

Emerging from lockdown and planning to reopen

Practical steps to take as you look to boost resilience and recovery in your business



COVID-19 has presented significant challenges for businesses operating throughout the Irish economy.

With a roadmap now in place for the phased reopening of the hotel and tourism sector, it is vital that you, as a business owner/manager, use this time wisely to ensure that your business is prepared as we emerge from the COVID-19 crisis.

While each business' journey to recovery may differ slightly, I highlight six priorities areas for attention, which can help boost resilience and recovery in your business.

Your premises

COVID-19 has resulted in businesses being closed for significant periods of time. Many hoteliers have used the time to undertake refurbishment projects, while others maintained some level of on-going facilities management and maintenance. I've also seen many examples of businesses using this as an opportunity to stay in touch with their customers by posting updates of the work on their social media channels.

As part of your reopening plan, you need to consider the impact that the period of closure has had on your hotel and what needs to be done to get the business on track for reopening:

- Are all necessary licenses and permissions in place to satisfy legal, regulatory and health and safety requirements?
- Is your insurance up to date and is the policy relevant to the future needs of the business. Some of you may be operating on a limited basis or at lower volumes – is it possible therefore to negotiate a discount on your premium?
- Have you checked to make sure all the property's critical services (electrical, plumbing, IT, fire safety) are in working order? With water systems likely to have lain idle for a number of months, the risk of Legionnaires Disease increases, so it is vital that these are checked.

Financial

Cash and finance lie at the heart of building resilience in your business. Taking steps to maximise cashflow and financial headroom will be essential as you review the activities of the business and plan for a range of scenarios. An important focus for the hotel and tourism sector will be on cash generation, cost control and managing working capital efficiently. Any opportunities to reduce costs, while at the same time increase revenue, need to be carefully examined. Detailed budgets, forecasts and on-going monitoring of financial performance will be required.

Employees

The past number of months have been characterised by periods of extended lay-off for people working across the hotel and tourism sector. Getting staff back to work requires careful planning to ensure the business is not overwhelmed and to guarantee the safety of employees. Communication is key.

There is some evidence to suggest that many have left the sector in search of alternative employment. At a very basic level, you need to understand what staff are still available to work in the business, will there be skills/resource gaps and how you fill or address them.

Customers

Demand has been dramatically affected by COVID-19. In the days and weeks ahead, it is important that you reactivate your communications with existing and potential customers. Those who have traditionally relied on international travellers and larger group segments will have more difficult questions to address:

- How well placed are you to cater for the domestic market?
- Is there a clear understanding of their needs?
- Does your current offering satisfy those needs or does it need to be tweaked or fundamentally changed?

When it comes to your marketing and sales team, understand how they are planning to engage domestic, corporate, incentive and meetings markets. While your marketing focus is likely to be on the coming months, you do need to be planning initiatives for later in the year when the schools and traditional summer holidays are over.

Suppliers

Like your business, many of your suppliers are likely to have been negatively affected by COVID-19. You will need to understand whether all your suppliers are still operating, have the capacity to fulfill your needs or if you need to identify and source new suppliers.

It is important that you communicate with your suppliers to give them an indication of your needs and when you hope to reengage with them. You should also explore their willingness to provide improved credit terms, which can help cashflow.

You should examine the extent to which you trade with any overseas suppliers (particularly UK based) and determine the impact that Brexit will have on lead times, availability and cost of goods.

Management & Leadership

Confidence and morale has taken a bashing over the past 14 months. It is important to remember that you are not alone and there is plenty of support available to help you successfully navigate out of this crisis.

It is also important to remember that the decisions you make now will likely determine how successful your business is in the future. Get these decisions right and you may be able to leverage some competitive advantage.

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