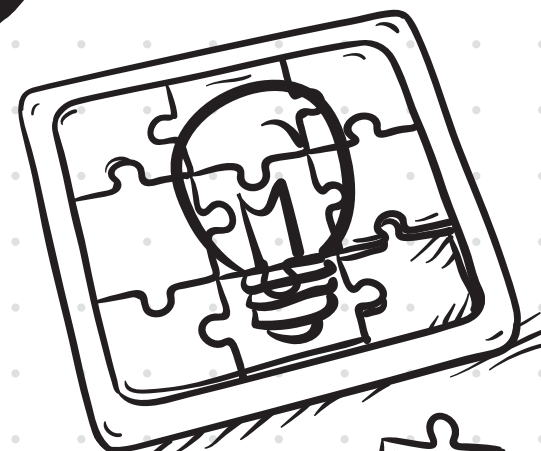


REBUILD TOGETHER

FINANCE AND CASH-FLOW MANAGEMENT

CLASS NOTES



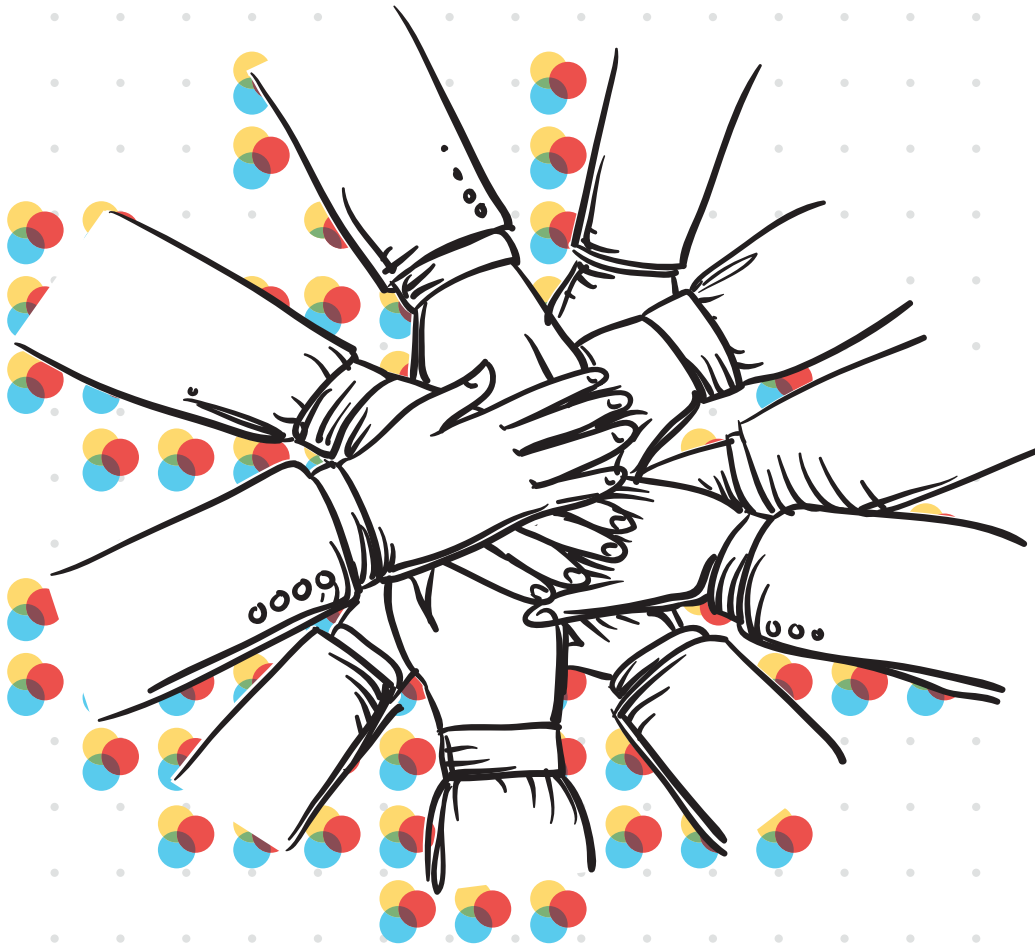


GRAHAM FORD

Chief Financial Officer
FUJI XEROX AUSTRALIA

Graham became Chief Financial Officer of Fuji Xerox Australia in October 2018 and brings more than 25 years of business experience as well as significant industry experience to the role. He has extensive global experience in corporate finance and accounting, tax and business planning. Graham is a qualified Chartered Accountant, is a member of the Institute of Chartered Secretaries & Administrators, and has an MBA from RSM Erasmus University. Graham will discuss the importance of finance and cash-flow management in recovery mode and strategies to assist businesses on their road to recovery.

