bank financing, agreements with creditors for gradual repayment, gradual funding from own profitability and cash generation, governmental assistance or a combination of ways.
- Examine the business costs both elastic and inelastic (fixed) in an effort to reduce them according to the expected income of the business after the reopening through new agreements with suppliers or new co operations with new suppliers or even reallocating the business if necessary. This is essential for a business to continue its operations and survive.
- Examine possible new opportunities that may arise under the new conditions and the new investment that may be required for the continuation and survival of the business. These opportunities may be new products or services that may be now in demand, new technical upgrades that will improve operations and increase income and/or reduce costs, redesign the costing system and pricing, or even maybe an investment in renovation or extension of the business under a cost effective period.
- Assess the customers of the business and examine the ways to regain, increase or even change their mix by targeting new customers.
- Assess and evaluate the announcements and schemes offered by the government that may assist the business either in covering a part of the damage or offering cash flow help or reducing the business costs in combination with the above considerations. For example if a bank loan will be necessary for the reopening and survival of the business then consider any new schemes supported by the government.
- Research on possible European Union schemes that the business may be eligible for and make the necessary preparations and steps to apply for.
- Reassess and prepare the new targets and the new budget of the business in a 2 year plan to include all the above and the possible effects of the 'new normal' conditions. A business must be well prepared for the reopening and a well-studied plan should be prepared and be used as a target, as a map, for the way forward. This plan will assess and include all the above considerations, should include the strengths, weaknesses, opportunities and threats but also must include a worst case scenario for the business, making sure that there are ways to continue the business even under very difficult conditions. The plan will be the financial map for the business, to be followed, revised and corrected, ensuring the business continuation, viability and target achievement.



The list of suggestions is not exhaustive as the situation is unrepresented and new to all and surely many other factors and unexpected conditions may arise, however the above outlines a good set of actions and steps towards the way of assisting effective businesses restart.

Finally, governmental intervention surely will help businesses to restart, especially as it comes to measures that will boost the market and the economy. For the moment the governmental schemes were targeted towards covering a part of the damage from the lock down and helping towards sustaining employment, however we do believe that the government should carefully plan measures towards boosting the economy and introduce them timely.

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