



COVID-19 CFO priorities

Deal Advisory
KPMG in Thailand

March 2020



Our point of view on cash preservation during challenging times

During this challenging time, **cash is “king”** for businesses to survive and preserve future growth opportunities. KPMG can help CFOs to implement immediate cash preservation measures alongside a **Cash Control Tower** framework to ensure cash is front of mind for all key stakeholders, and minimize cash leakage.



Cash Control Tower Governance

- ✓ Set up **“Cash Control Tower”** governance structure
- ✓ Develop robust short-term **daily/weekly rolling cash flow forecast** and monitor on **daily** basis
- ✓ Undertake cash flow **stress testing**, applying base case and worst scenarios
- ✓ **Engage with lenders and investors** to discuss any funding requirements
- ✓ All spending to be approved by **“Cash Authorization Committee”**

Example actions to preserve cash in the short-term:



Customer

- ✓ Accelerate **billing** and **collection**
- ✓ **Explore options to factor** invoices
- ✓ Enhance alternative **sales channels** (e.g. online, e-commerce)



Inventory and operation

- ✓ Revise **production and procurement plans**
- ✓ Reorganize **warehousing and logistics**
- ✓ Identify and liquidate **short shelf-life inventory**



Supplier

- ✓ **Explore options to incentivize** suppliers to factor or defer payment
- ✓ Defer payment to **related party suppliers**
- ✓ Seek **trade finance** from banks



Capital Expenditure

- ✓ **Postpone/freeze capex plans** (without impacting safety)
- ✓ Explore **sale and lease back** to enhance liquidity



HR

- ✓ Right sizing of **temporary workforce**
- ✓ Review **benefits/bonus pay out** frequency



Other cash disbursement

- ✓ Review and postpone **non-critical projects**
- ✓ Request **rental payment deferral** or reductions
- ✓ Delay **dividend** payments
- ✓ Engage with **tax authorities** to defer payments or access support packages

KPMG can assist you in the **rapid formation and implementation** of your Cash Control Tower, and apply our tools and methodologies to assist with:

Rapid assessment of liquidity impact, cash control and visibility including short-term and medium-term cash flow forecasting



Mobilization of cash control tower project team and **identify** quick actions of cash preservation at each functional levers



Implementation of cash preservation actions at functional levers and **monitor** the overall results and governance



Support internal and external stakeholder **communications**

KPMG commits to work with you to tackle the current challenges and weather the storm

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