

Finance

Get your business back on solid financial basis by working systematically through incoming and outgoing cash flows, working capital and business model



**Building Back
Business from
Crisis**

MSME

An Initiative of the United Nations Industrial
Development Organisation

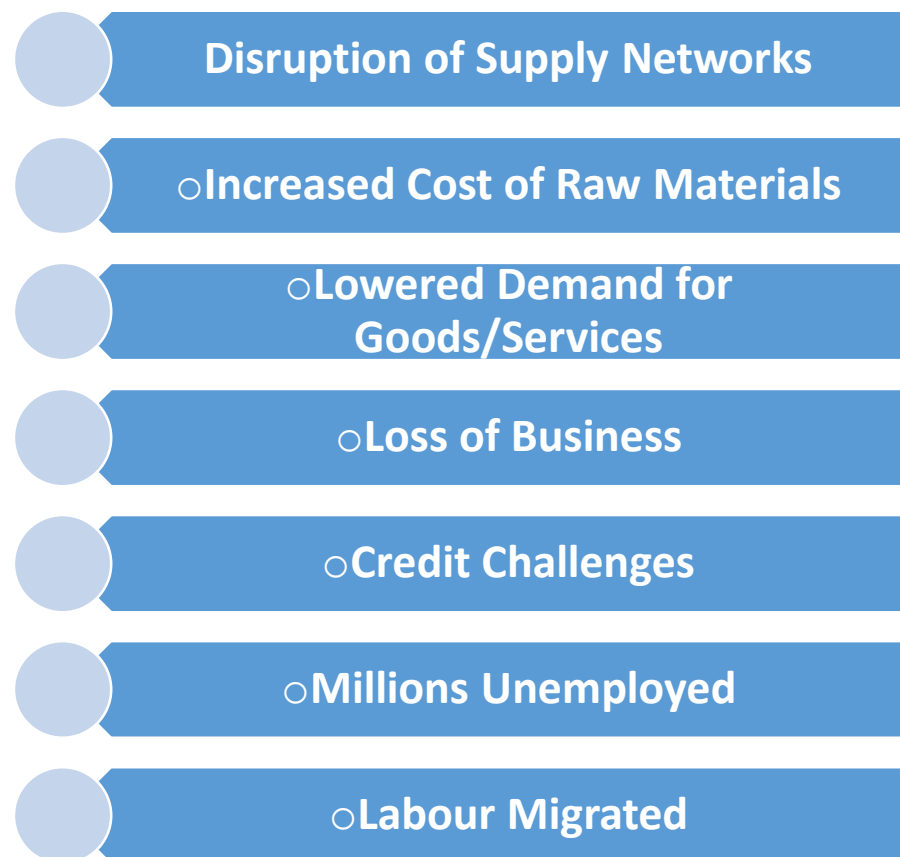
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MSME Landscape in India

- MSMEs key pillar of economy & society
 - Employment
 - 120 million
 - Businesses
 - 65.03 Million micro, 330,000 small and 5,000 medium
 - Economy
 - 6.1% of manufacturing GDP
 - 24.6% of services GDP
 - 33.4 of manufacturing output
 - 45% of exports

- Crisis manifested in:



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State of SME Finance in India

Investors and stakeholders are wary of shutdown impacts on SME

Impact on
the product
portfolio

OR/and

the entire
business

OR /and

the sector

Impact of
cash cycle
delays on the
financial
health of the
company

Impact on
the debt
capacity of
the
company

Impact of
supply chain
disruption on
production

SMEs already face:

- Challenges in accessing liquidity
- Banks, NBFCs and microfinance are yet to offer easy financing
- COVID-19 relief line-of-credit *could largely* benefit A-rated companies

