

Plan to Recover

Define the opportunities for your business in the changed scenario and work out an actionable plan for capturing these opportunities



**Building Back
Business from
Crisis**

MSME

An Initiative of the United Nations Industrial
Development Organisation

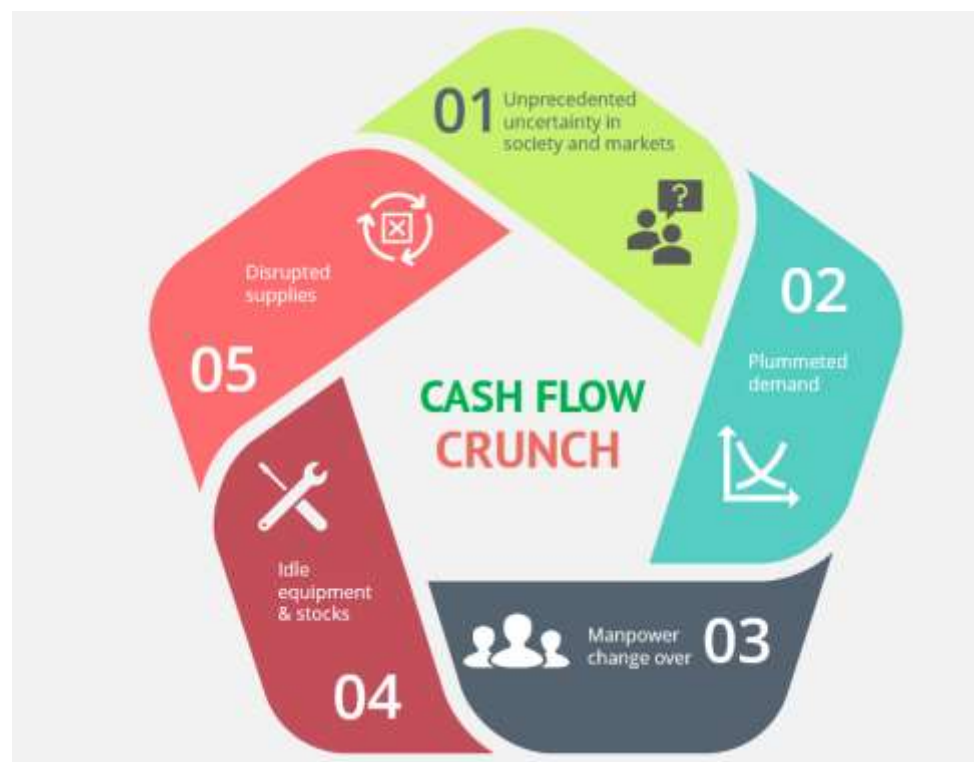
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MSMEs Stock Take

- Manufacturing had come to stand still
- Challenges in five areas, each adding to cash flow crunch and business continuity concerns

Stimulus can overcome cash flow constraints, yet insufficient to restart, recover and revitalize MSME sector

