



Lockdown 3.0 Battle Plan **detailed implementation plan and** **system notes to accompany the guide**

- **Quickly triage all your clients**
- **Effectively deal with those who are critical and provide ongoing support for all others**
- **Get your entire team involved**

your detailed ⁸Lockdown 3.0 Battle Plan⁹

- implementation plan and system notes

system notes for your team (please adapt as necessary)

Why

To ensure that ALL clients receive our help and support in these challenging times. We need to reach as many clients as quickly as possible. To do that we need to understand which clients we need to contact urgently and prioritise all others. We also want to ensure that we handle the calls efficiently, don't waste unnecessary time and provide real value and support to our clients.

Process

All clients, who have the potential to continue operations, to whatever extent, should be put through this simple 3 step process.

For clients whose business is now effectively closed because of government guidelines go to the Appendix.

We will be contacting all clients, using all communication channels, to offer our help and support - [see example email and our Lockdown 3.0 guide](#). However, we will need to proactively contact those clients that are in urgent need of our help and support - [see step 1](#). We will also need to consider their industry and those particularly high risk ie hospitality, leisure and entertainment, travel, events, retail, gig economy and contractors etc.

We will also be running webinars to cover general support and points that clients may need to consider. Clients will be given the opportunity to book a free initial assessment call with one of the team to go through their specifics and fact find. We should aim to keep these calls to say, 30 minutes (obviously within reason and dependent on the size of the client and the nature of the call) so that we can deal with as many clients as quickly as possible - effectively a triage system.

Some clients will, following the call, naturally need more help than others. Therefore, for some, we will need to set up follow-up online meetings to go through a strategic plan and any other agreed actions. This should last approximately 1 hour (and the prep time in advance of that meeting is approximately 15-30 mins).

Thereafter, we may be looking to provide ongoing budgets, cashflow projections, help with funding, online meeting/check-in support (see meeting systems and agendas), dashboards etc leveraging technology as much as possible - for speed and cost efficiency.

It may not be perfect, but sometimes “good enough is good enough” and “prolific beats perfect” are particularly apt phrases at this moment in time.

Step 1 - prep for the fact initial assessment/fact find call (10-15 mins)

a load the client on Clarity. See the relevant guides and help if you are not familiar with this process - it takes approx 3 mins if the client is using Xero or QBO and approx 10 mins if we have to enter the data manually. If we are using an API select the most appropriate period - this may be a year end for a stable business or where it's the best data, the last GST/VAT return (where presumably we can place more reliance on the data) or a closed management accounting period. Remember, sometimes good enough is good enough - we can always explain to the client the importance of up-to-date and accurate data. If we have entered the data manually choose that period.

b consider the calculation basis. If we are not using year end data and the client is a seasonal or high growth business, we may need to consider changing the calculation method to a rolling twelve months basis (we will obviously need to have at least twelve months data). See the settings screen to make this change. This will not apply if we have entered the data manually. The default calculation method is annualised (ie current period/no of periods x 12 and then compared to the previous twelve months) with comparatives shown where we have the data.

c look at the core cash target (before the client call). This is our idea of a resilient balance sheet and particularly important in the current climate - but not one we need to preach to the client about at this stage! It is calculated using two months overheads plus taxes. Compare the core cash target to the actual cash balance (where we have the data, this will be shown on the screen - where we don't it's the first question we need to ask the client). Remember though that this is the theoretical and as at the date of the period selected. Using the live up-to-date cash may be dangerous, given we don't know what's up to date in accounts receivable/payable. This funding gap shows us whether they have enough theoretical cash to weather the initial storm and we can effectively **triage** our clients ie

where the gap is positive - this client is in '**stable**' condition ie relatively low priority (for now!) - depending on their industry of course, and any escalation of government restrictions or the effects of the pandemic;

where breakeven - they are in '**serious**' condition ie medium priority (as above); and

where negative - they are in '**critical**' condition or high priority.

d go to the future screen to get an understanding of the business and a feel for their numbers and the potential effects (before the client call). Move the revenue slide by minus 10%, the GP by minus 3% and move the cash days by an extra 30/60 days. What does this look like? Scroll up to see the impact on profit and cash. In simple terms, on the basis of the above movements, this is what will happen if the client does nothing. It also shows us what the client will need to cut overheads by in order to keep the profit level the same. We can also see the negative cash impact and whether the business has the theoretical cash reserves to survive, without any changes to the cash conversion cycle and payment terms/holidays. Revise our assessment of the client as at c above.

e send out a draft agenda to the client for their approval in advance of the call. This is so that they are prepared and can give you advance input on topics they want to discuss (giving you notice to undertake additional prep if necessary). Be sure to include an end time, so that they are clear. You can always talk about anything not covered in the subsequent meeting or can schedule an additional call if required.