Take Steps Towards Recovery



Increase and/or speed up income

Decrease and/or slow down
expenses

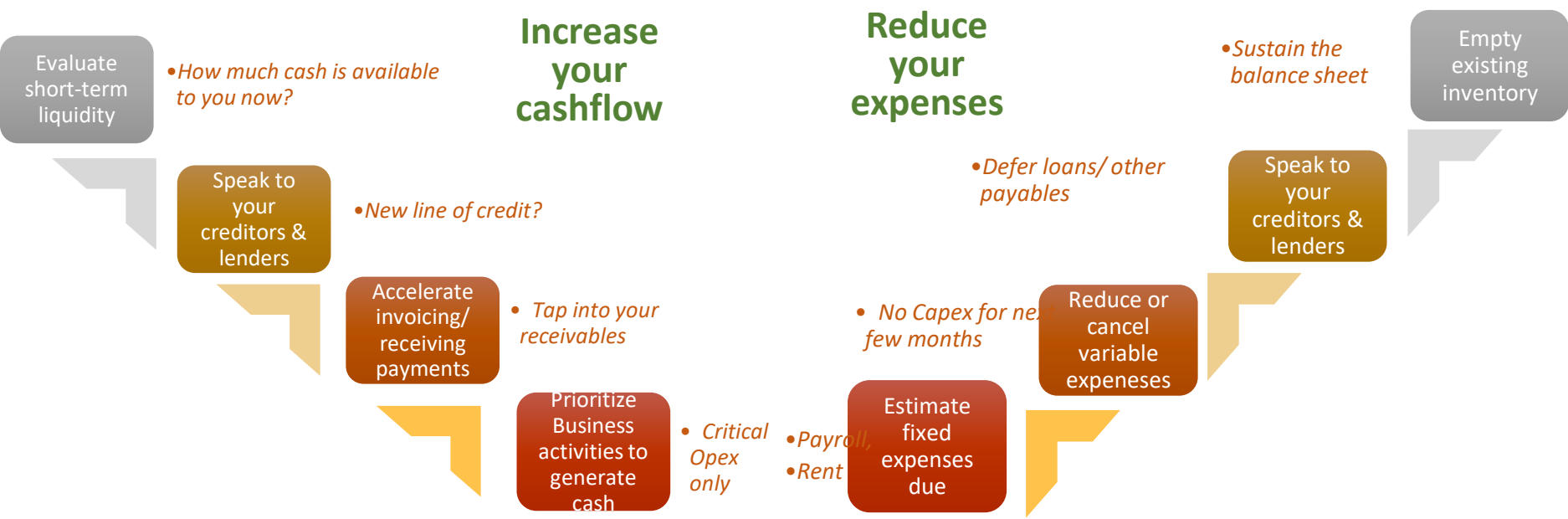
Access additional working capital

Revisit your business model

Checklist for Reviving Your Business

- ✓ How Much Money Do You Have?
- ✓ How Much will it Cost to Reopen?
- ✓ Evaluate Immediate Risks to Your Business
- ✓ Evaluate Loans, Agreements, Contracts
- ✓ Project Cashflow for 6 - 9 months
- ✓ Restructure and Reforecast Financial Goals

How to survive the business after lockdown



Cashflow Forecasting for 6 - 12 months

- Cashflow needed to restart the business?
- Where expenses can be deferred or dropped?

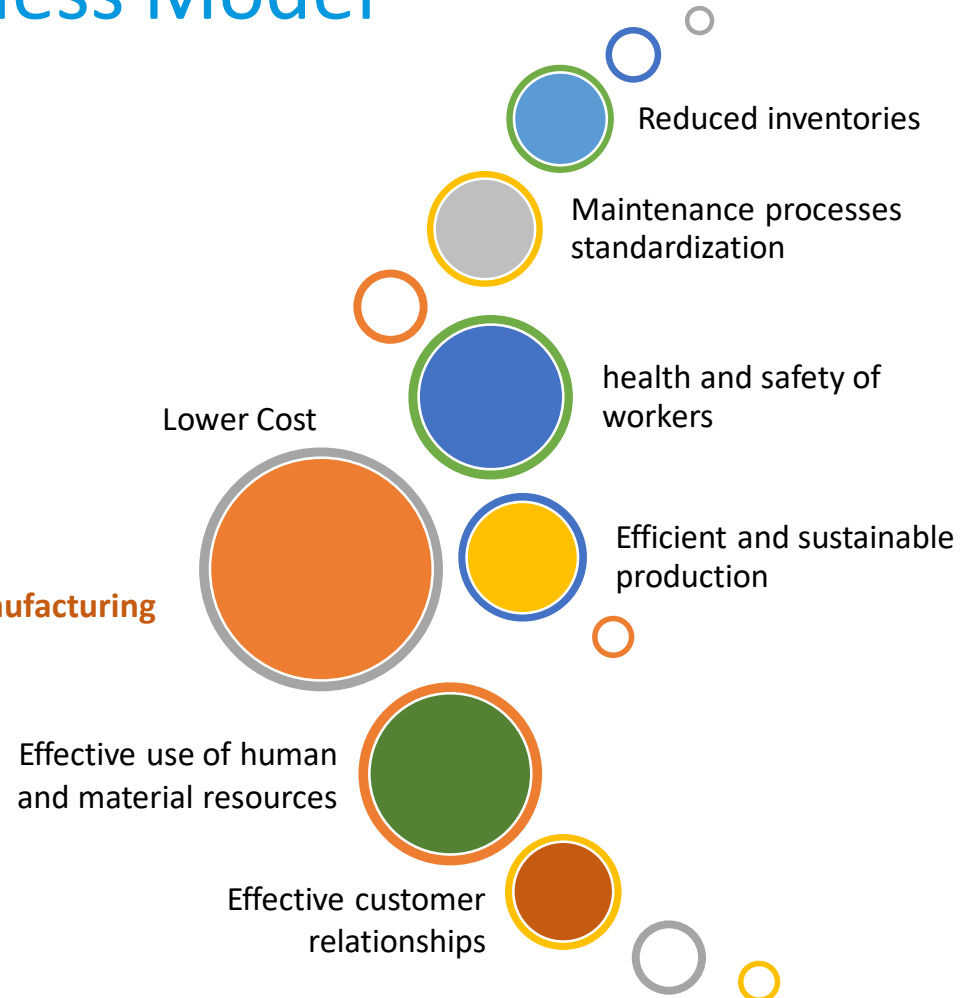
- ✓ Identify business operations to be resumed
- ✓ Move to cash-sale cycles
- ✓ Explore line of credits
- ✓ Can you reposition your risks?
- ✓ Borrowing at higher interest rates?
- ✓ What assets be leveraged as loan collateral?
- ✓ Where can I raise funds?
- ✓ How do I raise working capital?



Revising your Business Model

- ✓ Diversify and stay solvent in the long run
- ✓ New business models
- ✓ Longer forecasts necessary with revised objectives
- ✓ Future-proof businesses

Example:
Automation of your manufacturing



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