

LIFE AFTER FURLOUGH – CAN YOUR BUSINESS AFFORD IT?

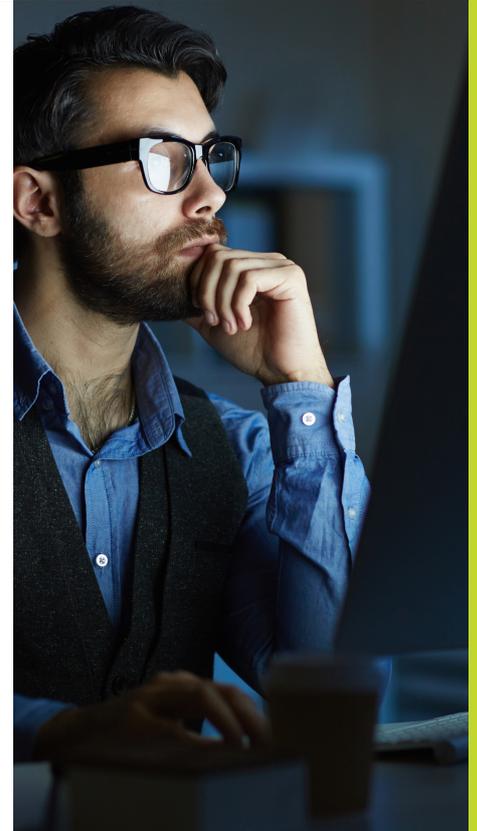


With the job retention scheme currently due to come to close at the end of September, if you have staff still on the scheme, you will need to make sound conclusions for the future based on robust business scenario planning.

Time is short if you think you may have to make redundancies so, if you are unsure of your business position, it's time to start planning ahead.

SCENARIO PLANNING

It's time to look ahead, even if that's a daunting prospect. If you have staff still on furlough you need to establish the exact position of your business now – and under different scenarios such as an increase in sales, sales remaining static or poor sales. You need an honest factual evaluation which outlines if X happens then the outcome will be Y in both the short and medium term. You can also factor in possible changes to employee's hours.





SALES

How are your sales performing?
If demand for your product or service is lower than it was pre pandemic, then your business may not be able to return all those on furlough to their full-time position.

Did you pivot your business during the pandemic, and will this be a permanent feature?

Do you have supply chain issues?

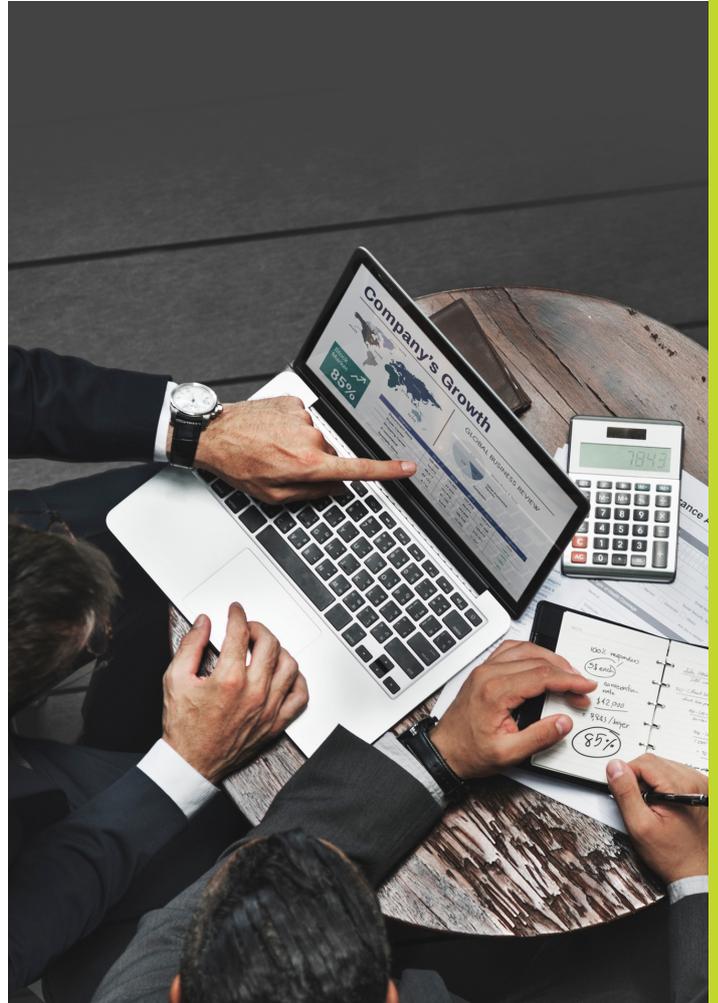
BUSINESS STRUCTURE

Is your pre crisis structure sustainable once furlough ends?

Will your pre crisis structure costs be affordable?

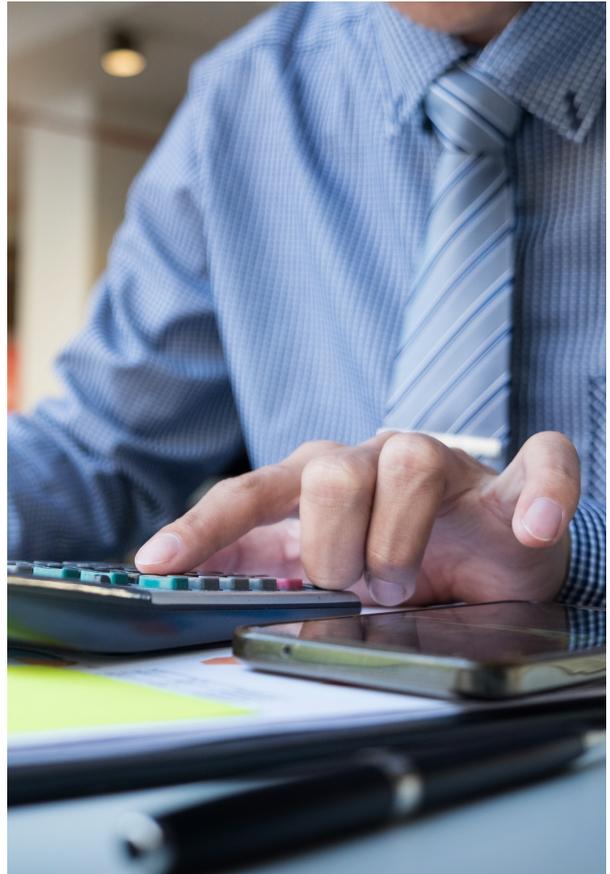
It's time to look at the implications of your previous structure and if it's fit for post pandemic trading.

Will a new structure bring you cost savings?



DEFERRED LIABILITIES

If you have deferred your VAT contributions, you must factor these repayments into your planning. Similarly, any bounce back or CIBLS loan repayments may now fall due.



CASHFLOW PLANNING

It's more important than ever to have an accurate cashflow - although at a time of uncertainty for the whole economy, it's more challenging to produce a cashflow than ever before. Taking your scenarios into account, you can prepare cashflows for each outcome.

This will give you a clear picture of whether your business can support the return of your furloughed staff, and, once you have this information, you can act from a position of knowledge.

TOO OVERWHELMING?

Although it may be an overwhelming thought, the end of the job retention scheme may mean that you have to take daunting decisions. The Hall Morrice specialists are here to help you navigate your options and to support you with business scenario planning and advice on your next steps for your business.

Contact Mike Innes

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for a confidential chat about how we can help your business face the future without furlough.



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