



Dealing with the business impact of Covid-19

A checklist for your organization

- Business impact
- People
- Cash management
- Tax
- Supply chain & operations

Crisis management & business continuity planning

As the business world learns to adapt with constant changes, the next chapter is being written. The impact of COVID-19 is affecting global supply chains, disrupting financial markets and the workings of day to day businesses.



Actions

The most critical immediate requirement for any business is to **identify and value the risks/scenarios, model the financial impact of those and assess the liquidity / headroom position through a short term cash forecast**. Businesses are facing existential risk here and if they can't make the next few weeks without running out of cash, everything else is irrelevant. We've got the war stories to illustrate that.

0-4
weeks

- Understand key risks across operations and supply chain
- Mobilise teams to firstly navigate crisis response and secondly focus on supply chain assessment and risk management
- Ensure your governance is in place to rapidly make key decisions
- Conduct business and financial scenario planning for a quick recovery, a global slowdown and a global pandemic and recession

1-3
months

- Plan mitigating actions across operations and supply chain, assessing impacts on sea, air and land transport
- Ensure communications are made with principal customers and stakeholders
- Review and assess what impact this will have on workforce planning and management
- Review phasing impacts depending on your sector

4+
months

- Create an agile and visible global supply chain
- Understand and deploy digital and process automation to mitigate the impact of disruption
- Develop and implement enhanced risk management practices



Actions we are seeing clients undertake include: contingency planning and scenario modelling, operational and supply chain risk management, financial risk assessments, business resilience, and digital and supply chain transformation.

