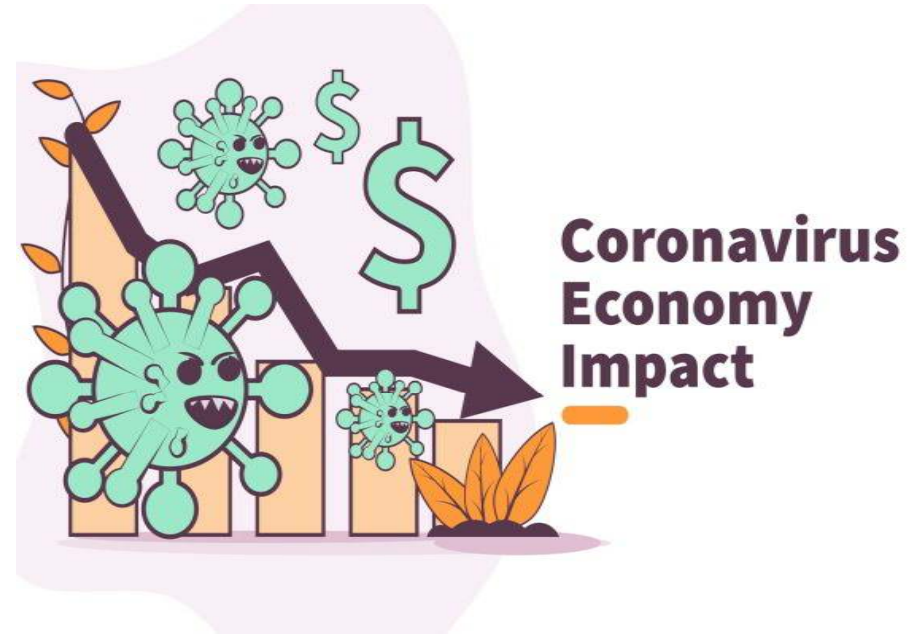


# The Aftermath of COVID-19

## How to Restart & Gear Up ?



Presented by

**K. BALASUBRAMANIAN**

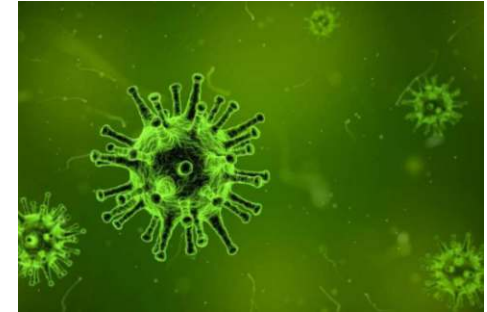
CHAIRMAN - PRECISION GROUP OF COMPANIES  
SECRETARY - SIMA & CDISSIA (CHENNAI DISTRICT  
SMALL SCALE INDUSTRIES ASSOCIATION)



**SIPCOT  
IRUNGATTUKOTTAI  
MANUFACTURERS  
ASSOCIATION**

# Agenda

- The World after COVID-19
- Care for you
- Care for the family
- Care for the employees



- ✓ **Challenges in Business**
- ✓ **Plan now to face challenges**
- ✓ **Changes in Work Place**
- ✓ **Initiatives related to Cash flow**

- Sector Specific Impact
- Hard Decisions
- Prepare to Restart
- Extension / Relief from State & Central Government

# The World after Covid-19

**+ Global Crisis** - Humankind is now facing a **global crisis**. Perhaps the biggest crisis of our generation. We must act quickly and decisively

**+ Action Plan** - We should now decide on short and long term action plan to over come the threat in business

**+ Opportunities** - A big boom of opportunities will emerge in the year 2021 once the economy is back on track

**+ Innovation & Strong system** - This is the time every one should gear up to restart the business with more stronger systems and run with innovative ideas



**+ Corona virus Alive ?** - Keep in mind that we have not completely eradicated the Corona virus but trying to arrest the community transmission

## + Self safety & Protection

+ Wear all the protection mask, hand gloves, use sanitizer frequently when ever you move to another place

[illegible]

**SIMA**

# Care for the Family

1. When you return back home after work / travel
  - Keep your foot ware and other belongings away from others
  - Discard your cloths in soap water and take bath before you enter the house to prevent infection for your family members.
2. Ask family members to avoid going to crowded places like mall, restaurants, theatres, Social gathering and meetings
3. Ask them to avoid travel public transport (Train,Bus,Flight etc.) and follow Government advice
4. Eat healthy food and do indoor exercises like Yoga
5. Buy & Store required food items and important regular medicines
6. Educate Domestic staff and ensure that they follow safety precautions





# Care for the Employees

1. Employees who have already left for out station and travelled back during or after lock down might be affected by COVID-19 which he / we may not know
2. As a precautionary measure every employee should be checked thoroughly on day one before entering the office/factory for temperature/cough/cold. The procedure shall be continued for the next 15 days and monitored
3. All the regular safety procedures like washing hands, wearing masks & PPE's should be strictly enforced
4. Advice them to follow social distancing inside and out side the factory
5. Daily meetings to be conducted before the shift to educate employees about all the safety measures to be followed in and out side the factory
6. Check with all employees
  - + Whether they have come in contact with any COVID-19 positive persons ?
  - + Is there any positive case within 5 KM radius of his stay during lockdown period ?

