May 1, 2020

The results of our Financial Survey underscore the message that our members need to be prepared both financially and operationally in order to survive the global pandemic and maintain the ability to resume operations when it is safe to do so.

Survey respondents expect consumer demand to remain depressed for more than six to nine months, or more. While no one has a crystal ball, or can predict how quickly consumer confidence will return and begin to restore economic demand, it is important to note that this is an early “gut feel.” What remains clear is that we each have control over our own actions and our sources of information. As such, we recommend that our members implement a critical 30-day reopening plan in the immediate term.

**What to do in the next 30 days**

1. Implement a critical 30-day reopening plan.
2. Get educated about the numerous government programs, subsidies and funding streams currently available.
3. Create a 13-week integrated cash flow model, and update this at least weekly if not daily.
4. Reach out to your Financial Institution, BDC and EDC to determine what lending options are available to you, including:
   1. BCAP – Business Credit Availability Program: small and medium enterprise loan guarantee program
   2. BCAP Canada Emergency Business Account
   3. BDC Working Capital COVID Loan

The vast majority of government programs have been defined. We do not anticipate many new funding launches; however, we may see programs tweaked as we move along the “Back to Work” curve.

The survey results point to current resiliency in the industry, specifically evidenced by positive responses about the ability to collect accounts receivable balances within normal terms and high level of government funding program activity. This particular situation is dynamic and will require daily/weekly update. As a point of interest, 40% of respondents noted there are gaps in available funding. Respondents may be predicting a deterioration in their normal cash conversion cycles due to a likely cash drop related to regular sales cycles, furloughed employees or a restricted or reduced work environment. We will continue to monitor this key metric over the coming weeks, and try to determine where the perceived gaps exist.

The focus for the business should remain on liquidity and the preparation of integrated cash flow models to support the likely need for future assistance from their financial institutions. To date, 88% of respondents have not received an increase to their operating lines of credit or any interest relief or deferrals from their current financial institution, and 40% have not reached out to their primary bank.

Our recommendations as laid out in this document, and in the [Ask Us Anything: Financial and Government Programs](https://www.youtube.com/watch?v=kwt1ZO8YgUc&t=1s) webinar on Tuesday, April 28th. If you missed this informative session, you can view it on our YouTube channel or by clicking the link above.