Step 2 - hold the action plan/fact find call (30 mins)

We should hold this meeting this on [Zoom/Skype/Google Hangouts Meet/GoToMeeting](#) if possible (remember face to face is always better in the current climate - however a telephone call will suffice, if for whatever reason an online video call can't be made). [Refer to the video guide, agenda and system notes below.](#)

Remember, your clients may take the opportunity to offload/vent. Acknowledge but try not to indulge and bring the conversation back to the agenda.

The purpose of this call is not necessarily about long term solutions. It's ok to ask questions that will enable you to quickly prepare an initial three-way projection, that you will go through in detail with the client later. However, where appropriate offer help and support and answer their questions.

When creating an action plan, please delete all tasks in the standard Clarity action plan. The inbuilt tasks are there primarily for growth conversations, and whilst some will still be relevant, they have been covered in the 'Client Assessment Call Agenda' for team use.

It is also important to highlight that the numbers we have covered during this meeting, will necessarily be different from those that we will be preparing for the detailed three-way projections. Make the client aware of this. We are looking at numbers from different perspectives and different time frames - this is why detailed three-way up-to-date projections are vital.

Schedule a follow up 1 hour online meeting and explain that you are now going to spend some time calculating the impact of the changes they have seen and when you meet next you will share these findings along with some recommendations as to how they best navigate the next few months.

Step 3 - follow up as agreed - what happens next?

The answer to this question from every economy's perspective is of course unknown. By taking these steps you will have positioned yourself and your firm at the centre of your clients' businesses. It is likely that we will need to prepare ongoing budgets, cashflow projections, rolling three month cashflow calculations, KPIs/dashboards, assistance with funding applications and continue to regularly meet/check-in with the client (see the detailed Clarity meeting system notes).

The role you now have comes with responsibility. Your clients will be looking to you for direction and decision making, they will be relying on you to share information that you have garnered with your other clients and networks and finally they will expect you to be pro-active. Check in phone calls, emails are essential.

Until this crisis is worked through, you cannot communicate with your clients enough.

The following steps will help you to get it right:

Meeting follow up

All actions agreed during the strategy online meeting (and any meeting going forward) must be shared. Add all actions to the dashboard during the meeting so that they can be easily acted upon after the call. But also get in the habit of following up any meeting with an email confirming outcomes ie a who/what/when list. It will reinforce you being in control and saves time meeting to meeting. This email should include all actions agreed, who is responsibility for them and the timescales for them to be completed.

Real time dashboards

Share the dashboard with your client and ensure that you have their actual Xero or QBO / Quickbooks Online data automatically flowing in daily, updating their performance vs the forecast. Direct your client to use this dashboard as their sat nav between your meetings, if they track off course instruct them to call, waiting from meeting to meeting is just too long in this economy.

Do they have daily bookkeeping and bank reconciliation set up? Offer it, introduce them to someone who can, or teach them how: they will now understand why it's important, as all future projections need up-to-date data. You'll be tracking their progress with them in this new normal.

Alerts

Use technology to alert you if a client enters a danger zone. The beauty of cloud technology is that you have real time information. You can set up alerts that will trigger should any KPI or account line go above or below your set thresholds. Bank balance alerts will be invaluable for you during this period when you are at full capacity, it may just give you the opportunity to catch a company before it goes under. Again, these are dependent on automating the books, Receiptbank etc. are essential tools.

Follow up meetings

Always schedule a follow up meeting, things are moving too quickly for you to not stay in control. Monthly at the very least but more frequently for those clients in really tricky positions would be hugely valuable. These meetings will also get your client into the habit of talking to you about their business and this will continue once this current situation has passed. They can be 15 minute Zoom calls - be time efficient.

Example emails to clients

general email to all clients

Subject: What we are doing to support you in these difficult and challenging times

We hope all is well with you, your family and your team in the circumstances.

As a firm, we want to support all our clients in the best way possible. We have developed and are undertaking a number of initiatives to do that right away.