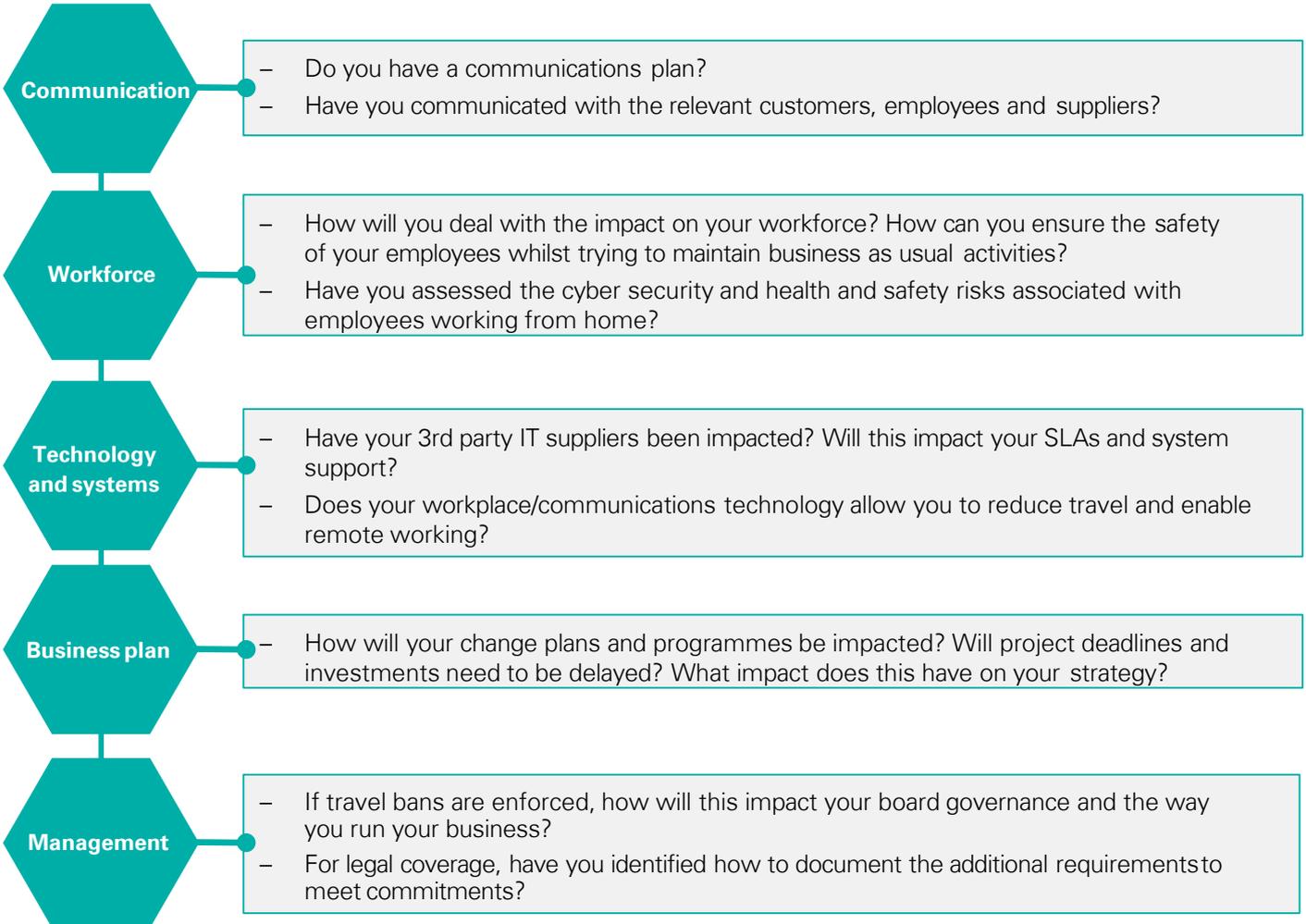


Observations

- Manufacturing closures in China
- Increasing public health requirements
- Suppliers invoking force majeure
- Additional border checks resulting in delays
- Congestion at seaports and airports, with busy sea routes from Asia to Europe being cancelled
- Reduced outbound capacity from China with increase in prices
- Labour shortages impacting productivity and land transport

