



Beaufort

Corona Crisis Support

October 2020

BEAUFORT

A short introduction of the Quick Scan

Introduction



- The rapid outbreak of the Coronavirus challenges everybody and forces one to face various dilemmas. The controlled slow-down of further infections is the top priority.
- Many customers of Beaufort are active in vital sectors and/or perform crucial tasks for our society. That's why (contributing to) the slow-down of a further spread is our top priority as well.
- Especially in times of distress, Beaufort wants to support its clients by providing continuity and quality of its service (towards its clients) at the highest level.



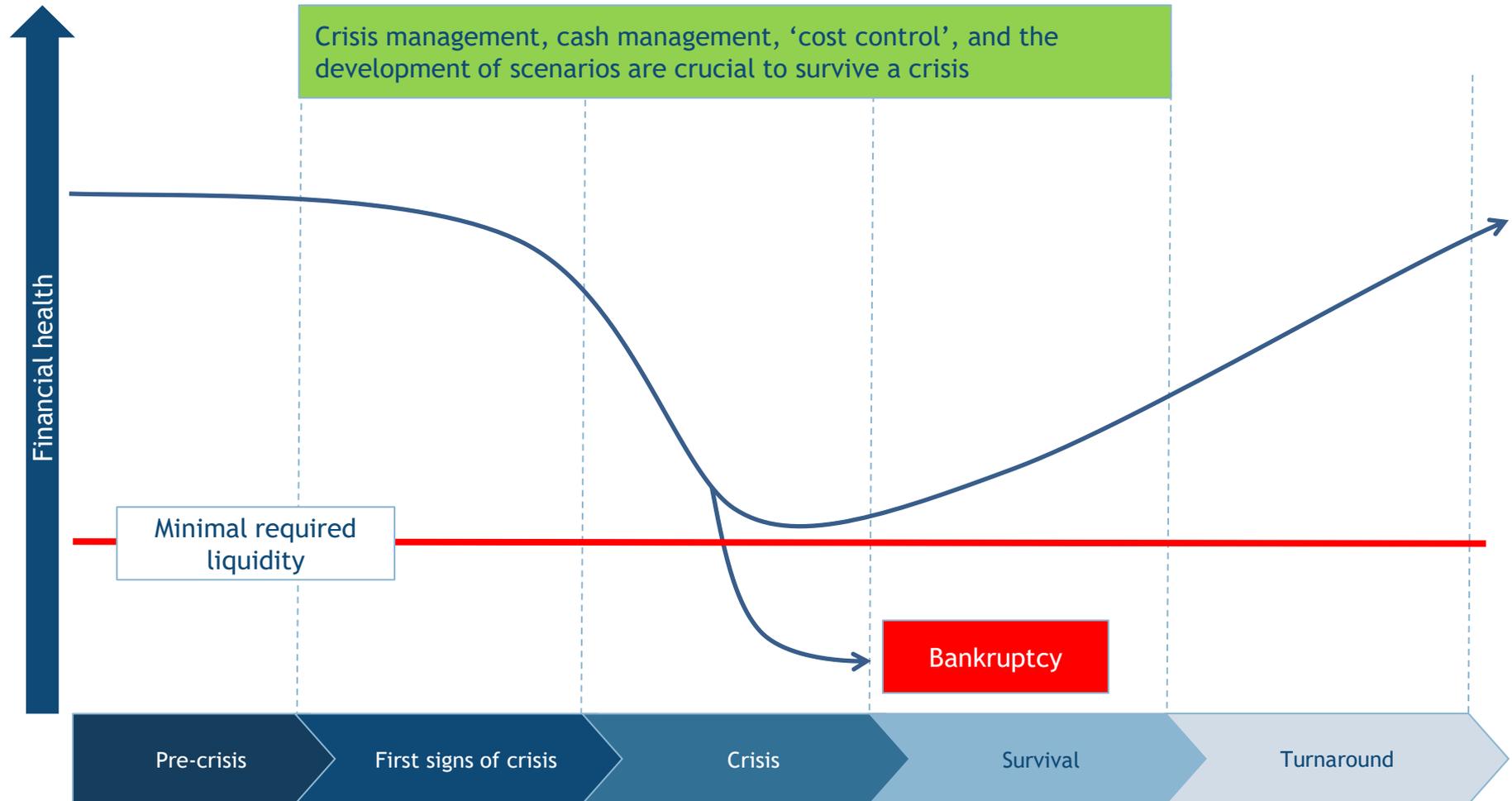
- Companies and institutions are currently facing big challenges.
- Companies that encounter direct demand reduction face the risk of significant liquidity shortages on the short-term.
- As in all times of crisis, cash management is of significant importance. Since nobody can oversee the impact and duration of the current situation, it is advisable to steer on liquidity as much as possible.