Firstly, we are holding a series of web events to keep you up-to-date with what is going on from a business perspective and the support that is available to you from the government and other sources. We also want to help you focus on the numbers that really matter right now and the issues that are of utmost concern.

We will also host regular open question and answer sessions online, so that we can all collaborate, share ideas and learn from one another to weather this storm.

We have created a **Facebook/LinkedIn/Slack** Group [select one - trying too many may be difficult to host and moderate, depending on the size of your team and workloads. Slack is our favourite], where we will be sharing information, updates, events, and resources; for you to connect with others and to be able to contact us. Join the group here [insert your link here].

We are creating a guide, that we will keep updated, and will be sending that out as soon as possible.

Finally, we think it's really important that we set up calls with each and every one of you, so that we can best understand your specific challenges and focus on the numbers and issues that really matter to you. It would be great to get those meetings in the diary right away. If you want to get that sorted right now, here is a link where you can book your meeting [insert your **Calendly** link here]. Alternatively, we will be contacting each of you over the coming days. Naturally this meeting will be free.

We appreciate that this is not an easy time for any of us but together will be be stronger.

Best wishes

specific email to client

Subject: Can we set up a call?

Good afternoon xxxxx

I hope all is well with you, your family and your team in the circumstances.

Given these uncertain and challenging times I've been looking at your numbers. And based on the figures I've crunched, I think it's important that we set up a call, so that we can best support you and focus on the numbers and issues that really matter to you.

or

[Given these uncertain and challenging times, I think it's important that we set up a call, so that we can best support you and focus on the numbers and issues that really matter to you.]

or

[I know you are worrying about the security of your business, making payroll, team, supply chain, and cashflow. To help you navigate this, can we book in a call as soon as possible?]

The call is free of charge of course, it's a preliminary check in to first of all see how you are and what you're immediately worried about. This will then feed into a longer online 30-60min meeting where we will look at future cashflow, current risk areas and immediate tactics/government relief that you may benefit from. It would be great to get a meeting in the diary right away. When suits you?

Step 1e/3e - email confirmation of initial call/meeting

I am delighted to confirm our call/meeting on Tuesday 12 January 2021 at 10.40am.

Here's the link for the meeting and please find enclosed a draft agenda. Do let me know if there is anything missing?

I really look forward to speaking you.

Best wishes

Step2 system notes for Lockdown 3.0 action planning call

Attendees

Partner/manager/senior and main client contacts

Purpose of the meeting

- To support our client in this difficult and challenging time and answer any queries they may have
- Understand their key issues and concerns and to provide a sounding board. The economy is changing daily and you need them to brief you on where they think they are and what changes they have already witnessed.
- To check that they are ok on a personal level. This simple step will elevate your relationship and create trust. Something both you and they will need over the coming weeks.
- Go through the key numbers that are important right now - core cash target and cash gap, revenue, gross profit, overheads, staffing costs and levels.
- Identify the continued possible effects of the COVID-19 pandemic on the business - using the future screen to ask the client what the likely impact is - if they are not sure, use 10-30% decrease to revenue, 3-10% reduction in gross profit percentage and increase in cash days of 30-60 days.
- On the basis of these changes, highlight the reduction to profit and cash and emphasise the need to reduce overheads and how they might go about that, delaying capital expenditure, finance capital purchases and avoid all discretionary costs. Get rough agreement on the numbers, so that you can properly prepare a three-way projection for the for the strategy meeting.
- Highlight where the client can get immediate help - suppliers (easier terms), government reliefs, guaranteed COVID-19 loan scheme, insurance, banks (payment holidays, increased facilities), contact Capitalise on funding options, invoice financing
- This call is not necessarily about long term solutions. It's to ask questions that will enable you to quickly prepare an initial three-way projection, that you will go through in detail with the client later. However, where appropriate offer help.
- To agree a clear list of actions for the client (and us) from the initial call. When creating the action plan, please delete all tasks to start building the plan. The inbuilt tasks are there primarily for growth conversations, and whilst some will still be relevant, they have been covered in the Agenda for Team Use.
- Suggest logical next steps including setting up the follow-on strategy meeting date/ time to go through our three-way projections in detail and agree a way forward.

Simplified client agenda to be sent out to client 48hrs in advance of the meeting for approval/additions and make sure to include an end time!