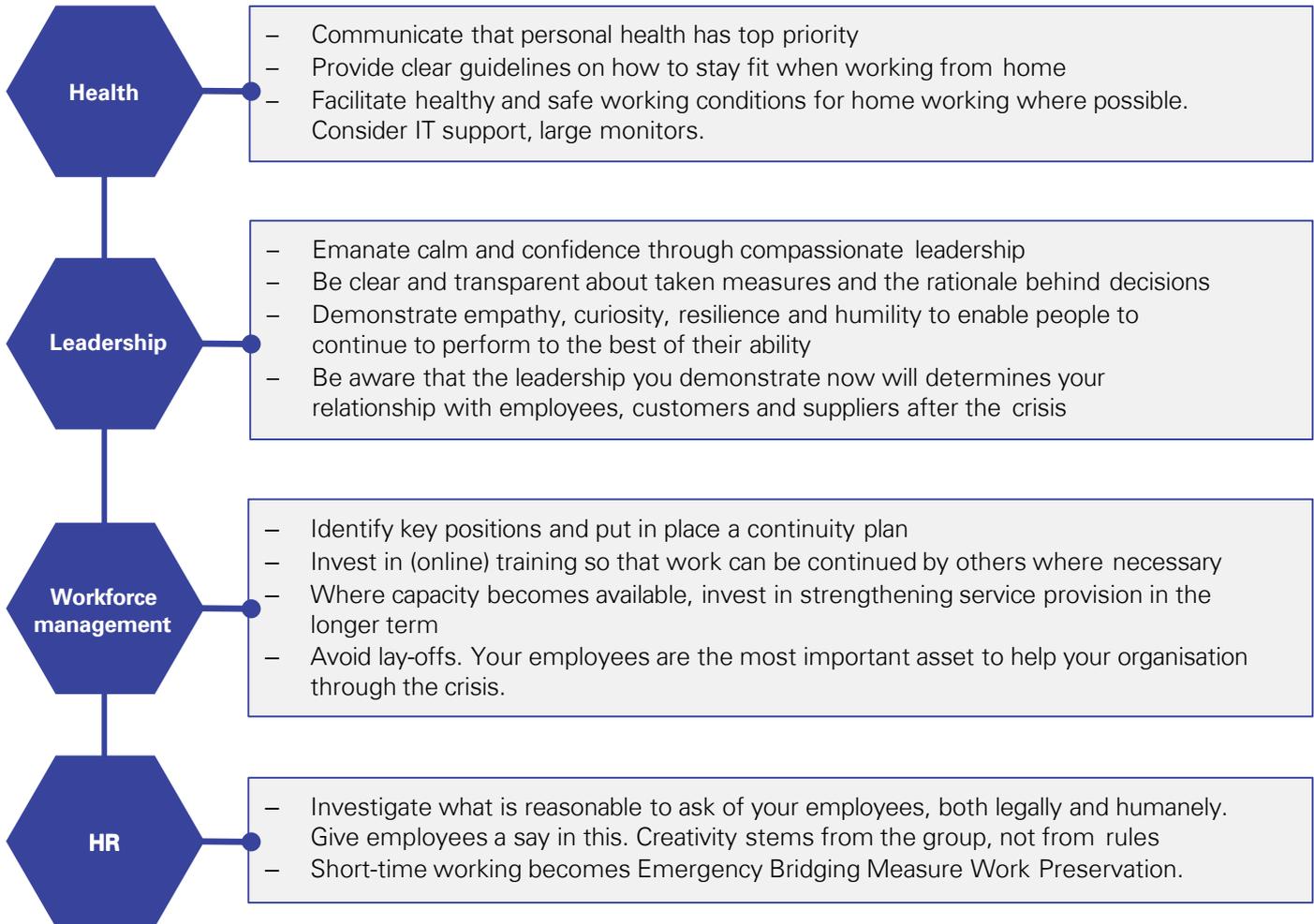
Business impact

Checklist



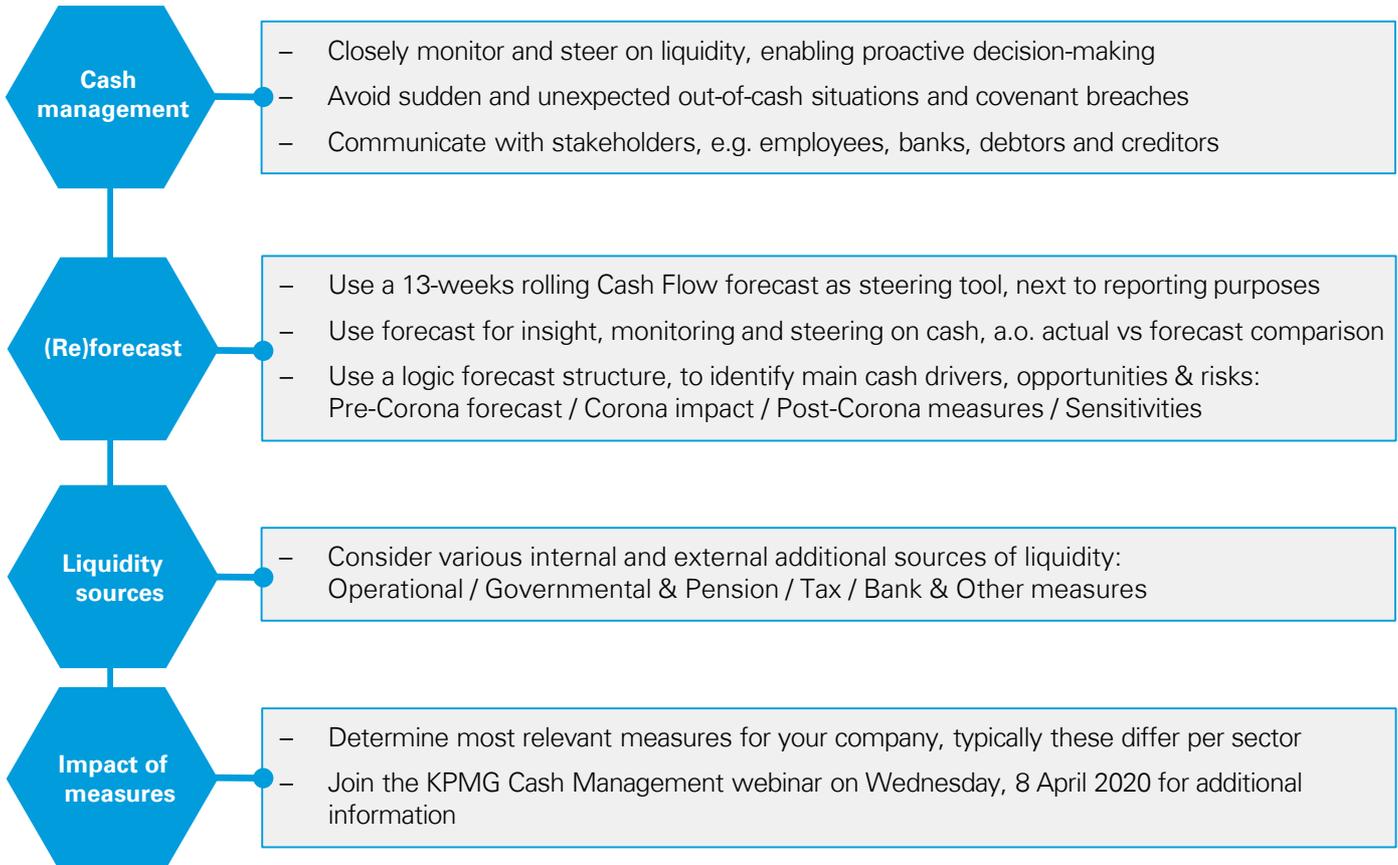
People and change management

Checklist



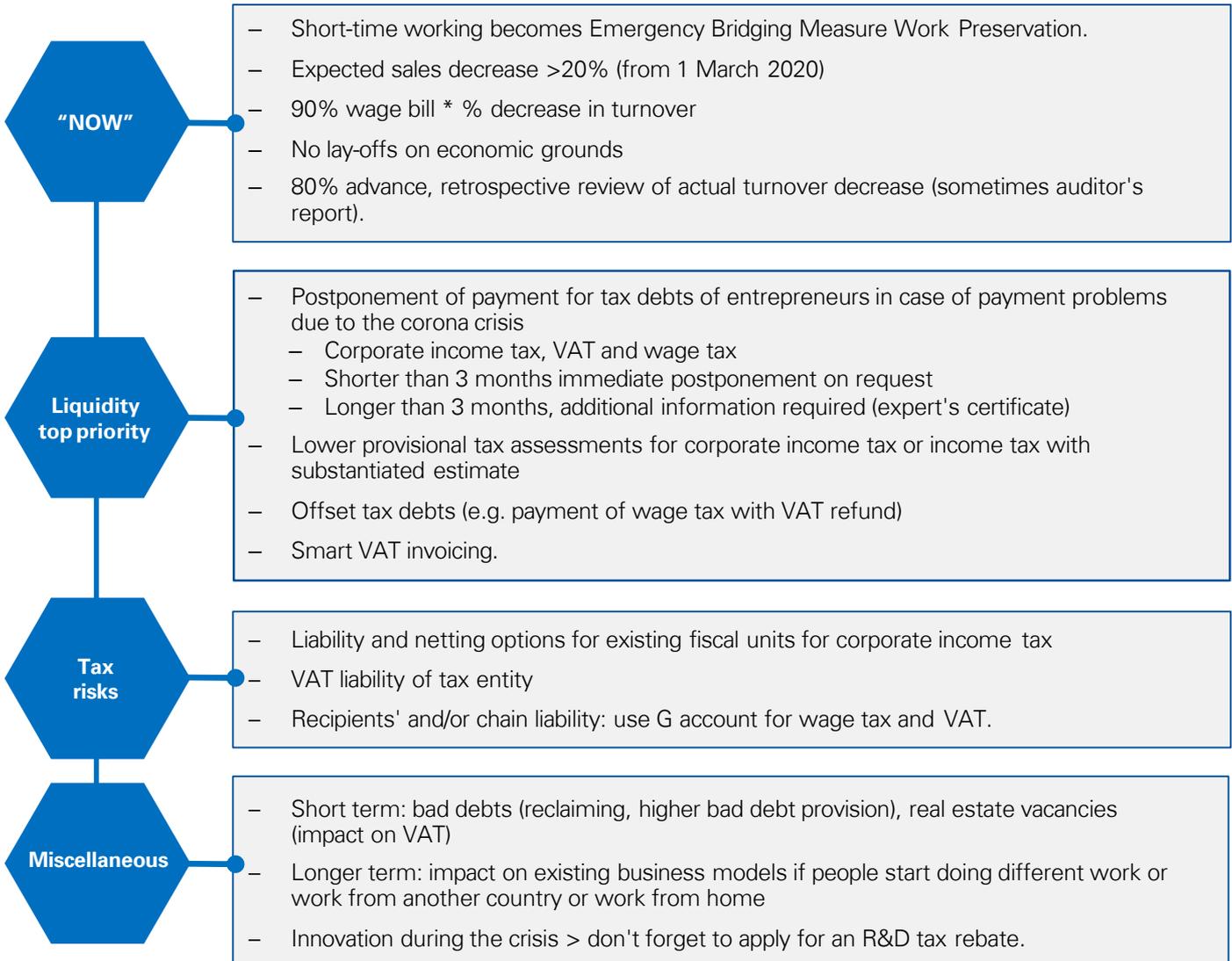
Cash management

Checklist