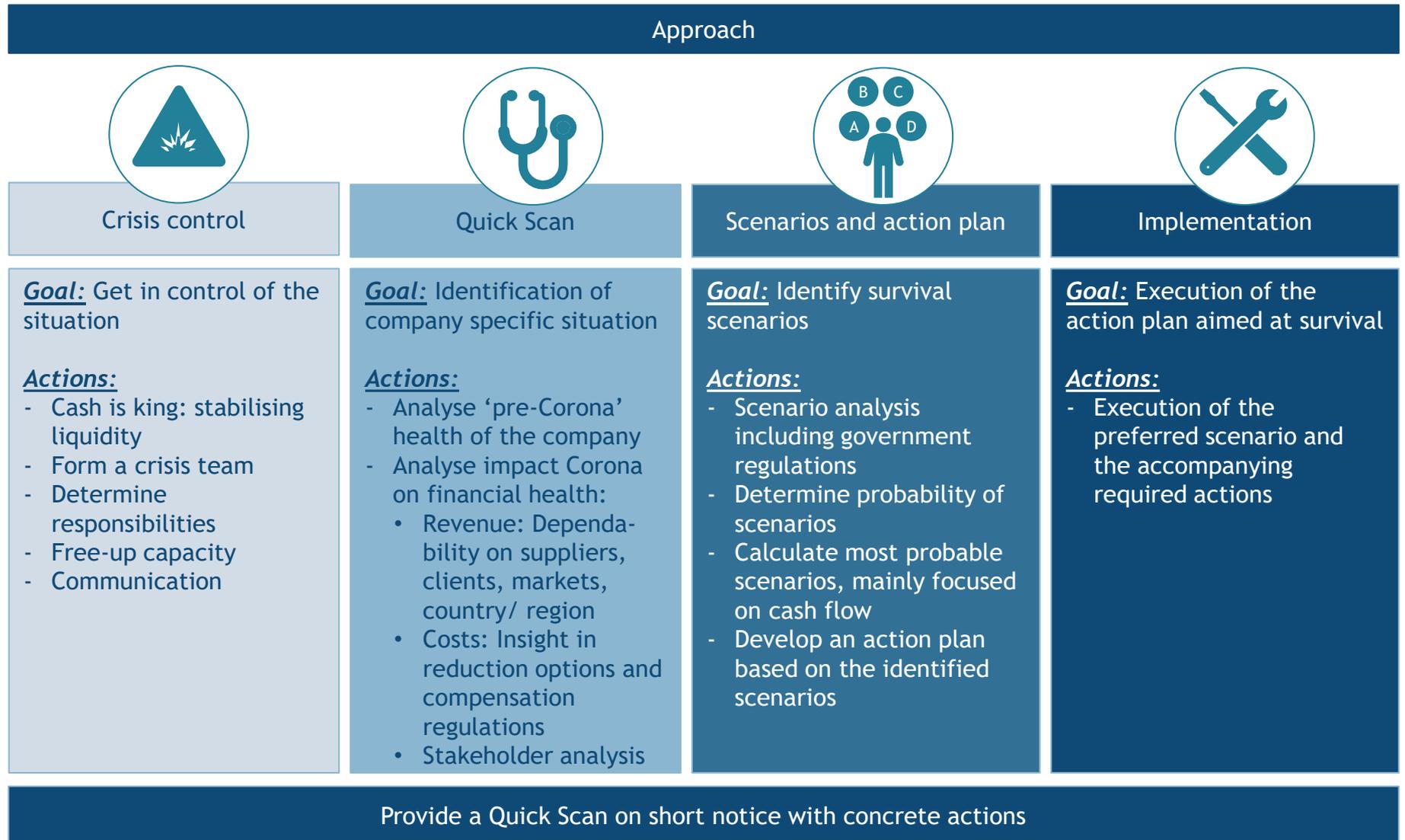
- Considering the current insecurities, we recommend organisations to perform a scenario analysis, also taking into consideration the available supporting regulations of governments, banks, and other institutions, and then translate these scenarios in a P&L, balance sheet and cash flow statement.
- This proactive approach also provides support and insight during negotiations with stakeholders. A proactive and transparent approach leads to insight in uncertainties, staying in control, and by this, more goodwill and a better cooperation by involving all stakeholders in time.

To survive a crisis, crisis management and cash management are crucial on short-term. Liquidity shortages are the biggest threat.

Phases in crisis development and financial health



Approach Corona crisis: By taking the right steps on short notice, companies can stay in control of the situation and take the right actions.



Crisis control: Appointing a full dedicated crisis team and good communication are crucial.

Elaboration crisis control



- ***CASH IS KING***: Ensure that the crucial obligations can be paid

Crisis control

Appoint a crisis team and free-up capacity

- It is crucial to appoint a fully dedicated leadership team that is available 24/7 to manage the crisis.
- The top of the company should fully support this team and provide a mandate to take (far-reaching) measures.

Determine responsibilities

- In the crisis situation, extraordinary measures will have to be taken. Workflows, tasks, and responsibilities should be clearly determined. Even if these are completely different from the regular situation.

Communication

- In crisis situations, communication is of great importance, both internal and external.
- The crisis team will have to incorporate communication as part of the crisis approach.
- The internal 'line of command' should be clear and communicated directly. By means of solid communication, tranquillity at both the organisation and the stakeholders can be created.

To survive a crisis, the 'pre-crisis' health of the company should be considered as well. Stakeholders will have to be actively managed.