Step2 Agenda - for team use

for initial call with AN Other of XYZ Limited
Tuesday 12 January 2021 at 12:00

1 - Review the core cash target of your business

Ask them how they are?

Explain the core cash target and compare to actual cash

Explain the level of urgency- positive difference in actual cash balance compared to the core cash target, breakeven or negative

2 - Understanding the possible effects of COVID-19 on your business and what you have done date

Reduce the turnover, gross profit and cash days. How much less will you sell? Will you lose customers?

Will you need to offer discount to keep customers? How can you raise sales invoices as soon as possible to reduce work in progress? Will customers pay slower or not pay?

Will you incur extra costs to provide your services/products?

What costs can you reduce or are not necessary?

Do you have supplier payment terms you're not currently using?

How are your team? Are they working from home? How is this affecting productivity? Can staff go part time with part time pay?

How can you reduce stock reorder levels so stock not sitting on shelves for long?

3 - Build an action plan to mitigate risks - in brief if pushed (this will be covered at strategy meeting in detail)

Consider from the above:

plan to deal with customer requests for discounts, late/non payments,

loss of revenue and ways to maintain or generate new income

capital purchases - delaying/financing

all overheads and discretionary spending

staffing levels, rotas, part time hours, layoffs as a last resort

Consider advising the client to speak with:

bank/lender - increased facilities, payment holiday, etc

suppliers - discounts, payment terms etc

insurance company - business interruption

tax authority - time to pay on payroll, sales tax, business tax

team - explaining what's going on, changes to working practices and what they are doing to support customers etc

government bodies - re various support packages and measures

customers - about what you are doing to support

4 - Have we covered everything that's important to you and next steps

Offer to complete a three-way projection based on the above for better understanding.

Prioritise with the client the 3 most important tasks to complete first and who will do them and by when, relative to the level of urgency already discussed.

Ask - Have we covered everything you wanted to discuss?

5 - Book in follow up strategy meeting if needed

End time 12:30pm (important to include - so that everyone knows and you don't run over for your next meeting)

your logo here

Step2 Agenda - for client use

for initial call with AN Other
of XYZ Limited

Tuesday 12 January 2021 at 12:00

1 - Review your key numbers

2 - Understanding the possible effects of COVID-19 on your business and what you have done to date

3 - Build an initial action plan to mitigate immediate risks

4 - Have we covered everything important to you and next steps

5 - Book in follow up strategy meeting

End time 12:30pm

Step4 system notes for COVID-19 follow-up strategy meeting

Attendees

Partner/manager/senior and main client contacts

Purpose of the meeting

- To support our client in this difficult and challenging time
- Understand their key issues and concerns and to provide a sounding board.
- Go through their draft three-way projections and review key numbers that are important right now - cash, revenue, gross profit, overheads, staffing costs - see the video guide
- Identify any further possible effects of the COVID-19 pandemic on the business and update the projections.
- On the basis of these changes, highlight the reduction to profit and cash and emphasise the need to reduce overheads and how they might go about that, delaying capital expenditure, finance capital purchases and avoid all discretionary costs
- To work with our client collaboratively and to spark their imagination about what they could do (with our help) to work towards protecting revenue and cash. How are they going to deal with customer requests for discounts, late payments, non-payment, easier terms etc Can they offer invoice financing (Premium Credit)
- Discuss team costs to see if they can reduce wages by changing rotas, introducing part-time working and layoffs, as a last resort. It is expected that most government will introduce support for wages - see Appendix B.
- Highlight where the client can get help - suppliers (easier terms), government reliefs, guaranteed COVID-19 loan scheme, insurance, banks (payment holidays, increased facilities), contact Capitalise on funding options, invoice financing etc
- To answer any queries the client may have
- To offer help ie bookkeeping, cloud conversion, management reporting, budgets, three way projections, cashflow forecasts, help with funding applications, KPI dashboards, check-ins or regular meeting
- To agree a clear list of actions for the client (and us).
- Suggest logical next steps

Simplified client agenda to be sent out to client 48hrs in advance of the meeting for approval/additions and make sure to include an end time!

Step4 Agenda - for team use

for strategy meeting with AN Other of XYZ Limited
Tuesday 19 January 2021 at 14:00

1 - Review your draft projections

2 - Understand any further possible effects of COVID-19 on your business

How much less will you sell?

Will you lose customers?

Will you need to offer discount to keep customers?

Will customers pay slower or not pay?

Will you incur extra costs to provide your services/products?