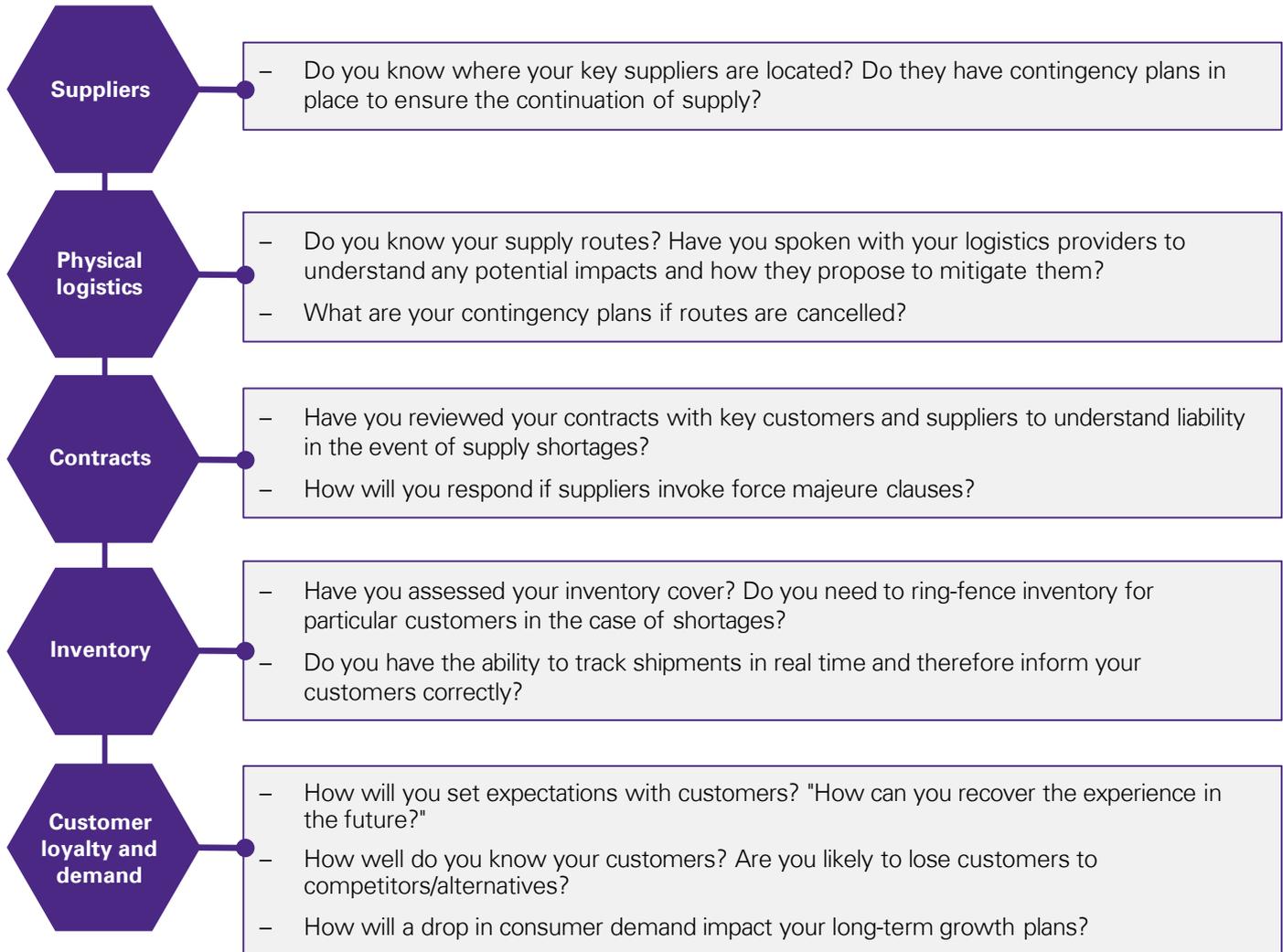
Tax aspects

Checklist



Supply chain & operations

Checklist



Contacts

Edwin Herrie

Board of Management
KPMG in the Netherlands
herrie.edwin@kpmg.nl
+31 6 5386 1000

Renée de Boo

People
deboo.renee@kpmg.nl
+31 6 5107 2663

Raymond Timmer

Supply Chain & operations
timmer.raymond@kpmg.nl
+31 6 1045 8418

Ewald van Hamersveld

Cash management
vanhamersveld.ewald@kpmg.nl
+31 6 5378 5290

Michael van Gijlswijk

Tax
vangijlswijk.michael@kpmg.com
+31 6 1648 1929

