

WORKBOOK



Institute of
Advisors

Careful. Don't miss Advice!

SURVIVE & THRIVE in a CRISIS

IT'S NOT WHAT YOU SAY TO EVERYONE
ELSE THAT DETERMINES YOUR LIFE; IT'S
WHAT YOU WHISPER TO YOURSELF THAT
HAS THE GREATEST POWER.

- MARCANDANGEL

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WELCOME

Dear Business Owner/Manager,

As a business owner myself, I fully appreciate the stress, pain and tribulations and the joy of running a business. The personal discipline and dedication you need to be successful.

When a disaster or major crisis suddenly impacts our business, we need to react quickly and effectively. We need to keep an eye on our mental health and that of our staff as we seek to cope with the sudden and sometimes dramatic change to our business.

We put together this workbook for Business Owners and their Advisors to try and help with your decision making and cope from two perspectives;

1. From a Business perspective
2. From a Personal perspective

Work though these 24 steps either on your own or through one of our advisors. Many thanks to our supporting contributors, MAUS Business Systems who provided the electronic calculators and the “Business in Mind” research project team and UTAS for their great work in the area of mental health and resilience. Most of their body of work is contained in Part 2 of this manual and was massaged to fit the workflow.

Sincerely,



PETER HICKEY

President, The Institute of Advisors www.instituteadvisors.com
CEO & Founder MAUS Business Systems www.maus.com.au



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ABOUT THE INSTITUTE

The Institute of Advisors is a body representing professional Business Advisors around the world, founded in 2009 with the aim of raising the standards in Business Advisory services.

THIS MODULE IS PART OF the *Become a Certified Business Advisor* program. This course has 7 modules. This crisis management module is included in the certification course.

The Role of An Advisor
Building an Advisory Model
Client Discovery Programs

www.instituteadvisors.com.au

Strategic & Business Planning
Client Review Meetings
Marketing your Practice
Crisis Management &
Contingency Planning



ABOUT THE AUTHOR- PETER HICKEY

Peter Hickey is the founder and CEO of MAUS Business Systems and the President of the Institute of Advisors.

He is a bestselling author and creator of a wide range of business tools that have been used in over 60,000 businesses around the world. He is a pioneer and SME thought leader continually innovating and producing simplified management content. As a business owner, Peter founded and successfully built MAUS from a one-man business to a multi-million dollar concern and sold it a multibillion dollar publisher.



ABOUT MAUS BUSINESS SYSTEMS

MAUS Business Systems is a leading publisher of cloud business software targeted to SME's (small to medium sized businesses) and Business Advisors & Accountants. MAUS publishes one of the largest ranges of management software titles in the world. These multi – award winning business tools are now being used by more than 60,000 companies around the globe.

www.maus.com.au

CONTRIBUTING AUTHORS – PERSONAL RESILIENCE MODULE

The Personal Resilience module was developed based on the “Business in Mind” research project and the original version is run by staff from the University of Tasmania, the Menzies Research Institute and Griffith University. The project is funded by the Australian Research Council, Beyond Blue and WorkCover Tasmania and is supported by the Tasmanian Chamber of Commerce and Industry. The project team was as follows

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Angela Martin is the project manager. Angela is a senior lecturer in the School of Management at the University of Tasmania, where she teaches in the MBA program.

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MICHELLE KILPATRICK

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Dr. Fiona Cocker is a Junior Postdoctoral Research Fellow the Menzies Research Institute Tasmania.

SARAH-DAWKINS

Sarah Dawkins is a PhD candidate in the School of Management, University of Tasmania.

www.businessinmind.edu.au



A close-up photograph of a row of wooden dominoes falling in a chain reaction. The dominoes are light-colored wood and are arranged in a slightly curved line, with the first few in the foreground clearly visible and the rest receding into the background. The background is a blurred, warm-toned interior space.

24 STEP

CRISIS MANAGEMENT PLAN

During this period we would like to help you to navigate business and personal strategies to help you to cope with the current crisis.

PART 01

BUSINESS RESILIENCE

HOW IS YOUR
BUSINESS COPING?