1. BUSINESS LEADERSHIP



Q: HOW CAN BUSINESSES DEMONSTRATE LEADERSHIP DURING THIS CHALLENGING TIME OF COVID-19?

Businesses need to establish an effective management team to (1) manage the COVID-19 situation and (2) ensure the business emerges stronger on the other side of COVID-19

.....

All parts of the business need to be working together to establish critical priorities for the next 12/24 months

.....

Make different business scenario plans to take account of uncertainty (rapid recovery or delayed recovery)

Q: WHAT ARE THE TOP 3 QUESTIONS THAT BUSINESSES SHOULD BE ASKING THEMSELVES DURING THIS TIME?

Key strategic questions:

- ☐ What are new opportunities for your business?
- ☐ What are the long term negative impacts on your business?
- ☐ What is the impact to your customers? e.g. changes to their consumption

2. LIQUIDITY



Q: DO YOU HAVE ANY TIPS FOR MANAGING CASHFLOW LIQUIDITY DURING A CRISIS?

100% focus is on cash to (1) maintain business continuity and (2) have funds to invest in recovery

Establish (1) daily reporting and (2) outlooks

Build a range of sources of financing e.g. bank loans, equity, working capital financing, negotiate with stakeholders

Q: HOW CAN BUSINESSES MAXIMISE THE CASH COMING IN AND MINIMISE THE CASH GOING OUT AT THIS TIME?

MAXIMISE CASH IN

Customers/ Work with customers on range of solutions e.g. payment plans

Government sources/ Plan for when these government schemes such as jobkeeper, payroll tax deferrals stop

MINIMISE CASH OUT

Work with Management team to reduce or defer spend

e.g. reduce inventory levels

e.g. stop non-critical expenditure

e.g. people cost (shut down periods, reduced hours)

Speak with key suppliers/ How have they been impacted and how it will impact you

Shift from fixed costs to variable costs

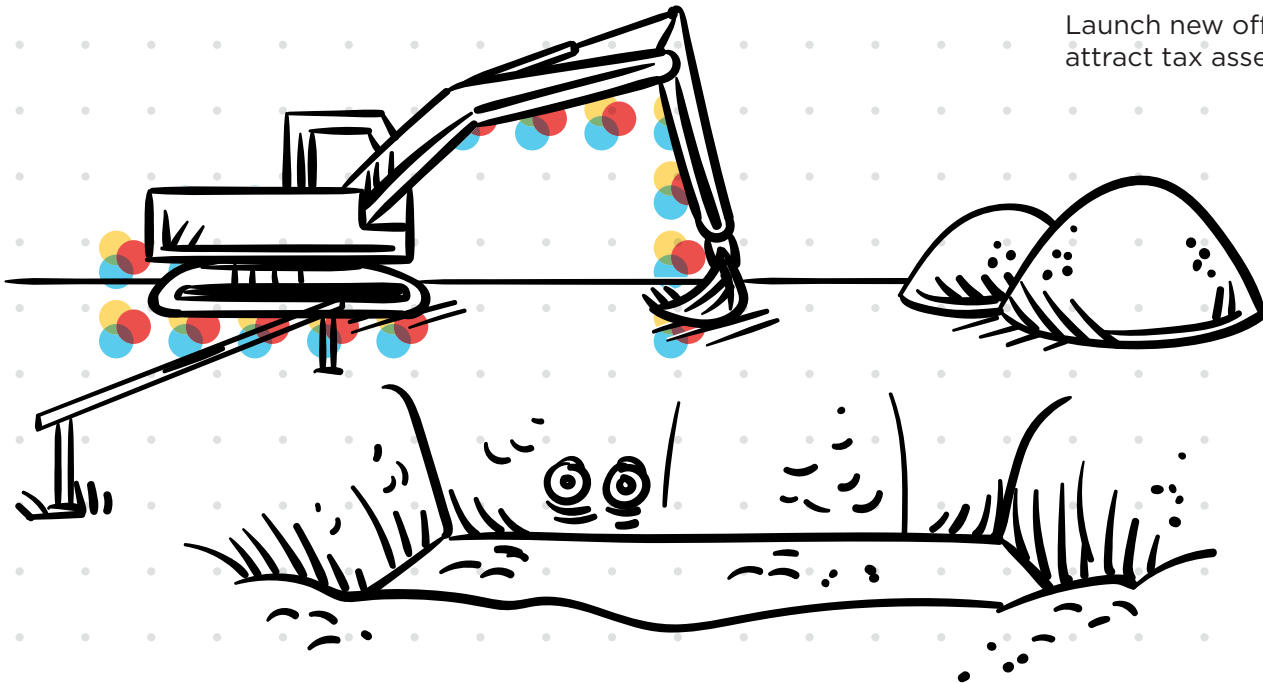
3. PRACTICALLY RESTARTING BUSINESS

Q: FOR MANY PRINT (AND OTHER) BUSINESSES OUT THERE, IT FEELS LIKE STARTING ALL OVER AGAIN. DO YOU HAVE ANY PRACTICAL STEPS ON HOW TO 'RESTART A BUSINESS'?

