



# An SME's Guide to Securing a Financial Future Amidst Uncertainty

Dr. Arun Singh | Chief Economist, Dun & Bradstreet | June 22, 2020



# Agenda



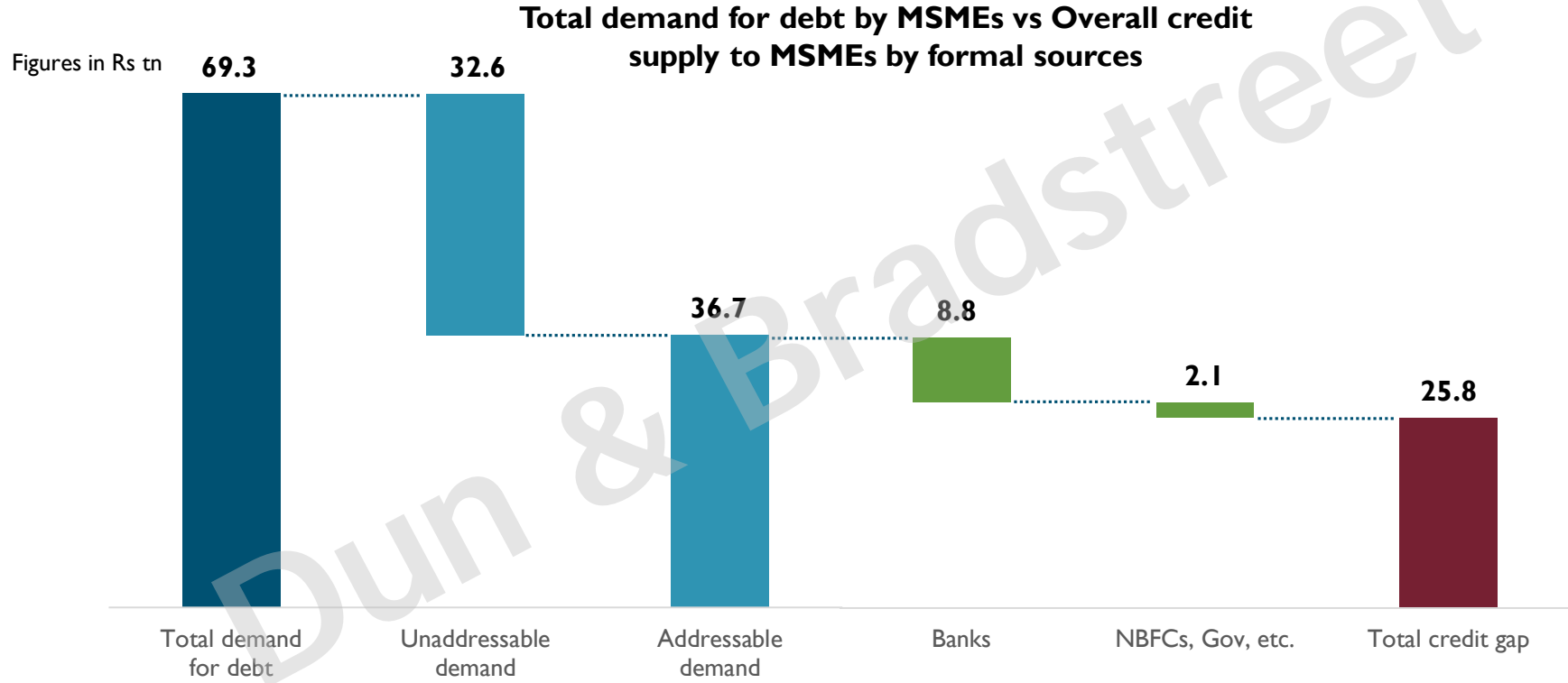
Evaluating Your Business Relationships

Ways You Can Better Manage Your Cash Flow

Building An Emergency Plan In The Future

Dun & Bradstreet

# MSMEs lack adequate formal credit – a problem likely to worsen due to the COVID-19 fallout



Note: Data for banks include only Scheduled Commercial Banks  
Source: International Finance Corporation

# Evaluating Your Business Relationships

## Vendors



Which vendors are essential?



Is your supply chain diverse enough for future disruptions?



What have you learned about your supply chain?

## Customers



Reach out



Survey



How can you help them?

# Evaluating Your Business Relationships

Lenders



Debt vs  
Income



Terms  
& Conditions



Overall  
relationships

Community



Form alliances with  
other businesses



How can an alliance help you get  
back on your feet? Can you use  
the alliance to place bulk orders?