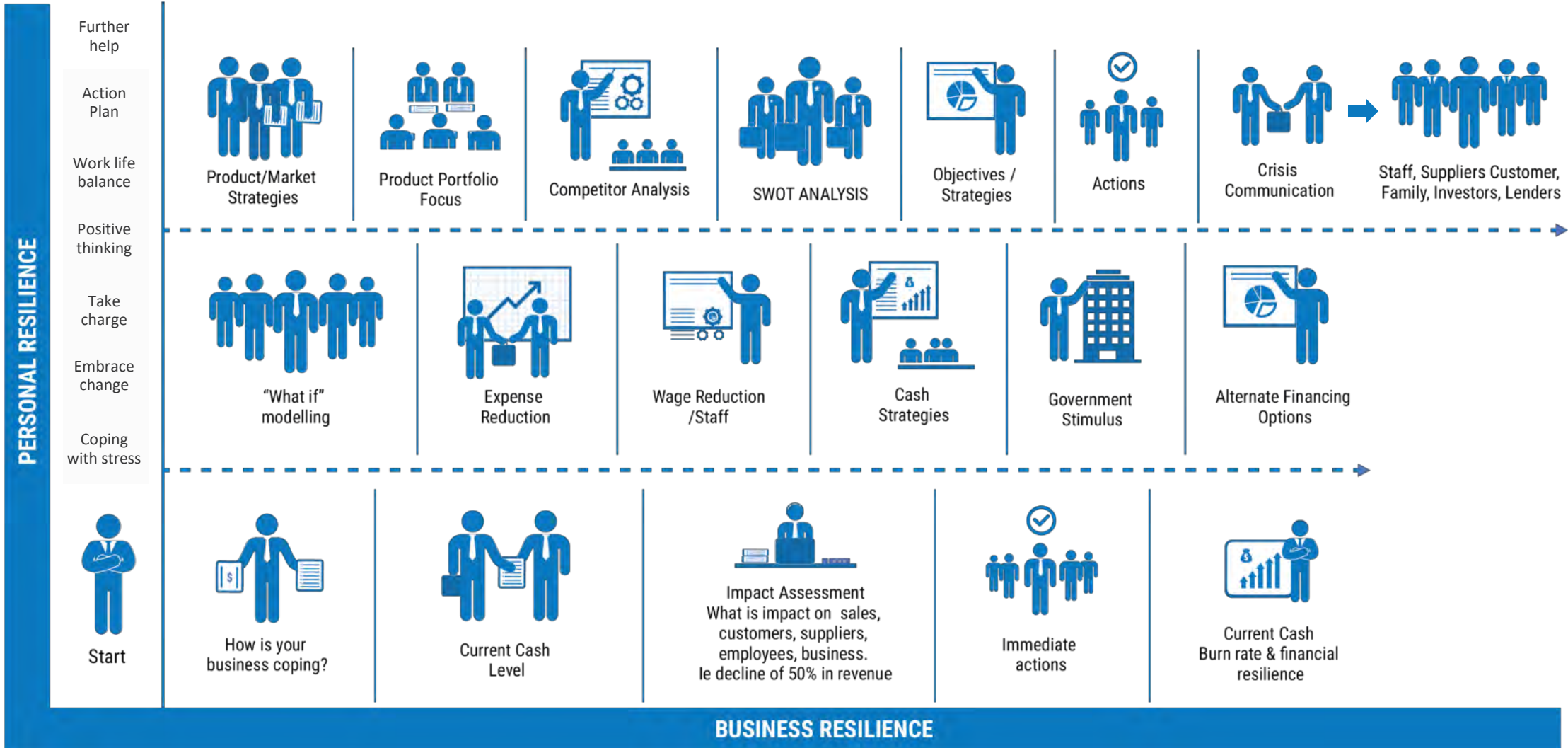
PART 02

PERSONAL RESILIENCE

HOW ARE YOU
PERSONALLY COPING?



24 STEP CRISIS MANAGEMENT PLAN FOR BUSINESS OWNERS



1 PART

BUSINESS RESILIENCE

A background image showing a hand placing a wooden block on a row of other wooden blocks, symbolizing building or coping with challenges.

HOW IS YOUR **BUSINESS COPING?**

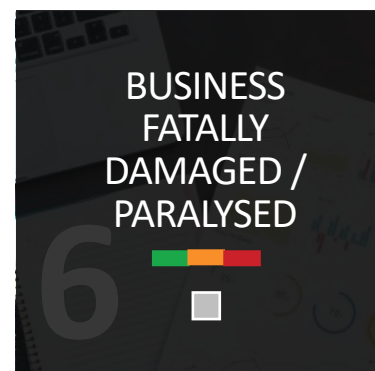
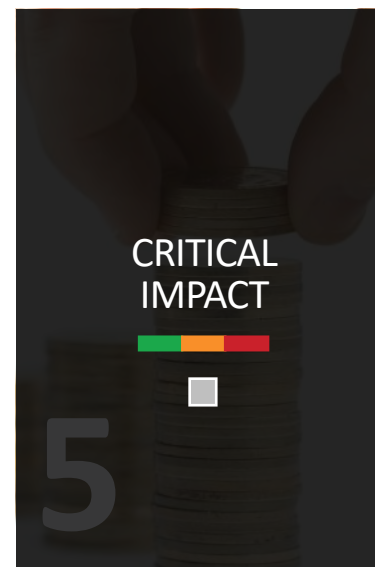
CAN WE HELP YOU DEVELOP A BUSINESS RESILIENCE PLAN?

During this period we would like to help you to navigate business strategies to help you to cope with the current crisis.

STEP 01

**ASSESS HOW YOUR
BUSINESS IS COPING**

PLEASE TICK THE BOX THAT BEST DESCRIBES YOUR SITUATION



WHAT TO
DO NEXT ASAP...

1. **BUSINESS OPPORTUNITY**
 - ✓ We have identified an opportunity as a result of this crisis. E.g.
 - ✓ New demand for existing products
 - ✓ New markets
 - ✓ Product modifications
 - ✓ Diversification
2. **BUSINESS UNAFFECTED**
 - ✓ Our business remains generally unaffected
3. **BUSINESS marginally affected**
 - ✓ Our business has been affected but the damage isn't too bad
4. **MAJOR IMPACT**
 - ✓ We have suffered a severe hit and need to come up with solutions & advice on how we survive
5. **CRITICAL IMPACT**
 - ✓ We need immediate financial solutions to avoid bankruptcy. We need time to turn the business around
6. **BUSINESS FATALLY DAMAGED/ PARALYSED**
 - ✓ The business is critical. We need solutions around voluntary insolvency

OUR GOAL



DEVELOP STRATEGIES
TO MOVE TO A BETTER
POSITION.

1. **BUSINESS OPPORTUNITY**
 - ✓ We have identified an opportunity as a result of this crisis. E.g.
 - ✓ New demand for existing products
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OUR ROADMAP

(To be completed over the next steps of the program)

EXPENSE REDUCTION STRATEGIES

CASH IMPROVEMENT STRATEGIES

REVENUE ENHANCEMENT



ESTIMATED CASH BURN BEFORE



REDUCE GENERAL OVERHEAD



CASH STRATEGIES



ANSOFF MATRIX



REDUCE SALARIES & WAGES



GOVERNMENT SUPPORT OR INSURANCE



PRODUCT PORTFOLIO



ACCESS TO ALTERNATE FUNDING



COMPETITORS



SWOT ANALYSIS



ESTIMATED CASH BURN AFTER

SURVIVAL MONTHS

STRATEGY

Grow

Hold

Liquidate

Note: Recommend a full Business & Marketing Plan is completed

The background of the slide features several stacks of gold coins on a dark wooden surface. A bright light source from the upper left creates a strong highlight and lens flare across the scene. The coins are arranged in four stacks of varying heights, with the tallest stack in the center-right.

