



Covid Business Review Refocus

Businesses are now looking to how they will move forward into the 'new normal' after Covid 19 – things have changed dramatically (some permanently) and many for a significant amount of time.

If returning to how you operated 12 months ago is your strategy, this is likely to be a missed opportunity to position the business to generate long term growth and value. You will need to establish strategies to adapt and grow in a permanently disrupted market, as well as identify and capitalise on market opportunities.

So how do you navigate the optimal way through and beyond? You will want to:

- Review the market conditions and strategic acquisitions or disposals
- Review business/owner objectives including funding, structure and tax considerations

Benefits of having a review

- **Understanding the changes to the market** – this will be fundamentally different in the next 3-6 months and we will work with you so that you are on the front foot
- **Being agile to challenges ahead** – we can work with you to understand your current position and what changes need to be made to benefit the business during this time
- **Capitalising on opportunities** – allowing you to achieve better financial security and ultimately develop a more sustainable business
- **Optimise the business to deliver greater returns on investment** – by making working capital gains, a focus on cost base and incentivising staff to deliver on your strategy

So how can we help?

We have developed a framework to help stakeholders align objectives, identify opportunities and execute on the strategies using the resources available or identifying investment areas and considering the most efficient funding structures to achieve those objectives.

We want your business to be agile to the challenges ahead as well as being able to maximise the opportunities that this situation may have presented; ultimately, ensuring the longer term success and stability of the business moving forward.

We will work with you to help you understand how the market place, in which you operate, has changed since the pandemic; making you resilient into the future.

The vital first step is to understand where your business is right now - what assets and skills are available and what additions are required to capitalise on market opportunities, including exiting unprofitable operations or disposing of non-core assets.

The future of the business is going to be different, therefore objectives need to be reviewed and/or modified for all stakeholders to create a shared ambition.

This includes looking at your business's current and potential valuation in order that objectives can be set in a reasonable timeframe and to aid personal pension planning.

As an integrated service, our tax experts will ensure that any measures taken do not cause unintended consequences. For example, re-financing of debt/equity needs careful consideration for potential tax charges, sale of assets can lead to capital gains and company restructuring should be done in a way that is efficient for future trading and minimises any tax exposure.

Finally, your team are a vital constituent of the future and assessing their skill sets, potential retraining and incentivisation mechanisms such as share option schemes should be high up on the agenda.

Our Covid Refocus Review offers you

Review existing assets – to include physical assets, skill sets, IP, know-how, staff, customer/ supplier contacts etc. ✓

Consider the previous marketplace and new opportunities – establish how the existing assets can be applied to make products and services that will be in demand in the future ✓

Identify any gaps in the assets – establish what is required and plan how to obtain them ✓

Bring new products or services to market – consider the most cost effective way of achieving this, including the assessment of cost/benefit of any changes required and consider the implications of alternative options ✓

Recommendations and actions – an action plan with suitable KPIs to monitor ongoing performance ✓

It is important that the updated strategy is both documented and monitored to provide clarity and focus to optimise outcomes.

In addition, options need to be properly modelled so that resources can be focused in the right areas to provide the best returns.

As well as positioning for growth and investing in the right areas, we will review your business in detail to look at other areas where you can maximise your returns such as data analytics, cash management, cost base reviews and the efficient use of technology.

How we helped a construction industry player

Situation:
Strong balance sheet and cash position; shareholders at retirement age

We helped:

- Objective setting for shareholders and management
- Valuation now and roadmap to exit valuation
- Review and analysis of exit readiness
- Working capital analysis and optimisation suggestions
- Cost review
- Benchmarking against industry
- Action plan for sale in 18-30 months' time

Outcome:
Aligned shareholder base prepared for exit



How we helped a retail focused supplier

Situation:
Loss of revenue; highly skilled workforce and assets; realisation that recovery would not take them back to where they were before

We helped:

- Facilitate strategic thinking on the future market position
- Assessment of resource and opportunities to diversify
- Modelling of new revenue streams to consider impact on profitability and working capital requirement
- Challenge assumptions on new markets
- Develop medium and long action plan
- Continue to monitor and assess KPIs and strategy

Outcome:
More resilient business model achieved with a refocus of resources

How we helped a multi site retailer with most sites closed during Covid

Situation:
Cash flow requirement; strategic question on whether to open all sites when recovery starts

We helped:

- Align the shareholder objectives for the longer term
- Analyse the performance of the sites
- Produce an operational financial model
- Assess acquisition strategy for distress competitors
- Recommendation report with action plan

Outcome:
Operational focused financial model created and acquisition strategy agreed with supporting funding

Please do get in touch if you have any queries about our Refocus Review and how we can help your business.



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