



Assumptions: Building Your 12-month Projections

The next step is to build a realistic 12-month projection. This will be done by taking a deep dive into the three components of post COVID-19 business: Finances and Financial Planning/Safety: Staff and Customer/Messaging and Marketing.

You will be moving back and forth between the three areas to collect the data you need to build the projections. In a way, this is like going back to the beginning of your business.

Some assumptions will be easy and others will be more complex. In some cases, you will have to make your best guess. The reality is that none of us knows exactly what the post COVID-19 environment will look like. So we have provided a series of tools and checklists to help you get as specific as possible. Taking the time here is paramount. The businesses that will survive this re-entry will be the ones who do this work and make the best judgments of when and how to re-open.

Use this master checklist along with the Financial Planning Flow Chart to guide you through the process. The final step will be to create three variations of the projections.

TO DO	By whom	By when	Done	Action and/or Comments
FINANCIAL COMPONENT:				
Creation of new cash:				
Collection of Receivables				
a. New payment terms that would make it more attractive				
Any Investment Options				
Debt:				
Review Lending Options:				
a. Federal Disaster Programs				
b. State & Local Disaster Programs				
c. Traditional Lending				
Do Debt Assessment				
a. If yes, business can assume new debt do applications.				
Review any ways to further reduce expenses by reviewing 2019/2020 P&L				
ADD NEW EXPENSES:				
SAFETY COMPONENT:				
Add additional safety costs:				
a. Additional cleaning staff/time				
b. Additional cleaning supplies				

c. Cost of any physical location changes required to satisfy safety protocols				
d. Cost of safety equipment				
e. Cost of safety training				
f. Printed Safety Protocol (including Checklists & required Posters for Staff)				
MESSAGING COMPONENT:				
Add additional marketing costs:				
a. Posters				
b. Printed flyers				
c. Changes to Web site				
d. Increased social media outreach				
e. Photography				
f. Video				
g. Staff training on messaging				
PIVOT Opportunities:				
Are there new markets that you can add?				
a. Revenues gained				
b. New related expenses				
Create a set of 12 month projections:				
a. In addition to Pivot opportunities Projection A would be at 25% of 2019 revenues. And adjusting expenses accordingly				
b. In addition to Pivot opportunities Projection A would be at 50% of 2019 revenues. And adjusting expenses accordingly				
c. In addition to Pivot opportunities Projection A would be at 75% of 2019 revenues. And adjusting expenses accordingly				

Then ask yourself the very tough question: Can my business survive and ultimately thrive in the “new normal?”

If yes, the next steps are to create:

1. A 13-week rolling cash flow
2. The time table for re-opening
3. A staffing plan
4. And a time line to review your progress at monthly intervals

If no, we can talk about options including closing or creating a succession plan.