STEP 02

**WHAT IS YOUR
CURRENT CASH?**

WHAT IS YOUR CURRENT CASH?

HOW MUCH CASH DO YOU HAVE ON HAND?

STEP 03

**HOW WOULD YOU DESCRIBE
THE LIKELY IMPACT**

WHAT WOULD YOU ESTIMATE IS THE LIKELY IMPACT OF THIS EVENT?

IMPACT	FINANCIAL / BUSINESS CONSEQUENCE
EG BUSINESS LOCKDOWN IN PANDEMIC	40% reduction in revenue for 6 months



STEP 04

**WHAT IMMEDIATE RISK
MITIGATION STRATEGIES CAN
YOU IMPLEMENT**

WHAT IMMEDIATE RISK MITIGATION STRATEGIES CAN YOU IMPLEMENT

IMPACT	STRATEGY
EG BUSINESS LOCKDOWN AS A RESULT OF THE PANDEMIC	Remote working, training staff, health and safety issues so we don't lose more staff.
	Keep staff positive
	Clear communication lines with suppliers, banks, customers

What can you do to limit, avoid or negate the risk. Note focus on business strategies.

We will do financial strategies next.

A person in a dark suit and white shirt is pointing their right index finger towards a glowing blue candlestick chart. The chart is overlaid on a dark background and shows a series of blue candles with white outlines, connected by a thin white line. The person's hand is in the foreground, and their face is blurred in the background.

STEP 05

**FINANCIAL BEST / WORST
CASE MODELLING**

FINANCIAL MODELLING. BEST AND WORST CASE SCENARIOS

Based on what we know and what we can do immediately
What is our likely best case and worst case scenario.

	BEST CASE	WORST CASE
SALES		
PROFIT		
CASH		

ESTIMATED CASH BURN RATE

Work with your accountant or advisor on the below actions:

ACTIONS

- ☐ Get accurate financials ☐ Prepare Cash flow forecast ☐ Prepare what if analysis

CASH BURN RATE

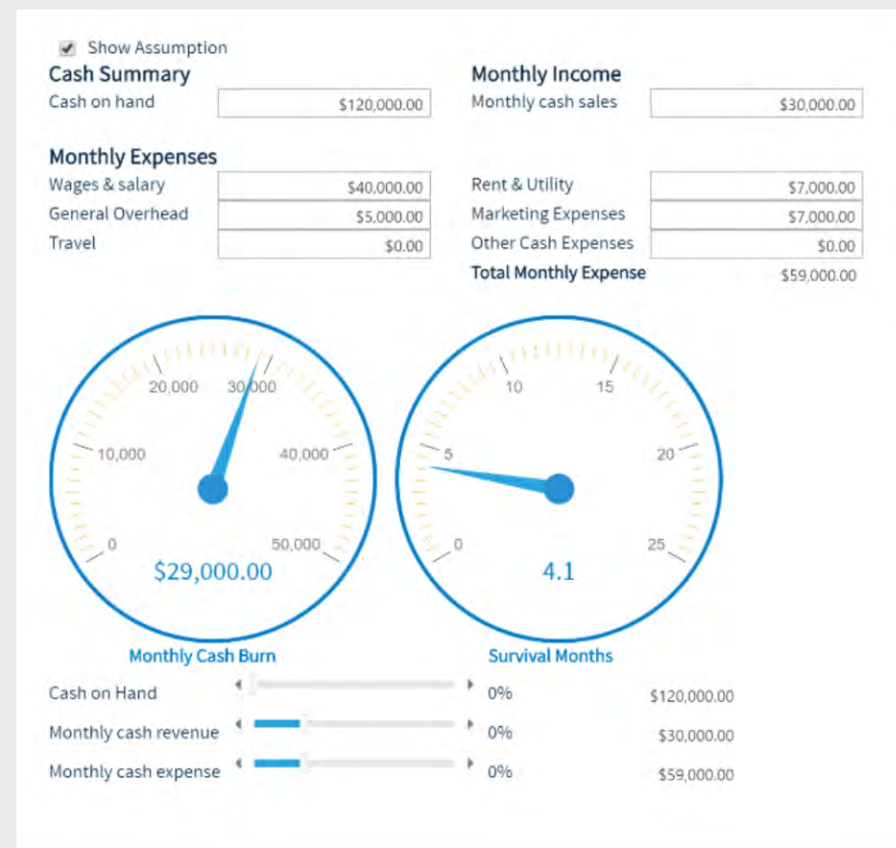
- ✓ Cash Burn Rate = The shortfall or surplus of cash that you need to operate the business.
- ✓ The goal here is to calculate how much cash you will need to survive the crisis. We then use this as the starting point and deploy financial and business strategies to help improve your position.
- ✓ In a normal operating environment the cash burn rate over a 3 month period calculated at
- ✓ **Monthly Burn Rate = (Cash Balance Beginning of Period – Cash Balance End of Period) / # of Months in Period .**
- ✓ **le: Cash at start =100,000. Cash at finish = 80,000 therefore cash burn is 20,000 over the 3 month period or 20,000/3 per month.**



CASH BURN RATE IN A CRISIS

In a crisis where our industry or our firms demand has suddenly contracted the old cash burn rate is no longer relevant.

You can calculate your estimated cash burn rate using this calculator provided by MAUS Business Systems.