## Employee wellness



**fit  
to  
work**



# Challenges in Business..

## ***CASH FLOW DISRUPTION***

- \* Delay in payment from customers
- Demand for advance from employees to meet their family commitments
- Demand from suppliers to manage their start-up issues
- Payments to EMI, TNEB, ESI, EPF GST and other Government taxes



## ***MAN POWER DISRUPTION***

- \* Shortage of employees due to extension of lock down period in certain states / region
- Absenteeism of immigrant workers due to travel to their native places
- Poor turn out of employees due to fear to re-join
- \* Resignation of employees and demand for settlement



# Challenges in Business.. ( Cont.)

## ***SUPPLY DISRUPTION***

- \* Shut down of suppliers
- \* Transport Delays



## ***MACHINE MAINTENANCE & SERVICE***

- \* Start now to clean the machines and keep them well lubricated
- \* Start warm cycle in case of CNC machines and other equipment
- \* Ensure availability of spares and service support from equipment suppliers

**Preventive**

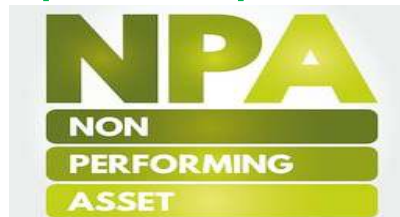


**Maintenance!**



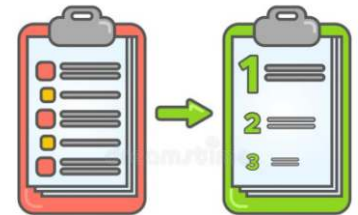
# Plan now to Face Challenges

1. Allocate budget and reserve cash for a quick start
2. Anticipate poor receivables and provide contingency fund
3. Anticipate poor order booking during next 3 months post COVID-19 stabilisation and reduction of any non performing asset ( Man / Materials etc.,)
4. Anticipate poor revenue due to various uncertainty & under utilisation of capacity. Prepare a projected P&L for 2020-21 to identify & plan for cost reduction in In-Direct Expenses
5. Approach your bankers immediately for additional working capital to mitigate the issues
6. Prepare detailed plan & prioritise activities by all staff

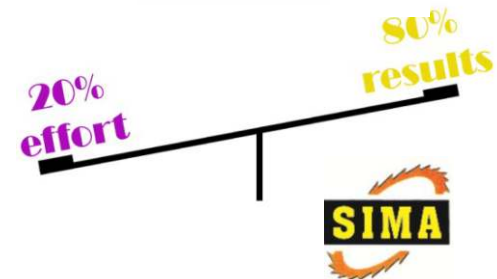


# Changes in Work Place

1. Identify activities that can be executed from home and provide facilities like Laptop & internet
2. Improve sanitation and increase hand wash facility
3. Stagger tea and lunch break to keep distancing
4. Re-organise production lines to keep distancing
5. Additional PPE to prevent transmission of virus
6. Build Plan to prioritize & protect valuable customers
7. Understand what matters to them and how their situation will evolve and change your production plan accordingly
8. Focus on customers with contractual obligation, high margin & continuous business



Prioritize



# Initiatives Related to Cash Flow

1. Focus on Collecting Overdue bills
2. Factorise receivables ( Bill Discounting)
3. Explore business which can give immediate realization of payments
4. Understand current available cash flow and plan deployment for the next 3 months
5. Make only what the customer needs
6. Plan to buy smaller batches to reduce inventory
7. Liquidate non moving inventory



# Initiatives Related to Cash Flow (Cont.)

8. Identify bad paying customers and stop working for them
9. Identify products / process that can be out sourced to manage shortage of manpower
10. Set up cash war room / dash board to improve cash transparency and implement tighter cash control



# Sector Specific Impact

**Up to 10%**

Service  
Retail  
Pharma  
Health Care  
Telecom  
High tech office goods  
Food & Food processing  
(Provision stores )

**Up to 30%**

Automobile  
Construction  
Infra  
Consumer goods  
Logistic  
Apparel  
Leather

**Up to 50%**

Oil & gas  
Aerospace  
Air & travel  
Insurance  
Hospitality





# Hard Decisions..

1. Fix more deliverables with senior management
2. Pay cut proportionate to reduction in sales / profitability
3. Tough negotiation with suppliers to meet discount expectation from the customer
4. Improve speed of decision making and implement discipline in all areas
5. Cut in any kind of additional perks, entertainment expenses etc.,
6. Plan for automation to reduce manpower and improve efficiency
7. Move from your comfort zone and thing on alternate business



# Prepare to Restart

1. Request all the staff to prepare “TO DO List”
2. HR to call all the employees and make sure they are safe and ready to join office / factory. Assure them the salary for March
3. During this lock down time , ensure you engage your employees through online e-learning, group meetings, brain storming etc., and prepare them to jointly fight the crisis
4. Purchase department to contact all the suppliers / sub contractors and ascertain the readiness to resume supply/ give them priority of supply required
5. If any problem with current supplier, now explore alternative source and keep them ready
6. Sales department to read contract / PO, call customers to keep in touch , inform current situation and revoke force majeure if applicable
7. Sales, Engineering, Procurement activities can be done by WFH ( Work From Home)



# Government support initiatives

1. ICAI guidelines for extension of due dates for IT & company act return filings
2. Filing of IT returns, form 15g/h, 61a, TDS, appeals, annual return , investment u/s 80c, payment u/s capital gain etc.,
3. Extension of due date for gstr-3B,1-filing of any forms, returns, replies to notices, Sabka Vishwas scheme
4. ESI & EPF payment for Feb & March
5. Extension offered by DGFT for various licences
6. EMI extension, Interest reduction by banks
7. Electricity bills extension for LT & HT consumers
8. Investment subsidy & interest subvention to set up industry for essential goods. Approach TIIC & SIPCOT



**Thanks...**

**WHEN THE GOING GETS TOUGH  
THE TOUGH GET GOING**



**SIPCOT  
IRUNGATTUKOTTAI  
MANUFACTURERS  
ASSOCIATION**