



COVID-19

PREPARING FOR AN UNCERTAIN FUTURE

JUNE 2020

IDEAS | PEOPLE | TRUST

BDO

COVID-19: HOW BEST TO PREPARE

The rapid outbreak of the virus has changed everything - from the way we work to safely managing a workforce. No single set of procedures or responses will fit all organizations or each company's situation and in the immediate short term, we know your focus must be on keeping your business running.

To help assess next steps, BDO Pakistan has developed a risk response checklist, outlining key questions and considerations when addressing the impact of COVID-19. For a more detailed review of current options available to you, please visit our COVID-19 hub which is updated daily, or contact us directly for more specific help and support. We'll do everything we can to help you meet your objectives and priorities.

COVID-19 presents a significant business challenge - not least ensuring your people's safety and managing changed commercial priorities. Given the unknown variables surrounding the outbreak, many businesses are evaluating and testing in real time their preparedness for the potential

impact it may have on their operations, supply chain and employee wellbeing.

Your business may now be facing similar difficult questions in terms of how to respond to a constantly evolving situation of government restrictions and guidance. This includes preparing for and managing the implications, including staffing issues, complying with contracts and managing business partners who are unable to perform.

This short document aims to give you a framework to assess and address immediate issues, and signpost where you might find practical and helpful support and information.



COVID-19: HOW BEST TO MANAGE

To ensure you keep your business running, **the top five questions you should be asking** are:

1. HOW LONG CAN YOU SUSTAIN THE IMPACT OF COVID-19 ON YOUR BUSINESS?

- Consider whether the measures announced by government can offer financial support
- Look at your existing financing arrangements, establish if any additional lending is available.
- Do you have any undrawn funds or extensions of current facilities available?
- Is a Banks waiver required to accept additional lending?
- Have you reviewed existing Banking covenants and assessed potential breaches?
- With regard to accepting additional monies look at your current security position, consider the implication of taking additional borrowing, granting additional security, LTV, potential personal guarantees and the impact on personal assets.
- Ensure your cash flow is up to date and extended out to 3-4 months.

2. WHAT WILL BE THE IMPACT OF YOUR SHORT TERM ACTIONS?

- Have you eliminated unnecessary fixed or variable costs?
- Do you have a prioritized list of costs that can be eliminated if, and when, necessary?
- Have you reviewed opportunities to restructure or refinance?
- Have you reviewed the impact of changes to your workforce? Can you sustain the finances of the business while you have employees on furlough?

3. WHAT CHANGES DO YOU NEED TO MAKE TO YOUR SUPPLY CHAIN AND WHAT ARE YOUR URRENT ISSUES?

- What is your supply chain risk in terms of:
 - Market risk? (supply and demand mismatch)
 - Financial risk? (effect to probability)
 - Production risk? (chance of failure)
- Have actions for business recovery been developed?
- Have you reviewed contracts and terms of business?
- Have you assessed reliance levels - check for over reliance on one supplier
- Can you invoke clauses to cancel or defer orders?
- Can you vary payment terms?

4. ARE YOU CREATING GOOD COMMUNICATIONS TO EMPLOYEES AROUND HEALTH, SAFETY AND WELLBEING

- Has a platform or communication channel (e.g. SMS hotline) been developed to communicate information to employees?
- Have employee contact processes been rehearsed?
- Has insurance coverage been discussed/reviewed with your insurers?

5. ARE YOU REVIEWING YOUR TECHNOLOGICAL SYSTEMS AND SERVICE?

- If email is going to be the primary means of communication / collaboration, then consideration needs to be given to what happens if it fails
- If you feel your conference facilities or general methods of communication are poor, then reviewing what is available to improve and put your business in a better position in the future is a good move
- Cyber criminals and other adversaries may take advantage of businesses during this crisis and target

GETTING THE RIGHT SUPPORT FOR YOUR BUSINESS

When it comes to keeping your business up and running, knowing the right questions to ask and where to find the information you need can make all the difference. The strict conditions in place to reduce the spread of COVID-19 are making it hard to keep business going while supporting employees, partners and suppliers.

You can find useful information regarding COVID-19 on our website.

<http://www.bdo.com.pk>



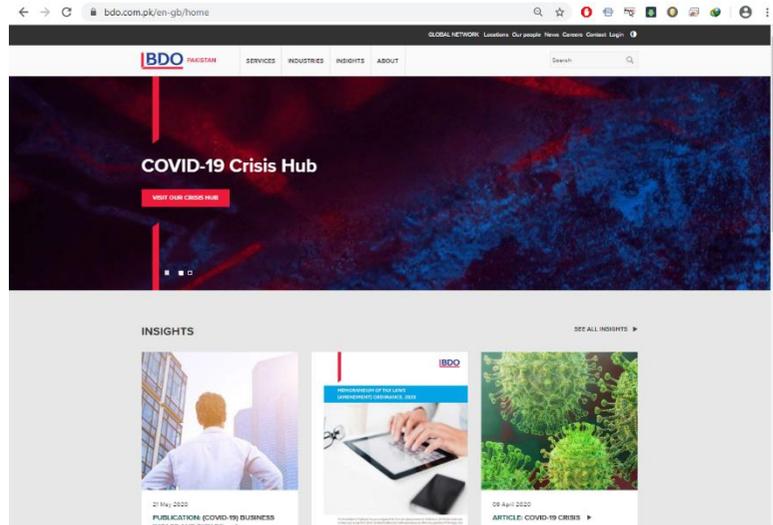
ADDITIONAL RESOURCES AND INFORMATION

There are many sources of advice and support available to you at this time:

For a more detailed assessment and review of your current options please visit the BDO Pakistan **Coronavirus (COVID-19)** which is updated daily.

Click Below:

<https://www.bdo.com.pk/en-gb/home>



For more advice and BDO Pakistan guidance, please get in touch contact as normal. info@bdo.com.pk



Government advice is directly available from a number of business-focussed websites.

- [Measures by State Bank of Pakistan](#)
- [Company's Operating guidance By National Institute of Health](#)
- [Government Financing for BMR](#)



BDO OFFICES

KARACHI

2nd Floor, Block C, Lakson Square Building No. 1,
Sarwar Shaheed Road, Karachi – 74200
Telephone: +92 21 3568 3030
Telefax: +92 21 3568 4239

ISLAMABAD

3rd Floor, Saeed Plaza, 22-East Blue Area,
Jinnah Avenue, Islamabad - 44000
Telephone: +92 51 260 4461-5
Telefax: +92 51 260 4468

LAHORE

F-2, First Floor, Grace Centre, Canal Bank Road,
1-B Canal Park, Gulberg-II, Lahore - 54660
Telephone: +92 42 3587 5709
Telefax: +92 42 3571 7351

KABUL

2nd Floor, Muslim Business Plaza, Haji Yaqoob Square,
Shahr-e-Naw, Kabul, Afghanistan
Telephone: +93 0 20221 2428
Telefax: +92 21 3568 4239

This publication has been carefully prepared, but should be seen as general guidance only. You should not act upon the information contained in this publication without obtaining specific professional advice. Please contact BDO Ebrahim & Co. Chartered Accountants to discuss these matters in the context of your particular circumstances. BDO accepts no responsibility for any loss incurred as a result of acting on information in this publication.

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.

BDO is the brand name for the BDO International network and for each of the BDO Member Firms.

Copyright © June 2020 BDO Ebrahim & Co. All rights reserved.

www.bdo.com.pk