<https://www.maus.com.au/landing/cash-burn-calculator/>

WHAT IF STRATEGIES USING THE CALCULATOR


EXPENSE REDUCTION STRATEGIES

CASH IMPROVEMENT STRATEGIES


REVENUE ENHANCEMENT



**ESTIMATED CASH
BURN BEFORE**




**REDUCE GENERAL
OVERHEAD**



CASH STRATEGIES




ANSOFF MATRIX



**REDUCE SALARIES
& WAGES**




**GOVERNMENT SUPPORT
OR INSURANCE**




PRODUCT PORTFOLIO




**ACCESS TO
ALTERNATE FUNDING**



COMPETITORS



SWOT ANALYSIS



**ESTIMATED CASH
BURN AFTER**

SURVIVAL MONTHS

STRATEGY	Grow	Hold	Liquidate

STEP 06

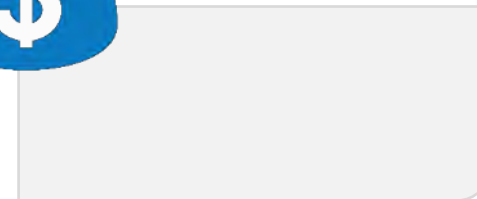
EXPENSE REDUCTION STRATEGIES

REVIEW ALL EXPENSE ITEMS

- ☐ What can be cut?
- ☐ What can be deferred?
- ☐ Renegotiate with suppliers.
- ☐ Brainstorming with staff.
- ☐ Brainstorming with Advisors.
- ☐ Negotiate rent with landlord.
- ☐ Bank and lending fee negotiation.
- ☐ Consider cost of closure.



IMPACT ON CASH:





STEP 07

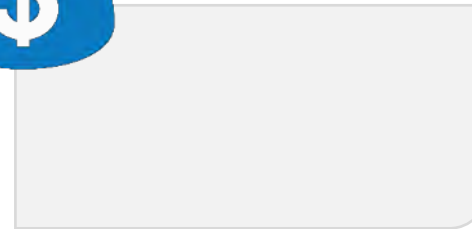
WAGES STRATEGIES

REVIEW SALARIES & WAGES

- ☐ Reduce, retrench staff.
- ☐ Agree on pay cut.
- ☐ Agree leave w/o pay.
- ☐ Agree reduced hours.
- ☐ Business Owner salary reduction.



IMPACT ON CASH:



A hand holding a large pile of coins, with a small green plant growing out of the top of the pile. The background is a gradient from light to dark.

STEP 08

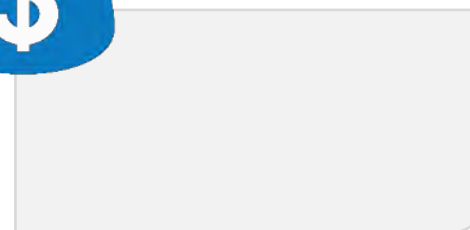
CASH STRATEGIES

REVIEW ALL CASH ITEMS

- ☐ Collect debtors.
- ☐ Defer purchases.
- ☐ Reduce inventory.
- ☐ Spread creditors.



IMPACT ON CASH:

A light gray rectangular box with rounded corners, intended for inputting the impact on cash.

A close-up photograph of a hand counting Australian coins. The hand is holding a 20-cent coin, about to drop it into a pile of other coins (100, 20, and 10 cents) that are resting on a 100 Australian dollar banknote. The banknote is green and features the word "Australia" and the number "100". In the background, a calculator is visible on a surface covered with newspaper clippings.

STEP 09

GOVERNMENT STIMULUS

CAN YOU ACCESS ANY GOVERNMENT SUPPORT

- ☐ National government grants, subsidies and assistance.
- ☐ State grants, subsidies and assistance.
- ☐ Talk to your accountant, bookkeeper or advisor.



IMPACT ON CASH:

A close-up photograph of a hand placing a coin on top of a tall stack of coins. The background is a soft, out-of-focus grey.

STEP 10

ADDITIONAL FUNDING

CAN YOU GET ACCESS TO ADDITIONAL FUNDING IF REQUIRED

- ☐ Bank Loans.
- ☐ Credit Card.
- ☐ Investors.



