

Anchin Alert

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Covid-19 – Addressing Key Business Issues

The disruption to the economy and to how we socialize due to Covid-19 is quite significant. As with other major disruptions of the past, we will likely progress through a period of uncertainty after which businesses will slowly recover. Here are several key items to address so you can keep your business and its employees on track.

Communication: Have a team in charge of internal and external communications. It is critical that management provide honest and clear communication with one voice. A team consisting of leaders from all key areas of the business should develop and review consistent updates geared at keeping your employees, vendors, stakeholders and customers up to date on the challenges you are facing, as well as your plan.

Liquidity and Finance: What does your current cash flow projection look like and can it be adjusted to conserve cash? What do your revised short-term cash flow projections look like and how will you meet payroll needs? In addition, have you confirmed that your bank credit facilities are active? Can you receive a temporary increase for unforeseen needs? Will customer payments be directed to your bank if your office is closed? Do you have a process in place to make critical payments to key vendors to keep your business functioning while reducing other non-essential expenses?

Logistics: It seems likely that employee access to the workplace or transportation will be even more restricted in the coming weeks. Has your crisis plan been activated, and how can you effectively update it for this unique situation? What support can be provided to employees to maximize their efforts to work remotely? Do you have enough software licenses? Do employees have the hardware to work at home securely? Are critical supplies on hand or can they still be ordered? Can you reduce operating days or hours to minimize overhead?

Preventing Security Lapses: It is easy for data and other security lapses to occur during a period when policies are rapidly changing to address a crisis. Are remote employees protecting the data of your business? Are they using secure networks? Are your cybersecurity advisors providing input to minimize breaches as your policies are updated? A bit of extra attention now may prevent even more headaches later.

Look for Support: Will Federal, State and Local Governments provide much needed assistance for your business on a timely basis? We will monitor and update you on sources of support in the form of tax credits, grants, loans or even postponements of tax payment deadlines. Capturing every opportunity for support for your business is critical during a crisis like this, and it is easy to miss them as you focus on putting out the fires that will arise daily.

The key is pulling together and keeping your business on track to endure this challenge. As in the past, our team at Anchin is here to help. Please don't hesitate to contact your Anchin Relationship Partner to support and assist you in managing through this crisis.



Anchin, Block & Anchin LLP
Accountants and Advisors
1375 Broadway, New York, NY 10018
212.840.3456 • www.anchin.com