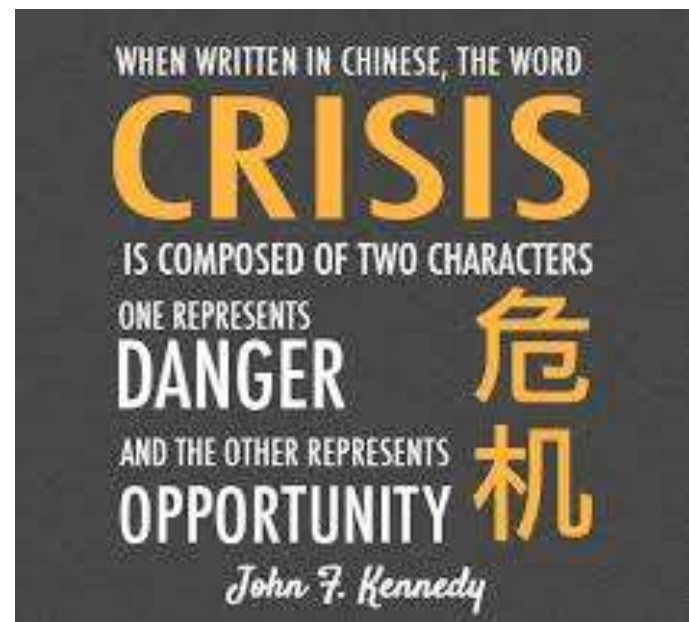


<https://www.unido.org/stories/indias-manufacturing-reels-impact-covid-19>



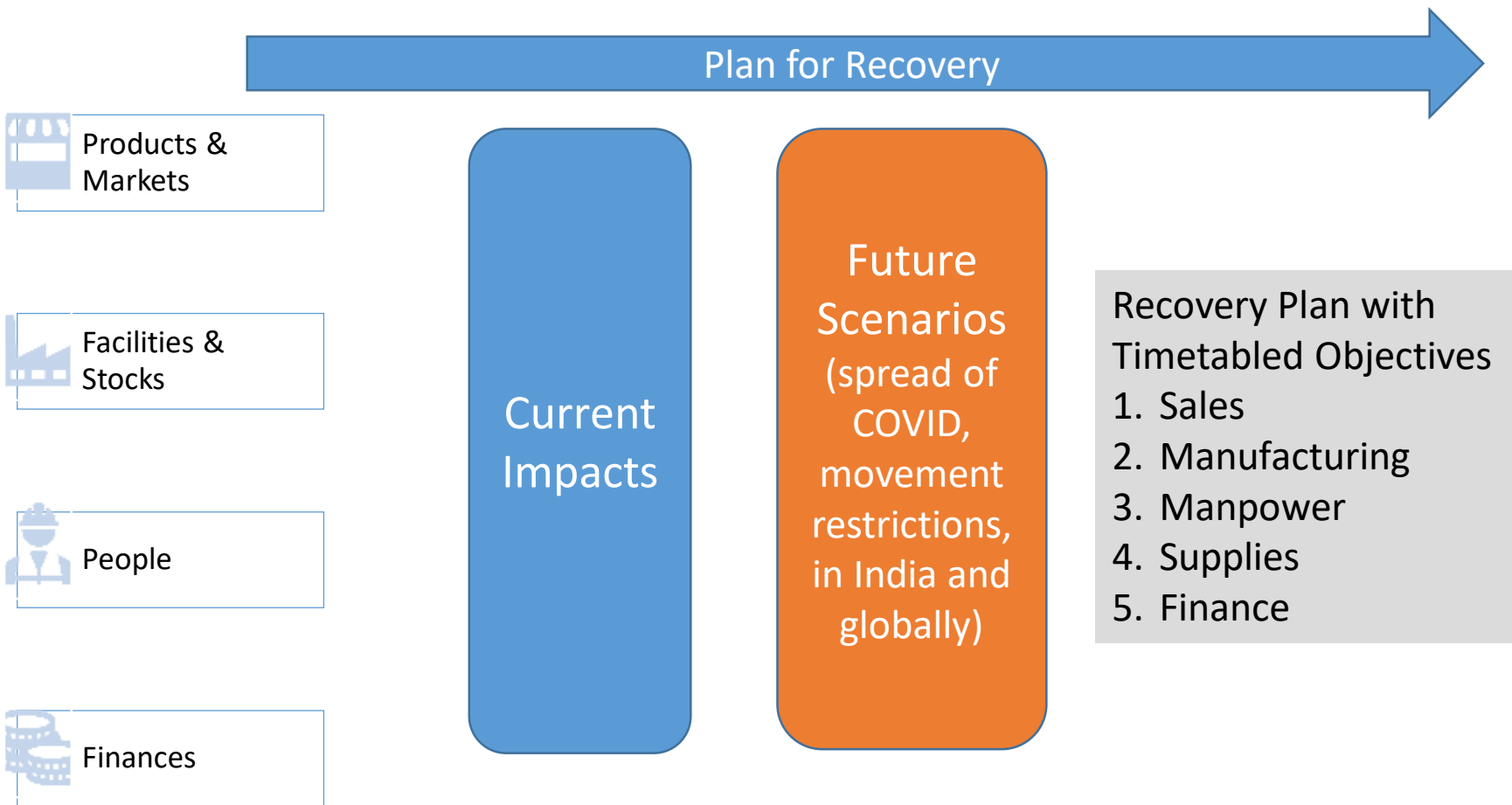
Crisis

- Crisis defined
 - an unstable or crucial time or state of affairs in which a decisive change is impending
 - There is an opportunity to influence result of the crisis, specifically
 - Minimize losses
 - Minimize impacts on people
 - Improve future position of business
 - Improve organisational resilience