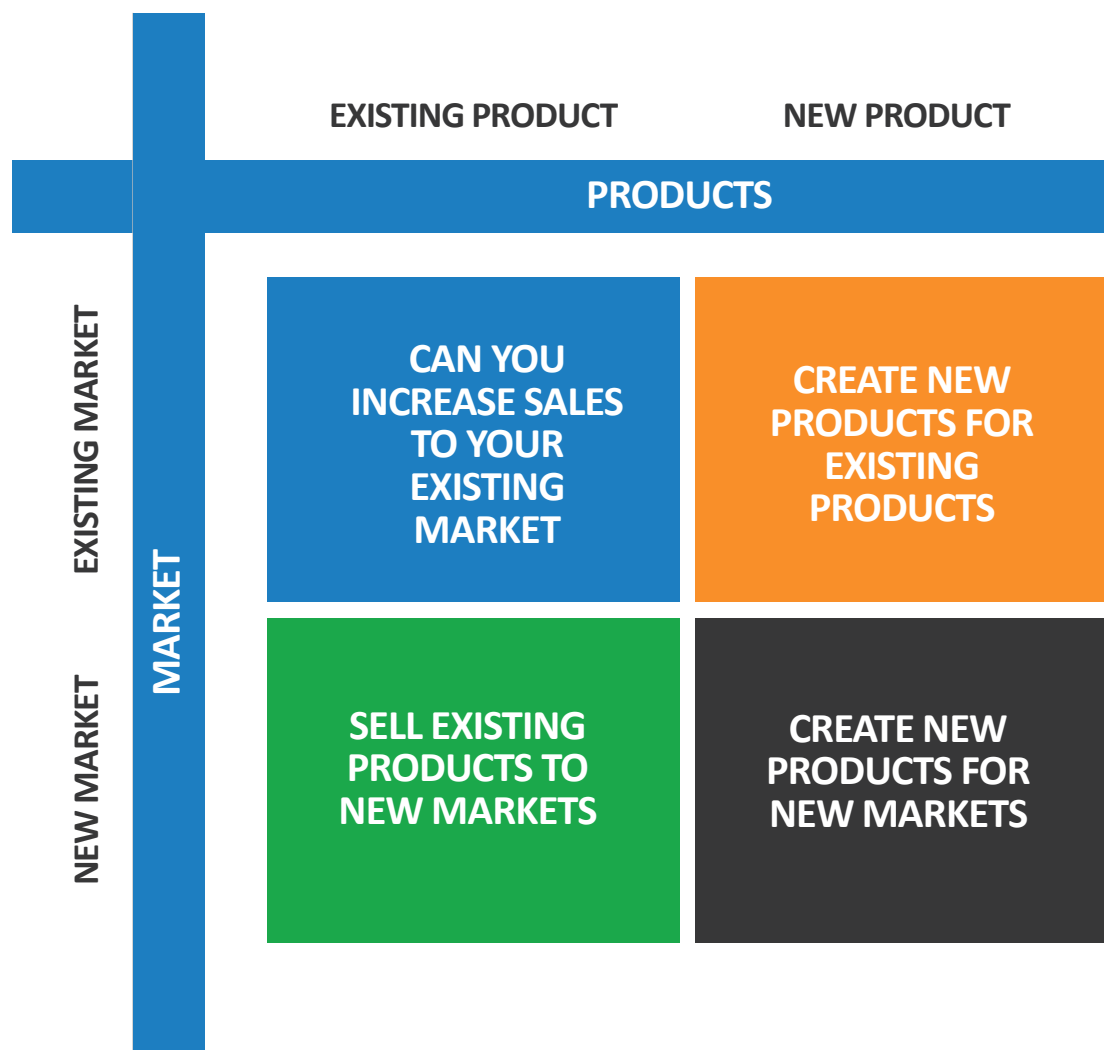
IMPACT ON CASH:



MARKETING STRATEGIES

STEP 11

**LOOK FOR
OPPORTUNITIES IN THE
NEW ENVIRONMENT**



ANSOFF IDENTIFIED FOUR COURSES OF ACTION

MARKET PENETRATION

Selling existing products to existing markets. Lower price, defer cash payments, Increase quality, productivity, marketing spend. Consider collaboration.

MARKET DEVELOPMENT

Selling existing products to new markets or new segments. Redefine who is your customer and customer segments. 80/20 rule to define biggest customers. Consider exporting, buying competitors, or licensing.

PRODUCT DEVELOPMENT

Developing for existing markets. Invest in R&D, modifications or extensions. Buy-in products.

DIVERSIFICATION

Developing new products for new markets switch internal focus. Create new business units. Buy subsidiaries. Technology share. Consortiums. E.g. Samsung started as a trading company and expanded into appliances, cameras, watch making, apparel, music services, cloud computing, and home automation.