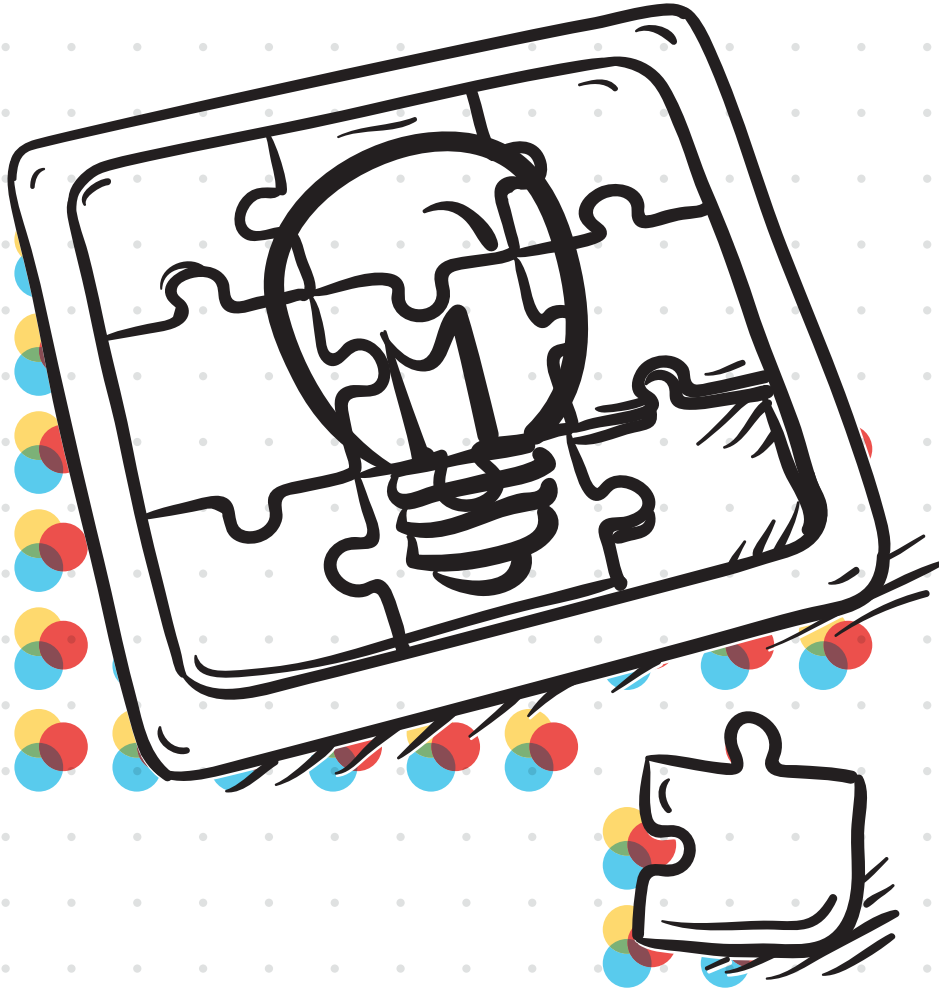
Some practical steps to restart business could be facility changes to accommodate staff back at work and sufficient inventory to sell

Look at how your company can comply with COVID-19 restrictions e.g. virtual sales demonstrations

Launch new offerings to appeal to customers e.g. Hire Purchase contract to attract tax asset write-off benefit