What costs can you reduce or are not necessary?

Can staff go part time with part time pay?

Do you have supplier payment terms you're not currently using?

How can you reduce stock reorder levels so stock not sitting on shelves for long?

How can you raise sales invoices as soon as possible to reduce work in progress?

3 - Finalise the projections and build an action plan to mitigate risks

Consider:

plan to deal with customer requests for discounts, late/non payments,

loss of revenue and ways to maintain or generate new income

capital purchases - delaying/financing

all overheads and discretionary spending

staffing levels, rotas, part time hours, layoffs as a last resort

Consider speaking with:

bank/lender - increased facilities, payment holiday, etc

suppliers - discounts, payment terms etc

insurance company - business interruption

tax authority - time to pay on payroll, sales tax, business tax

team - explaining what's going on, changes to working practices and what they are doing to support customers etc

government bodies - re various support packages and measures

customers - about what you are doing to support

4 - Have we covered everything and next steps

Prioritise with the client the 3 most important tasks to complete first and who will do them and by when, relative to the level of urgency already discussed.

Go through the most logical next steps from 3 above

Ask - Have we covered everything you wanted to discuss?

5 - Book in follow up call

Check in to see how the client is getting on with those tasks and if they have achieved the desired result. Book in another follow up call.

End time 15:00 (important to include - so that everyone knows and you don't run over for your next meeting)

your logo here

Step4 Agenda - for client use

for strategy meeting with AN Other
of XYZ Limited

Tuesday 19 January 2021 at 14:00

1 - Review your draft projections

2 - Understanding any further possible effects of COVID-19 on your business

3 - Finalise the projections and build an action plan to mitigate risks

4 - Have we covered everything and next steps

5 - Book in follow up call

End time 15:00

APPENDIX A

revised step-by-step process for those businesses effectively closed by government guidelines

Step 1 arrange online meeting with client to effectively determine how the business can be 'frozen' and if so, how long can the business be 'frozen' paying as little as possible and how will this be financed. If the client is using Xero/QBO or other cloud accounting software download the Bank Transaction report for the last three months. If not, but the client is using online banking, get them to download the last month transactions into a csv file. We have recorded a [quick video](#) for you on how to do this and create a simple pivot table. Failing that, use recent bank statements or reports from other bookkeeping software.

Step 2 create a pivot table (as above) or simply create a spreadsheet with the transactions along the lines of:

Monthly outgoings							
Date	Details	Cost	Can be cancelled - amount	Action	Can't be cancelled - amount	Can they be reduced - amount	Total costs that can't be cancelled - amount

[Download a copy here.](#) Our aim here is to create a simple spreadsheet to determine what costs can be cancelled and the action to be taken (ie cancel DD or standing order, contact:- bank, supplier, landlord, lessor etc) and what costs cannot be cancelled and will need to be financed. Remember the most significant payments will be for: salaries, rent, mortgages, loan repayments, purchases of goods, sales tax (VAT or GST), payroll taxes, corporate/ income taxes.

You can use the Clarity Action Plan to record actions if you wish (got to future screen, move the change all by 1%, click save and delete all tasks - to start with a blank plan).

Step 3a consider all accounts receivable. Will the business be able to collect any of these and what is the total that they will likely collect and over what time period?

Step 3b consider all accounts payable. Will the business be able to defer any of these and what are the totals that they will likely need to pay now, within 3 months, 3-6mts, after 6mts?

Step 4 create a simple cashflow forecast using the above information in your chosen forecasting software. The frequency of the forecast will depend on the severity of the situation. In extreme circumstances, it may be necessary to use excel for a three month day to day rolling cashflow (note this is extremely labour intensive and may ultimately not be the right solution). It is preferable to use three way forecasting so that you are armed with the necessary projections to support any bank or other funding request - [see step 5](#). You will ultimately need to determine what works best from a time/urgency/need perspective and without duplicating any unnecessary work.

Step 5 consider what the total funding requirement is and over what time period. You can use Clarity's funding plan to directly apply for CBILs or other funding if needed. Consider all available government and other support. Work out a plan with the client that is realistic, affordable and can likely be repaid, when restrictions can be eased. It is likely that we will need to prepare detailed budgets, cashflow projections, rolling three month cashflow calculations, KPIs/dashboards, assistance with funding applications and continue to regularly meet/check-in with the client (see the detailed meeting system notes).