Reestablish  
community  
relationships

Source: Dun & Bradstreet

# Ways You Can Better Manage Your Cash Flow - Launching A Cash War Room

## Agenda



Income



Expense



Timing



Forecast

## Focus

**INCOME > EXPENSES**

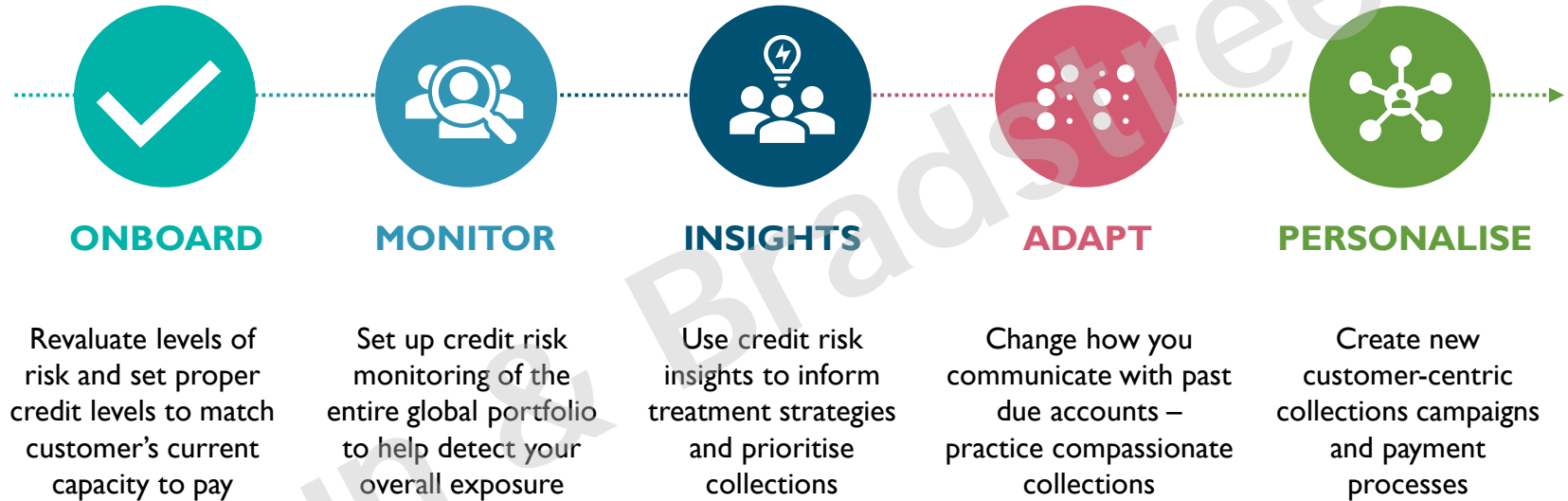
## Time



30-40 mins, everyday

Source: Dun & Bradstreet

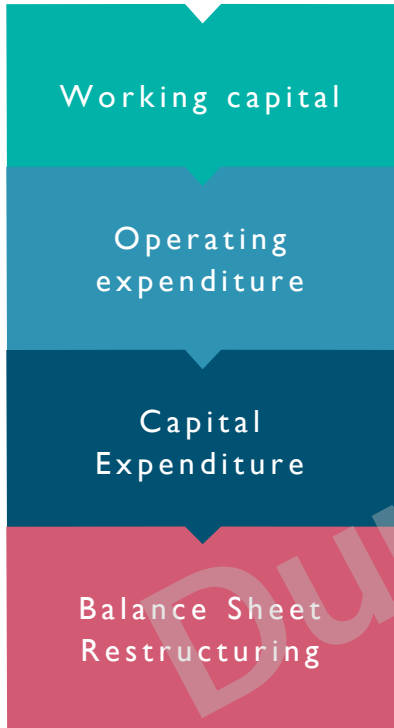
# Managing Your Cash Flow - Income



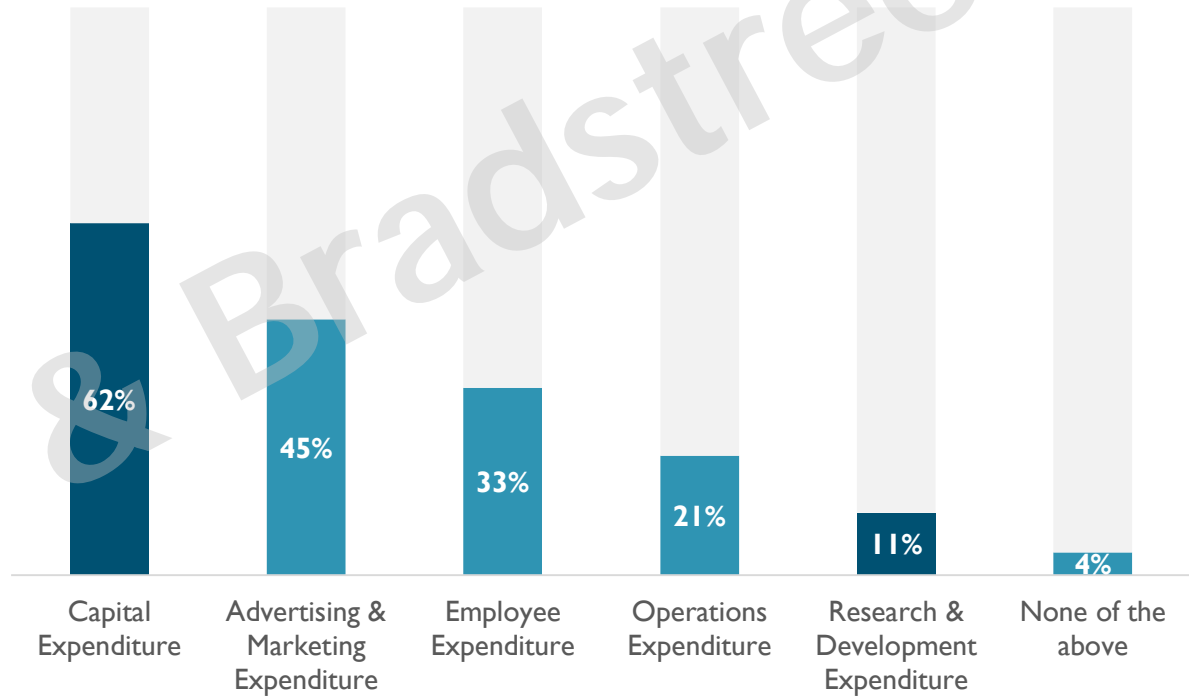
Source: Dun & Bradstreet

# Managing Your Cash Flow - Expenses

## The Four Levers



## Planned areas of investment that are likely to be deferred or cancelled by organisations (% of respondents)



Source: Dun & Bradstreet Survey

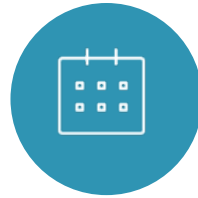


# Managing Your Cash Flow - Timing



## Between Expenses & Receivables

When are the invoices due?  
Which are the expenses that can be – paid immediately? deferred? cancelled?



## Seasonality

Is there a seasonality in sales?  
How can the situation be tided in a post covid-19 world?



## Anticipated Sales

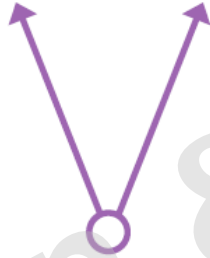
Is there enough cash buffer to meet expenses if some of the sales do not materialize?

# Managing Your Cash Flow - Forecast

## Forecast using guaranteed income (not anticipated sales)



SHORT-  
TERM



LONG-  
TERM



UNFORESEEN CIRCUMSTANCES

(Create forecasts for different macro economic scenarios)

Use your forecast to help determine how you'd like to manage your cash flow to both protect and grow your business

### 3 Critical Components To Mapping A Course To Sustained Cash Flow



#### INTELLIGENCE

Use trusted, connected data to understand who you are doing business with so you can manage your customer portfolio more effectively



#### AUTOMATION

Apply technology to improve speed and consistency of decisioning and routine workflows, redirecting resources to higher value activities



#### INTEGRATION

Connect your business's intelligence to make strategic decisions based on a global, integrated view of your customer portfolio

Source: Dun & Bradstreet

# Building An Emergency Plan In The Future - Checklist

## Short-term



Which operational costs are essential? What are immediate cost savings?



How can you pivot production or delivery?



Can you pivot with regard to how you accept payments?

## Long-term



Do you have lines of credit or other resources to tap into long-term?



Is your business credit in good shape so that you don't have to leverage on personal assets to get funding?



Do you know the out-clauses on all your nonessential contracts?

Source: Dun & Bradstreet

Thank You!

謝謝

Dankjewel

merci

ありがとう

धन्यवाद