TIPS

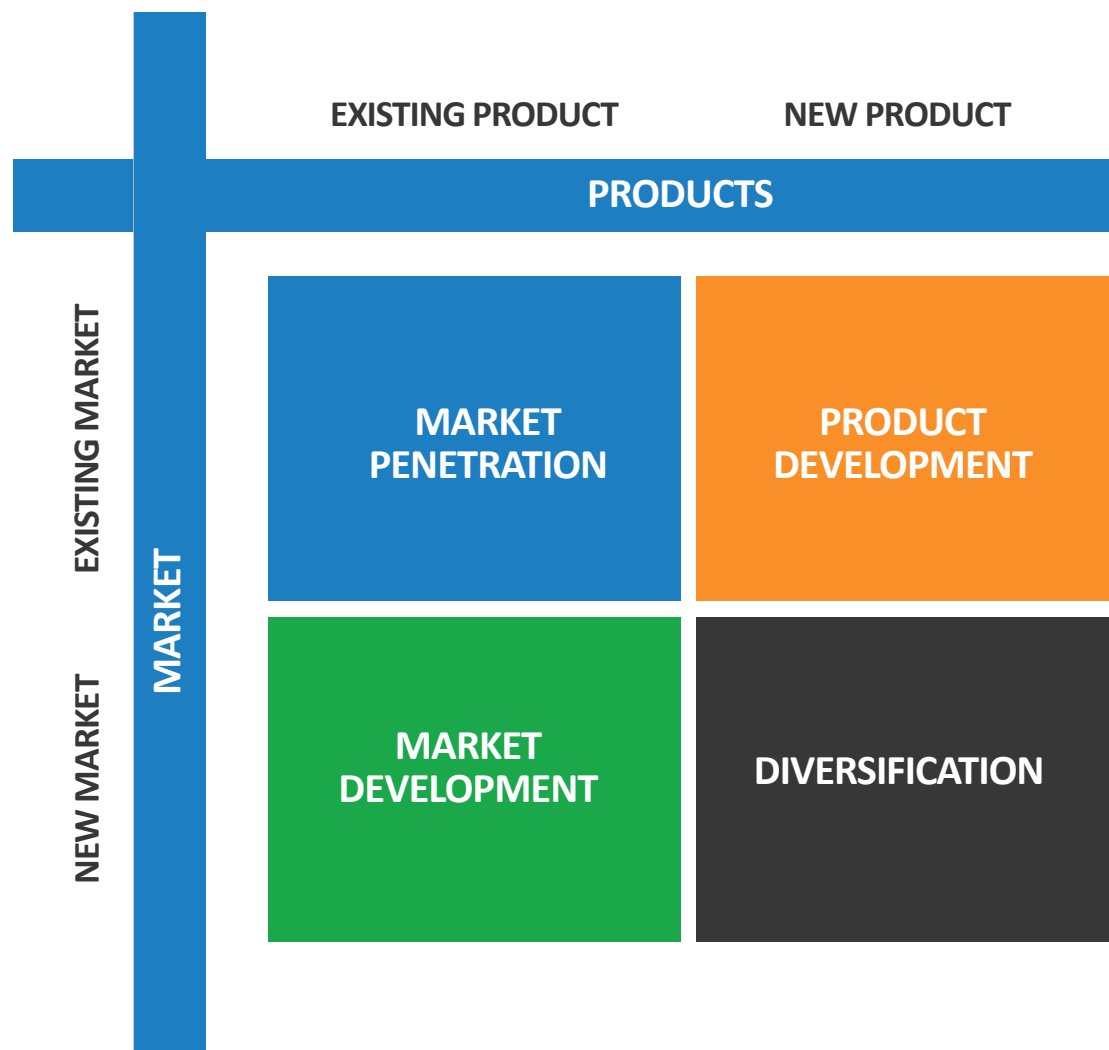
☐ Brainstorm session with the staff

☐ Talk to industry association

☐ Brainstorm with suppliers

EXAMPLES

Business Type	Problem	Solution	
Hotels	No tourists	Offer hotel as a hospital.	Existing Product/New Market
Cruise liner	No passengers	Offer cruise line as a floating hospital.	Existing Product/New Market
Remote accommodation	No tourists	Offer the entire resort as venue for the 12 sporting teams in a competition. Housed and gladiator stadium.	Existing Product/New Market
Factory	No demand	Retrofit with surgical masks, oxygen equipment.	New product/New Market
Perfume	Reduced Revenue	Louis Vuitton owner LVMH will use its perfume production lines to start making hand sanitizer to protect people against the coronavirus outbreak.	New product/New Market
Shopping mall	How do I get people into mall so they feel safe?	Hand sanitizer applied at every mall entrance. Disinfectant spray across the whole center. Constant cleaning of commonly touched spaces (hand railing, touch screens, etc.). Temperature checks for both staff and customers.	Existing product/existing market
Car manufacturer	How do I close a deal with uncertainty?	Hyundai promise's to make up to six months of payments for drivers who lose their jobs and have purchased or leased their vehicle between March 14 to April 30, 2020. They are also allowing buyers to defer payments for three months if they buy certain models.	Existing product/existing market
Education	How do I increase sales?	Education is being offered through tutorials over skype, education companies are scrambling to upgrade their digital offerings and others are offering them free or discounted in this time.	New product/existing market



ANSOFF IDENTIFIED FOUR COURSES OF ACTION

MARKET PENETRATION

Selling existing products to existing markets. Increase quality, productivity, marketing. Consider collaboration.

MARKET DEVELOPMENT

Extending existing products to new markets new sales areas, segments, uses. Consider exporting, buying competitors, or licensing.

PRODUCT DEVELOPMENT

Developing for existing markets. Invest in R&D, modifications or extensions. Buy-in products.

DIVERSIFICATION

Developing new products for new markets switch internal focus. Create new business units. Buy subsidiaries. Technology share. Consortiums.

TIPS

- ☐ Brainstorm session with the staff
- ☐ Talk to industry association
- ☐ Brainstorm with suppliers

Segmentation Parameters	Example of Possible Segments
Age	<input type="checkbox"/> Toddler <input type="checkbox"/> Child <input type="checkbox"/> Teenager <input type="checkbox"/> Adult <input type="checkbox"/> Under 25 <input type="checkbox"/> 25-35 <input type="checkbox"/> 35-65 <input type="checkbox"/> 65+
Sex	<input type="checkbox"/> Male <input type="checkbox"/> Female
Occupation	<input type="checkbox"/> Professional <input type="checkbox"/> Craftsman <input type="checkbox"/> Farmer <input type="checkbox"/> Tradesman <input type="checkbox"/> Receptionist <input type="checkbox"/> Student <input type="checkbox"/> Accountant <input type="checkbox"/> Homemaker <input type="checkbox"/> Doctor <input type="checkbox"/> Senior Manager <input type="checkbox"/> Other
Family Life Cycle	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Elderly <input type="checkbox"/> Married - children under six <input type="checkbox"/> Married - children over six <input type="checkbox"/> Married - children left home <input type="checkbox"/> Other
Income	<input type="checkbox"/> Under \$25,000 <input type="checkbox"/> \$25,000 - \$35,000 <input type="checkbox"/> \$35,000 - \$50,000 <input type="checkbox"/> Over \$50,000
General Industry Type	Small, medium, large business. Government, public and private sectors. Industrial, consumer and other markets.
Specific Industry	Financial, Professional Services, Trades, (Plumbing, Mechanical, etc), Computer, Marine, Electrical/Engineering, Railway, Rubber, Chemical, Food & Agricultural, Liquor, Other.
Geographic	Europe, Asia, Africa, North America, South America, Australasia and Pacific Regions, Middle East, other. NSW, VIC, QLD, TAS, SA, WA, NT. Northern Suburbs, Eastern Suburbs, Western Suburbs, Southern Suburbs.
Attitude	Any attitude toward life: Environmentally or politically disposed, concerned about the future, concerned about today, short term price conscious, looks at long term advantages, concerned with image, prestige, other.
Lifestyle	Health conscious, active, adventurous, other.
Usage Rates	High, medium, low users. First time, existing users, other.
Benefits Desired	Buys in terms of the benefits the product offers: technical performance, low price, quality, prestige, user friendliness, labour saving, durability, dependability, other.