4. RETHINK WORKFORCE



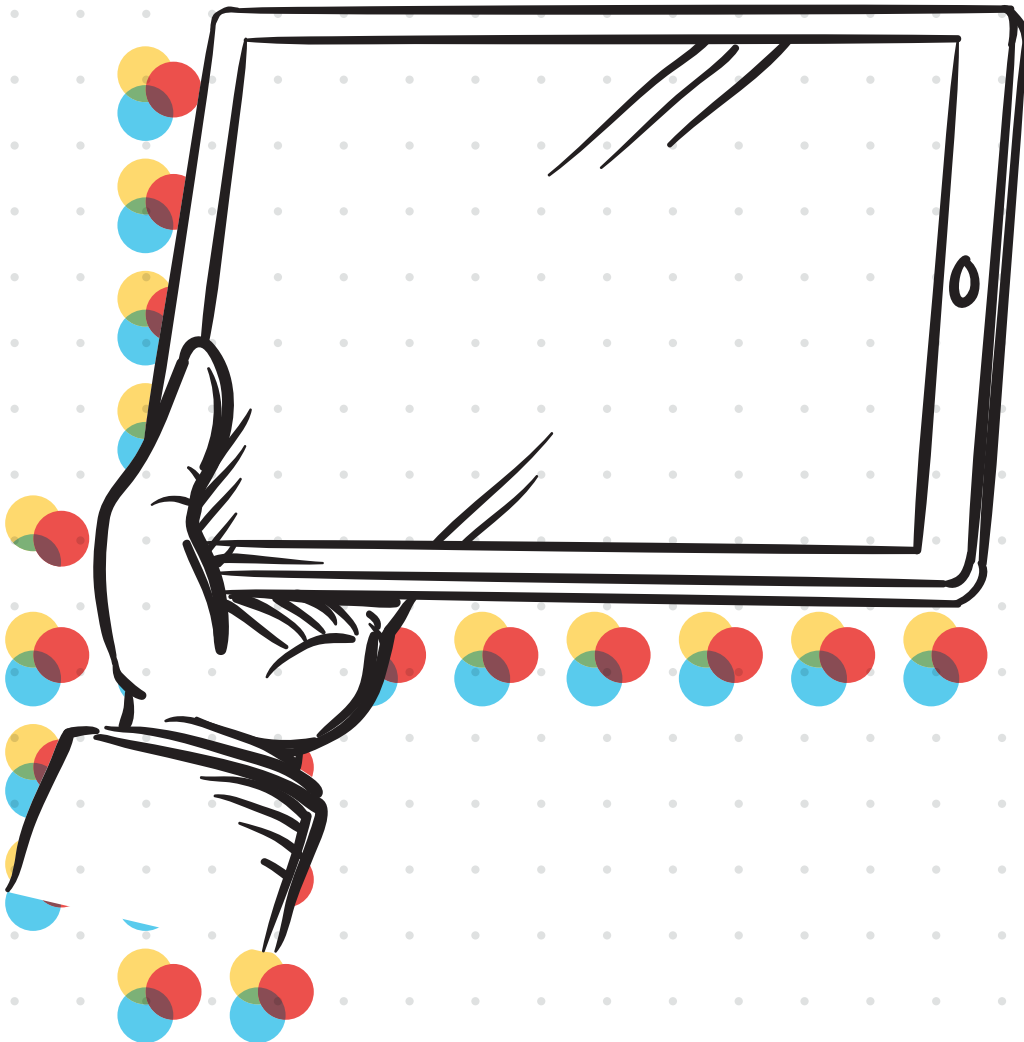
Q: MANY PEOPLE ARE WONDERING WHAT THE WORLD AND THE WORKFORCE WILL LOOK LIKE POST COVID-19. HOW CAN BUSINESSES RETHINK WHAT THE FUTURE WORKFORCE LOOKS LIKE?

A shift in workplaces that enable remote working e.g. reduce facility costs

Consider capability gaps revealed by COVID-19 and assess what new skills are required?

Workforce planning e.g. outsourced workers, casual staff

5. DIGITISE BUSINESS



Q: HOW CAN BUSINESSES DIGITISE TO FACILITATE THE WORKFORCE OF THE FUTURE?

Continue to selectively invest to drive efficiencies

e.g. automation of AP

e.g. electronic contract signing such as DocuSign

Q&A



Q/ What are the key drivers to transform the profitability of our business?

A/ It's all about where you are now, where you want to get to and the line that connects you from where you are now and where you want to be. Generally, each business has a set of 4 or 5 key drivers. For example, if you're a retail business it's revenue per square foot or if you're a service organisation it could be first time fix rates. Look at your drivers and assess what they look like now and think about where you want to get to, in order to improve your business. Consider how you are going to do it and what are the operational steps you need to take to get there.

Q/ How can we become more accurate in our cash-flow forecasting?

A/ Forecasting is a continuous improvement cycle. Compare your forecast to your actuals and look at the differences. Consider if you are being too optimistic or too pessimistic in certain areas. It's all about regularly and routinely looking at variances and reflecting that in your next outlook!

Q/ If we are ever in challenging times, where can we tighten our belts?

A/ Start by having a 'whiteboard' list of things that you spend money on and prioritising. The challenging part is thinking through your priorities and demonstrating leadership in making hard decisions for the wellbeing of your business. You can start off small, as small savings add up and make a difference to tightening your belt.



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