

# COVID-19 DISRUPTION

Formulate your action plan to assist your business in our changing environment

Given the recent developments with Coronavirus (COVID-19) and the uncertainty of the upcoming months, the desire for results doesn't change; it's just our mechanism to achieve them that does. BDO's view is that business owners need to take precautionary measures and formulate action plans to mitigate risks and their impact on their business operations, while at the same time meeting the needs of their customers and other stakeholders.

Business owners are faced with asking themselves this one simple question **"what can I do?"**.

The BDO Real Estate team have structured some simple guidelines for businesses to respond, along with consideration to measures that take into account the impact on the people, their clients, their service delivery and most of all their finances. BDO's guidance measures from a financial perspective:

## **CASHFLOW AND 3-WAY FORECASTING - UNDERSTAND YOUR SHORT AND LONG TERM NEEDS**

With considerable uncertainty around the impact of COVID-19 on business performance, it is important as a business owner to understand where profit and cash flow will likely fluctuate over the coming months. Three way forecasting can assist you by combining your profit and loss, balance sheet and cashflow projections so you can forecast your future cash position and financial health.

## **BREAKEVEN – WHAT DO WE NEED TO ACHIEVE?**

BDO can work with you to ascertain your breakeven position in your business, factoring in the level of fixed and variable costs within your sales and/or property management divisions. By knowing your breakeven position throughout these challenging times, it delivers clarity on what level of revenue is required to cover monthly expenditure.

## **BUDGETING & COST SAVING - MAKE A PLAN AND BE IN CONTROL**

BDO can guide you through a complete budgeting and cost saving process to underpin areas for cost control and savings. Identifying discretionary or surplus costs may be essential as the uncertainty of COVID-19 continues.

## **KEY PERFORMANCE INDICATORS - WHAT GETS MEASURED, GETS DONE**

Understand the lead key performance indicators for the business to identify gaps in performance and where decisions will be needed to proactively improve. These indicators should be broken down monthly, based on the expected fluctuations of the business. We also recommend these targets be set on a unit basis (i.e. number of listings) to set quantifiable targets for the team.

## **GOVERNMENT STIMULUS PACKAGE - IS THIS RELEVANT TO YOUR BUSINESS?**

Further to the Federal Government's stimulus package released last week, BDO can work with your office to provide clarity on how these measures will support your business.

## **REAL ESTATE HEALTH CHECK - SUGGESTIONS FOR IMPROVING FINANCIAL OUTCOMES**

BDO can assist by undertaking a comprehensive financial review of your agency. Once we have undertaken our review, we can provide you with a detailed report of the key financial issues relating to the agency and how it compares with our understanding of other agencies within the Real Estate Industry. This report will be provided to you as a commercial in-confidence service, strictly for your internal use only. It will not only consider the profitability of the agency, but also provide suggestions for improving the financial outcomes for the future and operational observations we uncover.

## BDO REAL ESTATE TEAM



**MATT LAMING**

**PARTNER  
BUSINESS SERVICES**

matt.laming@bdo.com.au  
+61 8 7421 1441  
+61 417 803 942



**EYTHAN BARRACLOUGH**

**ASSOCIATE DIRECTOR  
BUSINESS SERVICES**

eythan.barracough@bdo.com.au



**JAMES VARRICCHIO**

**MANAGER  
BUSINESS SERVICES**

james.varricchio@bdo.com.au