WHEN LOOKING AT NEW MARKETS EXPLORE MARKET SEGMENTS

EXAMPLE 1: CARS

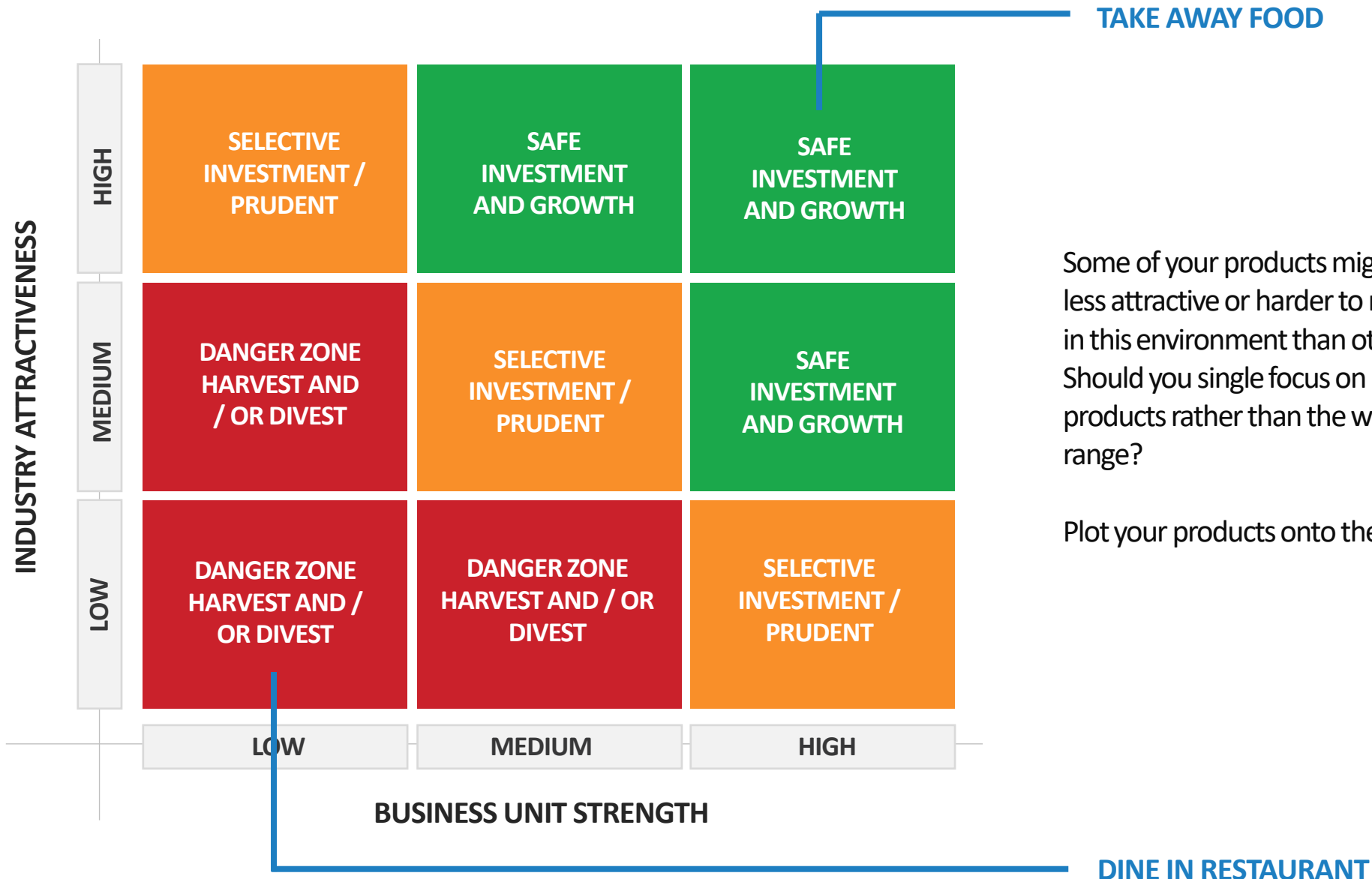
- ✓ People that buy cars for safety reasons.
- ✓ People that buy cars for economy.
- ✓ People that buy cars for prestige.
- ✓ People that buy cars for performance.
- ✓ People that buy cars for size (e.g. families).
- ✓ People that buy cars for off-road pursuits.

EXAMPLE 2: THE TOOTHPASTE MARKET

- ✓ People that buy toothpaste because they want white teeth.
- ✓ People that buy toothpaste primarily as a breath freshener.
- ✓ People that buy toothpaste based on price.
- ✓ People that buy toothpaste for taste or product appeal.

STEP 12

**REDUCE THE RANGE OF
PRODUCTS YOU ARE
FOCUSSING ON**





STEP 13

**HOW ARE YOUR
COMPETITORS
REACTING?**

MANY IDEAS COME FROM WATCHING YOUR COMPETITORS

- ✓ How have they reacted?
- ✓ What communication have sent out?
- ✓ Have they been adversely effected?

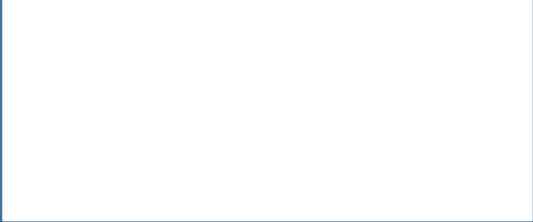
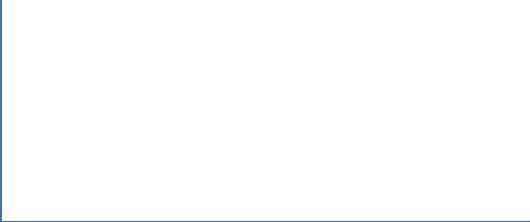




