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## Credit & Collections Combatting Covid-19

### Guidelines and Practical Tips – Issue 3

The Covid-19 pandemic was not only unprecedented but it is having a huge impact on the global economy with economists predicting more disruptions in the supply chain, remarkable shrinking economies, high rise in unemployment, which would lead to social unrest, and the financial consequences of the unpredictable high budgets allocated to the NHS by every country in order to fight this virus, to name some few.

Inevitably, businesses are also struggling to manage this recession, especially those that are highly geared and inadequately capitalised. It is commendable to continuously monitor the current situation in order to manage risks, maintain a healthy cash flow and avoid unnecessary bad debts in order to survive this extraordinary challenge. For this reason, the top management teams should:

- Prioritise the strategies and tactics deployed to manage this recession by taking decisions without any procrastination,
- Keep abreast with any changes and developments in the markets and in the customers' markets,
- Identify any overcapacity in the resources employed and in the execution of internal business processes,
- Procure carefully, cut back on borrowing (*whenever possible*) and reduce fixed cost wisely (*without losing key people*),
- Invest in staff training and retain the morale of the employees by keeping them informed of the situation,
- Communicate proactively with customers using the 80/20 Pareto principle (*surviving businesses will need surviving customers*),
- Use technology to communicate effectively with your customers and other stakeholders,
- Be flexible, negotiate with suppliers and customers and be innovative,
- And most importantly: **MONITOR CLOSELY THE CASH FLOW OF THE BUSINESS.**

**JBConsult provides you with the necessary training to  
assist you grant and manage credit profitably**

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