Newpoint Advisor’s Mike Yarmo Gives 10 Rules for Restructuring a Business

Description

Restructuring a business is never easy, and it’s going to be especially tough in the months ahead. Here are 10 rules to think about if you are about to start down this path.

First, do these five things to survive the situation:

1. Have a cash flow model to get through the next 13 weeks.
2. Proactively discuss cash outflows with vendors and lenders.
3. Have open communication with staff; you need your team’s trust and cohesiveness more than ever.
4. Complete all applications to take advantage of COVID-19 government programs.
5. Keep liquidity above water with weekly cash flow reviews.

Next do these five things to begin rebuilding your business:

1. Don’t damage your brand for short term cash flow by cutting your prices to liquidation levels.
2. Keep talking with your customers online and build a thorough understanding of what they want and need during this difficult time.
3. Identify new channels you can market your current products or services through. For example, if you are a B2B business, can you sell directly to the public online?
4. Keep reviewing that cash flow model.
5. Keep your key employees and build as much trust and loyalty as possible, so you don’t lose top performers when the economy starts to rebound.

Mike Yarmo is Newpoint Advisors Corporation’s Managing Direct, Canada. He currently supervises the restructuring plans for six companies.

Category

1. News

Date Created
2020/04/21