

What Business Owners Can Do Today: Taking a Preemptive Strike at COVID-19

By Michael Andriola, CPA, Partner

We don't know when normalcy will return, but we do know there are steps you can take today to prepare for the duration. Given all the uncertainty, taking precautionary measures will ensure your business is best suited to weather the storm. Here are a couple of areas on which to focus.

Banking

Contact your banks now. Don't wait until your cash is depleted. Explore increasing lines-of-credit, deferring principal payments on term loans, expanding purchasing card options, etc. Challenge your banker to come up with some creative ideas to help you maximize cash on hand. The banking industry is very competitive and if your bank isn't willing to get creative, there are others out there that may be.

Additional Funding Opportunities

As we shared in a recent [blog](#), the Small Business Administration (SBA) is making [Disaster Loans available](#). As you pursue funding options, be sure to weigh out the risks and rewards. In preparation for a credit application, it's a good time to take stock of your organization's financial position, capital structure and cash flow.

Employees

Like all businesses, your employees are your greatest asset. In the current environment, however, where production may be curtailed, efficiencies reduced and productivity in question, you may be forced to make hard decisions. Before doing so, consider all your options:

- Is it better to layoff or terminate non-essential staff?
- What are the legal ramifications of your decision?
- Is your decision solving a short-term problem, but hurting you exponentially for the long-term?

Regardless of what you ultimately decide to do, ensure you have all of the facts before making a final decision. Your current situation may still be very fluid, with new facts and circumstances presenting themselves daily. Consequently, when making a decision concerning your potentially greatest asset, be sure you are thinking about the big picture and don't let emotions force your hand.

Contingency Plans

While you may have a plan in place that you're working from, no one could have guessed at the magnitude of the current pandemic. If you are forced to stay home and can't be at your place of business, take the time to build out your plan to include succession strategies, disaster recovery, and business continuity considerations. What a better time than when all of this is fresh in your mind?

Cybersecurity

Be careful out there. Criminals know everyone is working remotely and aren't used to this type of working structure. Unfortunately, as most Americans are banding together to help each other, others are looking to take advantage of this vulnerable state. Don't click on links that you are not familiar with. Keep your firewalls up to date. Contact your IT professionals to ensure that you have proper safeguards in place to ensure the integrity of the information that you will be transmitting electronically.

Learning for the Future

As you now focus and take steps to strengthen your business to better position it for the future, consult the experts — your accountant, advisor, lawyer and investment strategist. When you make progress, appreciate how far you've come and keep your planning going. Whatever the actions you decide to take in the coming weeks and months, remember one thing; those who forget the past are condemned to repeat it. Take full advantage of this learning opportunity.

Stay safe and healthy!

Contact Us

PKF O'Connor Davies can help you review the current strength of your business and strategies for weathering the storm. For more information, please contact your engagement partner or either of the following:

Michael Andriola, CPA, CFE, CCIFP, PSA
Partner
mandriola@pkfod.com | 908.967.6815

Joseph R. Doren, CPA, CGMA
Partner
jdoren@pkfod.com | 646.699.2863

About PKF O'Connor Davies

PKF O'Connor Davies, LLP is a full-service certified public accounting and advisory firm with a long history of serving clients both domestically and internationally. With roots tracing to 1891, twelve offices in New York, New Jersey, Connecticut, Maryland and Rhode Island, and more than 800 professionals, the Firm provides a complete range of accounting, auditing, tax and management advisory services. PKF O'Connor Davies is ranked 29th on *Accounting Today's* 2019 "Top 100 Firms" list and is recognized as one of the "Top 10 Fastest-Growing Firms." PKF O'Connor Davies is also recognized as a "Leader in Audit and Accounting" and is ranked among the "Top Firms in the Mid-Atlantic," by *Accounting Today*. In 2020, PKF O'Connor Davies was named one of the 50 best accounting employers to work for in North America, by *Vault*.

PKF O'Connor Davies is the lead North American representative in PKF International, a global network of legally independent accounting and advisory firms located in over 400 locations, in 150 countries around the world.

Our Firm provides the information in this e-newsletter for general guidance only, and it does not constitute the provision of legal advice, tax advice, accounting services, or professional consulting of any kind.