



Preparing for the time after the crisis

Medium-term measures

The current effects of the crisis are already impacting our business life very strongly. Even though it is not yet foreseeable when the peak of the crisis will have passed, companies should already prepare for the time thereafter.

Master the ramp-up of operations

Firstly, recovery of the entire supply chain and business operations needs to be organized and carried out. In this dimension, this will present a new challenge for many companies. Here, personnel capacities and financial resources need to be allocated as well as supply chains reactivated. In China, this is already the major challenge today.

Markets, product portfolios, structures and core processes

However, markets may also have been profoundly changed depending on the sector, with customer demands subsequently decreasing or increasing. Supply chains may also need to be set up anew on a permanent basis according to different risk criteria.

Companies affected therefore need to:

- re-assess the changed market situation and adjust their strategy if necessary.
- examine existing business portfolios, site structures and value chains and, where appropriate, also discontinue specific non-core activities.
- check existing supply relationships in nature and scope for future viability.
- review the focus areas of sales, marketing and R&D in the future as well as investment planning.
- where appropriate, re-establish the organization and the essential business processes. In this context, the labor-law pitfalls also need to be considered in the restructuring, reorganization and redistribution of operational tasks. An adjustment of the personnel structure may also be necessary.
- evaluate tax issues in the new context and apply changes.

Secure the necessary liquidity

Liquidity needs necessary for sustainable business operations need to be redefined and to be ensured afterwards by means of appropriate measures.

- Updated corporate planning is required in order to determine medium-term and long-term liquidity needs.
- These considerations should also include any necessary redemption of subsidies, sureties, etc.
- This liquidity must be ensured subsequently through the available sources (banks, trade credit insurers, funds, etc.). Supply chain financing and solutions by means of internal working capital management may also be part of the problem-solving strategy.
- Because of situation-induced uncertainty in this new planning, contingency considerations should also be incorporated into cash planning.

Our multidisciplinary team of experts will be happy to support you with this challenge.



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