Elaboration Quick Scan



Quick Scan

Short analysis 'pre-Corona' financial health

- By means of a short analysis of the 'pre-Corona' financial health, it can be determined if survival of the company on the mid and long term is realistic.
- If the company is healthy in its core, it means that the company has sufficient perspective if it can survive this crisis.
- For the short-term, the strategy should be fully focused on survival.

Identify impact of Coronavirus on the company

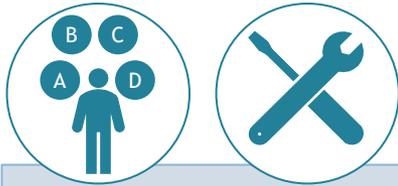
- By identification of specific circumstances, an educated guess can be made of the (financial) impact and what measures can be taken to reduce it.
- In this analysis, the consequences for the revenue and (dependability on) suppliers, clients, market specific circumstances, and the rate of regional, rural, or international activities, will be taken into consideration as well.
- Identification of costs reduction opportunities and regulations for compensation.

Stakeholder analysis

- To survive the crisis, most companies will have to reach out to the main stakeholders.
- By identifying the main stakeholders and determine a pro-active communication strategy, the company will be able to maintain control as much as possible.

Cash management is crucial to get in control of the crisis situation. This can be done by developing scenarios.

Elaboration scenarios, action plan, and implementation



Scenarios, action plan & implementation

Develop a scenario analysis including probabilities

- By means of Beaufort's decision-model, multiple scenarios can be developed on short notice.
- The identified scenarios will be ranked on probability.
- Both banks and the government have provided multiple regulations that can support companies to survive the crisis. Beaufort keeps track of the most recent information and will incorporate these in the scenarios ([see our website](#)).

Calculation of identified probable scenarios

- After the scenarios have been identified, the most probable ones will be calculated. Especially the cash effects will be identified, fully focused on the company specific situation.
- In these scenarios, the possibilities on the capital markets, debt for equity swaps, distressed M&A, and possibilities in private equity- & mezzanine funds will be taken into consideration as well.

Develop and implement an action plan

- After identification and calculation of the scenarios, an action plan will be developed in which concrete actions, tasks, and responsibilities are implemented.
- A determination of the credit need is oftentimes an important part of the action plan. Beaufort provides debt advisory services (a.o. for commercial real estate) and will support you in locating suitable financiers with attractive conditions ([see our website](#)).
- Implementation of the preferred scenario and the corresponding action plan.

Wrap-up possible support from Beaufort during a crisis.



Crisis control &
Quick Scan

- Hands-on support of the supervisory/directory boards with crisis control by directly tackling operational- and financial bottlenecks.
- Identification and tackling of acute business specific operational and financial bottlenecks.



Scenarios & action
plans

- Development and calculation of scenarios (business expectation) following the Corona effects.
- Development and validation of the business plan for financing requests at Banks and the Dutch RVO (Beaufort is a selected partner of the RVO regarding the execution of financing regulations)
- Cash forecasting: Development of liquidity forecasts in various scenarios.
- Development of action plans.



Implementation

- Interim support during the execution of operational and financial action plans.
- Stakeholder management.

Contact: Our team exists of approx. 15+ dedicated consultants with years of experience in crisis management.

Distinctive profile: Senior team that covers all aspects of strategic, financial, and operational advice



Jan Janssen

Founding Partner

+31 6 55 13 70 53

j.janssen@beaufortconsulting.nl

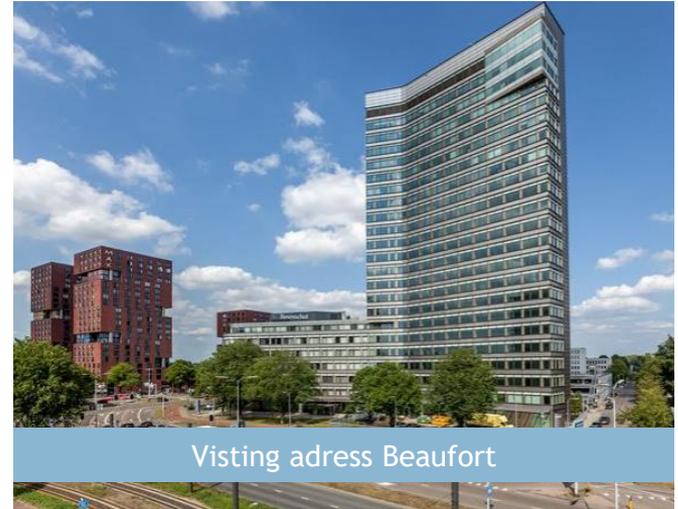


Koos van Delft

Founding Partner

+31 6 29 07 38 33

k.vandelft@beauforconsulting.nl



Visting adres Beaufort

Beaufort Corporate Consulting & Interim Management

Kantoorgebouw Le Mirage
Vliegend Hertlaan 15-97
3526 KT Utrecht

T +31 (0) 85 130 38 85

E info@beaufortconsulting.nl

I www.beaufortconsulting.nl