

Summary note - Fit for the new dawn - business support webinars

Covid-19 - managing its impact on cashflow

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Paul Jacobs and Howard Greenwood from *loveworklife*

Dave Pye and Bradley Placks from *toaugment*

Philip Ellis from *optima corporate finance*

Summary note

All speakers spoke of the extremely unusual situation we're in:

- There's no template for this – this is an unprecedented disruption but not a recession. We shall return to a new norm
- Use this time to prepare for the new norm
- We must remain supportive to each other until the market turns
- The perm market has been affected the most but temp/interim market comes back very quickly.

Cash is the lifeblood of any business. What can recruitment businesses do during this period of disruption?

- Be realistic and prepare a 13-week cashflow plan to give you visibility over the next quarter. If furloughing, understand the process – what cash is coming in and going out.
- During economic downturn, perm placements fall sharply. But there is still some recruitment activity – now is the time to identify opportunities, and utilise the skillset you have. Build your interim and temp business as these will be the quick-growth areas.
 - Sectors that are currently active: IT, digital space, healthcare, compliance, partially industrial, transport and distribution
- Identify what's critical and good value for money – focus on supporting your team in improving their performance.
- Ensure you have sufficient funds for 3-4 months to keep you going during uncertainty.
- Have daily conversations with clients, identify which clients are at more risk of going under and agree on payment plans (e.g. collect funds quickly for interim/temp assignments).
- Update your database, establish and widen your pool of candidates.

Spending paralysis leads to business paralysis. Where should you spend your money?

- Continue to incentivise and reward your people, train and develop your staff so they're ready for the upturn.

- Make your clients and candidates feel valued – engage with them and offer advice. This can be done through white papers, postings on social media etc.
- Brand awareness and marketing activities - use these to show that you're a thought leader in your sector(s); push your brand constantly. Use cost effective ways to promote your brand via social media e.g. creating a white paper or starting a YouTube channel – keep in contact with your network to make them feel valued
- However, ensure the tone is right. You'll be judged on how you reacted during the crisis.
- Invest time in your database, no excuse to not have the most up-to-date system, and categorise candidates more effectively.

How can you project your sales revenues?

- Have three types of forecast: (a) best-case scenario/optimistic view; (b) middle position/realistic; (c) worst-case scenario
- You need more than a transactional mindset – understanding your clients and assessing the strength of your relationships are critical to mitigate and plan for the future.
- Discover new ways of generating revenue; e.g. providing an outplacement service to clients who have had to make staff redundant.
- Explore how you can shorten the recruitment process for key clients once market recovers.
- Be tactical and flood those growth areas/sectors, including the temp and interim markets, with consultants.
- Consider the payment terms with clients – it's time to collect cash quickly

What's critical to your business plan?

You: as the leader you are the most important person. Stay fit and you look after your mental health so that you're strong for the upturn.

Alignment: Stay aligned with your partners, cement your relationship with them.

Learning: use this as an opportunity to keep learning.

Overcommunicate: culture and purpose are vital so make sure you keep communicating with all staff

Prepare for the next norm.

- Understand where you are now and where you want your business to be; having a plan prevents panic and creates purpose – have it, stick to it, drive it
- Consider how you want to be perceived – look at how you've operated and spent to date, have you achieved value for money
- Focus on the team and their performance; It is important to continue to motivate and reward your staff but look at practical options to balance your finances: have open discussions with the team and look at banking bonuses to be paid when furloughed staff returns
- Recruitment values haven't changed – if you recruit good people and they are treated well – they will make your business great
- Going forward make sure to have a rainy-day fund, up to 6 months to put aside

- Re-evaluate your assets and your delivery mechanism for when we return to the new norm – do you need the office, or can you downsize to smaller premises? Can you implement shift work or desk sharing?
- Identify clients who are able to bounce back quickly and/or have a good recovery plan - align your businesses to theirs
- Take the opportunity to train and develop your staff

Recommendations and cashflow checklist:

- Be realistic and prepare a 13-week cashflow plan – to give visibility and understand what cash is coming in and out
- Utilise the Government's job retention scheme where appropriate
- Consider providing outplacement services as a way of generating revenue
- Chase down outstanding debts and agree payment plans where relevant, but ensure to use the appropriate tone of voice with clients
- Build your interim and temp business – these will be the quick growth areas. Active sectors: healthcare, IT and digital space, compliance, (part) industrial, transport and distribution
- Update your database – establish and widen your talent pool
- Train and develop staff so they are ready for the upturn
- Have daily conversations with clients – identify those who are able to bounce back quickly and/or have a good recovery plan, and align your business to theirs
- Discover new opportunities to bring value to your clients e.g., shortening the recruitment process through IT once market recovers
- Assess your previous spend and how it's utilised to understand if you are getting value for money
- Re-evaluate your assets and your delivery methods – do you need the office, or can you downsize? Can you implement shift work or desk sharing?
- Avoid having a complete spending paralysis that can bring your business to a halt – invest wisely
- Use cost effective ways to promote your brand e.g., via social media or thought leadership content
- Evaluate your staff's performance and KPIs, focus on the team and assign top recruiters to orchestrate the process to maximise benefits
- Seek professional advice – reach out to your suppliers and clients, and be supportive in return
- Know that you will be remembered by how you act now
- Consider creating a reserve fund that can sustain your business in unprecedented times for 3-4 months (future risk mitigation)

Need additional support?

The REC has created a dedicated hub for everything your recruitment business needs to know about the Coronavirus outbreak.

This can be found here: [Coronavirus \(COVID-19\) hub](#)

This is your one-stop shop for everything your recruitment business needs to know about the Coronavirus outbreak. We update this page at least twice daily, responding to the latest development and announcements from Government. So, bookmark this hub and check the page frequently to ensure you have all the latest information.

Presenters contact details

	
Dave Pye LinkedIn profile - https://www.linkedin.com/in/davewpye/dave@toaument.com	Howard Greenwood LinkedIn profile - https://www.linkedin.com/in/recruitment-mentoring/Howard@loveworklife.com
Bradley Placks LinkedIn profile - www.linkedin.com/in/BradleyPlacks bradley@toaument.com	Paul Jacobs LinkedIn profile - https://www.linkedin.com/in/pauljacobs/lwlc/ Paul@loveworklife.com
Website - http://www.toaument.com/ Call +44 (0) 20 3909 7990 or complete the online contact form here	Website - https://loveworklifeconsulting.com/ Call Howard on 07966 251 582 Call Paul on 07960 055 756 <ul style="list-style-type: none"> Opening hours: Mon to Fri 8.30am to 6.00pm

	Philip Ellis LinkedIn profile https://www.linkedin.com/in/philip-ellis/ E: philip@optimacf.com T: 0207 164 6664 W: https://www.optimacf.com/
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