COMPETITOR IDEAS



STEP 14

SWOT ANALYSIS

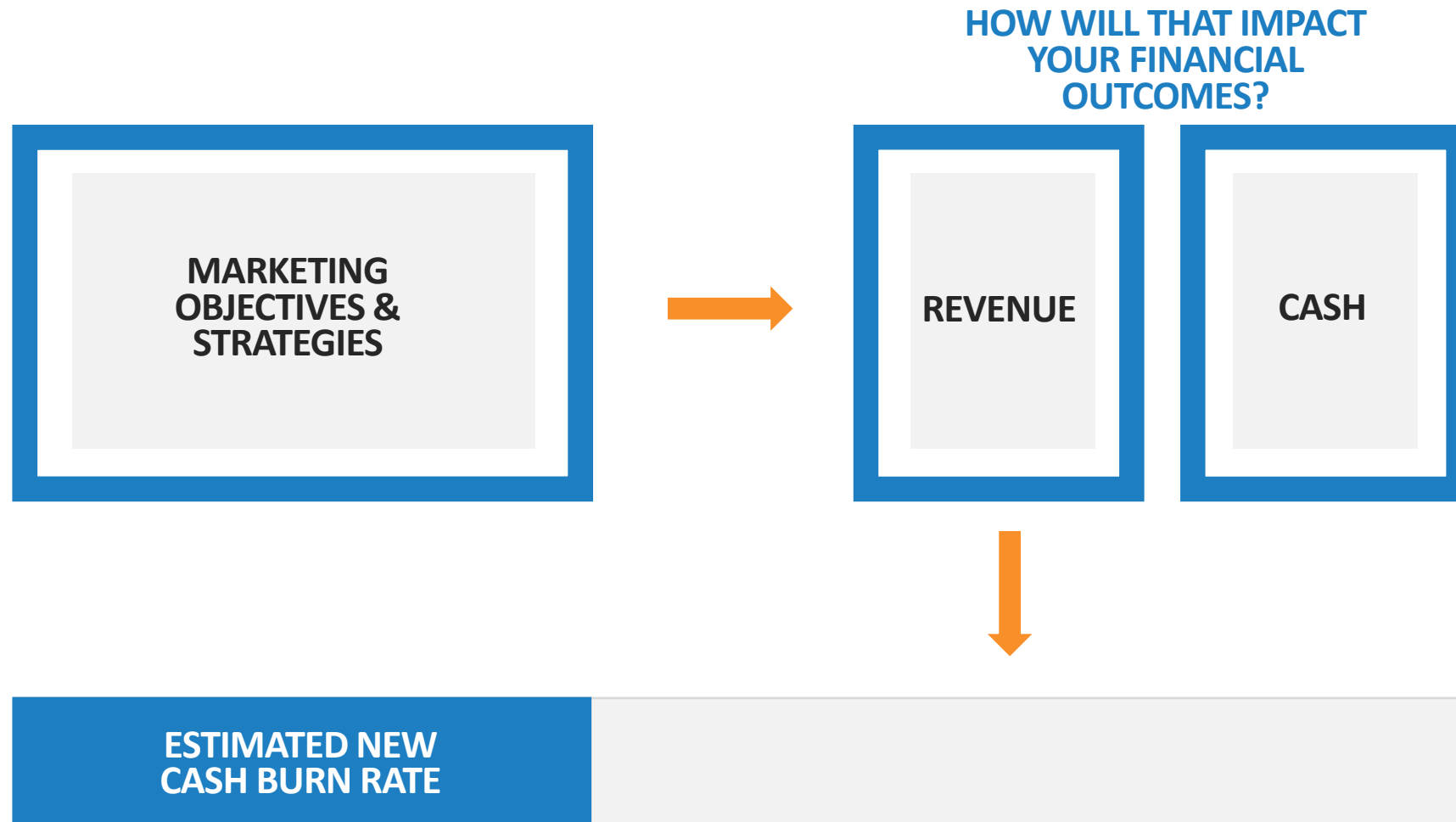
STRENGTHS 	WEAKNESSES 
OPPORTUNITIES 	THREATS 

**List the strengths,
weaknesses, opportunities
and threats of your company.**

NOTES: IF YOU HAVE TIME, COMPLETE A THOROUGH MARKETING ANALYSIS

STEP 15









MARKETING OBJECTIVES & STRATEGY



A background image showing two people playing Jenga. One person in a plaid shirt is placing a wooden block on top of a tower, while another person in a denim shirt points towards the tower. The scene is set on a white table with a window in the background.

STEP 16

**DEVELOP AN
ACTION PLAN**

ACTION	WHO	WHEN
 Develop a web landing page	 Peter Hickey	15 May 2020
 Develop a brochure	 Stephanie Andrews	25 Feb 2022
 PR Release	 Todd Collinge	29 Nov 2018
 Brief technical team	 Adam Garside	21 Nov 2018

ACTION PLAN

ACTIONS	WHO	WHEN

NOTE:
IF THE PRESSURE
HAS BEEN
ALLEVIATED. THEN
WE SUGGEST YOU
DO A COMPLETE
BUSINESS &
MARKETING PLAN

WHAT ARE YOUR FINAL ESTIMATED SAVINGS/REVENUE

EXPENSE REDUCTION STRATEGIES

CASH IMPROVEMENT STRATEGIES

REVENUE ENHANCEMENT



ESTIMATED CASH
BURN BEFORE



REDUCE GENERAL
OVERHEAD



CASH STRATEGIES



ANSOFF MATRIX



REDUCE SALARIES
& WAGES



GOVERNMENT SUPPORT
OR INSURANCE



PRODUCT PORTFOLIO



ACCESS TO
ALTERNATE FUNDING



COMPETITORS



ESTIMATED CASH
BURN AFTER

SURVIVAL MONTHS

STRATEGY

Grow

Hold

Liquidate



SWOT ANALYSIS