Ways Forward

- Rebuilding business through concurrent strategies
 - Continue
 - Business activities that are likely to have remained viable
 - Wait
 - Business activities that are unlikely to become viable in short term
 - Try
 - New products or services in changed business and societal environment
- Assess and reflect first!
 - What is current impact?
 - What are best and worst scenarios?
 - What are realistic recovery targets?
 - Iterative exercise, keep reviewing plans against unfolding crisis scenario



Engage and empower your teams to benefit from their ideas and experiences

Products and Markets

- Which products and markets are most beneficial for rebuilding your business?
 - Value to end users
 - ENDA: Essential, Needed, Desirable or Avoidable
 - Value to your business
 - Turn over, profitability
 - Worth of your customer
 - Payments, business prospects

Your Main Products	Value to End Users (ENDA)			Value to Your Business		Worth of Your Customer	
	Before	Now	Future	Turnover	Profitability	Payments	Prospects

Facilities and Stocks

• Facilities

- Can you start working?
 - Are equipment and tools operational and duly maintained?
 - Are workplaces conducive to maintain sufficient distance?
 - Are access of goods and people strictly controlled?

Business/Factor y Area	Are equipment and tools operational and duly maintained?		Are workplaces conducive to maintain social distance?		Are access of goods and people strictly controlled?	
	Status	Actions required	Status	Actions required	Status	Actions required

• Stocks

- What do you have onsite?
 - Supplies, work in progress, finished products, scrap
- Volume
- Monetary value
- Present condition

Stocks on Site	Quantity on site	Monetary value	Present condition
Incoming Goods			
Work in Progress			
Finished Products			
Scrap and Defects			

People

- How is your workforce doing?
 - Health and family well being?
 - Location and availability?
 - Can you meet staffing requirements?

- Who do you need most?

- Essential
- Needed
- Desirable

Staff/workforce categories (production, technical, sales, administration etc)	Pre COVID		Planning		
	Number	Currently available	Essential	Needed	Desired

Finances

- How can you ease your working capital requirements?
- How can you match expenses to income?

Creditors



A person who you owe money to in exchange of goods purchased or services received.

Debtors



A person who owes you money in exchange of goods sold or services rendered.



Creditors

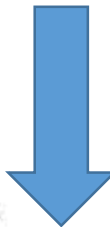


It helps the firm to use the goods or services in advance to the actual payment date and thus enjoying a credit period before the actual payment.

Debtors



It helps increase customers as normally the customers would prefer a credit purchase instead of a cash.



Recovery Plan

- Convert your assessment into a recovery plan
- Keep on reviewing and updating as you get back into business

Recovery strategies (specific w.r.t. products, operations, customers, etc.)	Recovery Targets		Timetabled targets							
	Area	KPI	W1	W2	W3	W4	M2	M3	M4	M5
	1. Sales									
	1. Production									
	1. Supplies									
	1. Manpower									
	1. Finances									

Some Tips

Products and Markets

- Consider how to enhance your product to improve its value to end users
- Work with your customers to firm up sales prospects, clear due payments and contract conditions
- Focus restart of your business on products that are most profitable and have high turnover for your business
- Consider (temporary) discontinuing of products that have dropped in valuation to end users

Facilities and Stocks

- Prioritize and conduct overdue maintenance and service of equipment
- Reorganize work places for minimum distance and reduction of contact points
- Firm up control over access of goods and people to your premises
- Repurpose scrap and defects for rework, sales or otherwise
- Sell of stranded inventories – your neighbours might need them
- Plan for safe use of degraded stocks

Manpower

- Start up with your contracted workforce, even if working at different roles
- Engage with training institutes in local area for quick access to talent pool
- Set up buddy system with senior (and/or retired) staff to bring new staff up to speed
- Document Standard Operating Procedures in easily accessible form

Finances

- Monitor where you are - clarify your financial position
- Review, downsize and rephase planned expenditures, e.g. representational, business development, capital goods
- Minimize stocks and monetize surpluses
- Encourage debtors to settle dues in timely manner
- Explore more favourable conditions with creditors
- Keep abreast of stimulus and recovery assistances and schemes being launched

Remember



Success to recover, restart and revitalize business

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