

# PREPARING FOR COVID-19

## CASE STUDIES

### CASE STUDIES FROM MEMBERS MANAGING THROUGH COVID-19

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With a focus on meeting the needs of their clients and maintaining workplace health and safety, Janssen Chan, Managing Director of accounting firm Anssen Consulting Limited has increased the use of communication and cloud-based technologies and provided personal protective equipment and hygiene products to staff.

#### **MAINTAINING A HEALTHY CASH FLOW**

While cash flow is currently at a healthy level, Chan has not been complacent about the challenges ahead. With the combined impacts of COVID-19, an oil price war and a trade war, Chan anticipates that his cash flow could be adversely affected in the long-run. As such, Chan has started to manage his cash flow by negotiating with his landlord to cut rental costs and is also considering applying for concessional government loans.

#### **MANAGING THE COVID-19 IMPACT ON CLIENTS**

Due to the crisis, many clients have been unable to file their tax returns. This problem has been exacerbated by a delay in courier services because of customs restrictions placed on packages originating from Europe. As a response, Anssen Consulting Limited have actively supported their clients by negotiating with the Hong Kong Inland Revenue Department to extend deadlines and waive late filing penalties.

Keeping the safety of clients in mind, and to reduce the risks of the spread of COVID-19, Anssen Consulting Limited has increased the usage of teleconference and cloud technologies to maintain a strong relationship with

their clients. Chan stated that this has not only improved the sharing of information with clients but has also increased the collaborative skills of his staff.

Chan further noted that Anssen Consulting Limited has increased their usage of online technologies to explore new marketing and business opportunities as many face-to-face business events and meetings were cancelled because of COVID-19. Chan advised that it could be useful for businesses to start investing in technology and digitising manual processes to save time and cut costs.

## ENSURING STAFF FEEL SAFE

To ensure that client service is uninterrupted, staff continue to work in the office throughout the crisis. Chan said that during tough times, it is imperative to keep staff morale high and to guarantee their safety. Staff are required to wear a face mask at all times, and hand sanitisers and alcohol wipes are provided.

## INDUSTRY OUTLOOK

Chan believes that business sentiment amongst small and medium-sized enterprises (SMEs) is at an all-time low, with businesses in the retail, catering, manufacturing and transportation industries severely affected by COVID-19. However, drawing on his experience in Hong Kong, Chan pointed out that SMEs can consider applying for government funding schemes that have a high application success rate, such as voucher programmes that help subsidise SMEs investment in new technology solutions to improve productivity. Chan stated that applying for government funding programs to help upgrade business technology processes is an effective measure against the negative impacts of COVID-19.

Chan observed, however, that government relief measures tend to support sustaining business operations in the short term only. Chan advised that businesses that require immediate liquidity support and are confident of navigating through the crisis are best placed to apply for government relief measures.

For the longer-term sustainability of the business, Chan said this would depend on the business strategy, including an innovation strategy, and an astute understanding of the market.

Furthermore, Chan noted that the COVID-19 outbreak has led to a significant shift in consumer behaviour from bricks-and-mortar to online shopping. This means that there are many online business opportunities such as food and grocery delivery services.

## TIPS FOR SMALL BUSINESSES

Chan recommends the following tips to small business in preparation for COVID-19:

- **Cost control** – In tough times, businesses should identify and work to reduce operating expenses such as rent.
- **Utilise technology** – Utilising technology can help ensure continued business productivity and manage communication between staff and clients.