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EXPERT VIEW on Cashflow: Blaise Brosnan

Blaise Brosnan, Founder of MRI Wexford

“There is so much stuff coming at them at the moment that they are nearly in a spin with it all.

“My advice would be to get in touch with their Local Enterprise Office as soon as possible and ask to be put on to a mentor – because while most people know what they should do and what they want to do, many just need reassurance or a second opinion before taking the necessary steps.”

Taking that leap into the unknown is important and Blaise says those who make the necessary changes now are more likely to be back in business once this is all over.

“While it seems as though things are out of our hands right now, most business owners do have some control over what is happening and it’s all about making decisions and implementing them,” he says. “It’s not easy but those who avoid making hard decisions in business will probably suffer more, and those that do, will be here to start again in a month or two months or however long this takes.

IN THIS EDITION OF ‘EXPERT VIEW,’ WE SPEAK WITH BLAISE BROSAN, RENOWNED BUSINESS AUTHOR, MANAGEMENT DEVELOPMENT TRAINER AND FOUNDER OF MRI WEXFORD

There is no doubt that this is a difficult time for the Irish economy and business owners across the country are understandably concerned about how they will stay afloat until the coronavirus crisis is over.

But renowned business author, Blaise Brosnan, says communication is key when it comes to surviving the storm and being mentally fit enough to start again.

“There are lots of different types of companies which will all be experiencing various issues right now, but the one thing many owner/managers will be feeling is a sense of isolation,” he says.

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“For owner/managers the biggest conflict is between the heart and the head – the heart wants to satisfy staff and other stakeholders, while the head is making difficult decisions now so as to preserve their balance sheet as much as possible so the business can be kickstarted as soon as this cycle passes – and it will.

“So, people need to understand that the quality of their current hard decisions will determine their commercial and personal capacity to kick-start their businesses again.”

Sticking to a plan is vital and the Wexford-based expert says this will help to keep business owners from despair and also reduce their risk of going under.

“I would advise people to work to the end, get contracts in on time as per budget even if there is nothing in the pipeline after it,” he says. “Cutting wages from the top down while this crisis is on may also be necessary. And it’s important to convert stock into cash as quickly as possible – so delay purchasing if it’s not necessary and collect outstanding debt. The combination of these small things could make the difference between being in business or not.

“When I look back at the Celtic Tiger and the Recession, those

who came through it best were those who understood the variables they had control over and tackled them early, whereas those who were slowed down by indecision over a period of time, were left without a business at the end of the day.

“So find out what financial aid and supports are available and avail of them as anything which

can be done to preserve working capital needs to be done now. And don’t be apologetic for your current circumstance.”

This, combined with a structured plan and sound advice, should help people through the worst of this crisis.

“It’s crucial to have a four-week cash-flow statement and when a week is finished, another is added to the schedule so there is always a four-week road map ahead,” he says. “It’s about living in the short term to be there for the long term.

“And while online trading will suit some companies, it isn’t something you can do overnight.”

“So it’s important to be honest and pragmatic at this time, and speak with staff at Local Enterprise Offices and their appointed mentors in order to get a caring but professional shoulder to lean on. I believe most businesses will come through this, even those who are closed today will be fit again to start when we come out the other side.”

“Make the necessary changes now”

IMPORTANT STEPS TO PRESERVE WORKING CAPITAL

- Reduce, delay or stop raw material purchasing.
- Reduce operating costs parallel with the current revenue, as far as possible.
- Negotiate extended or part payments with trade creditors and suppliers.
- Convert WIP and current stock into cash.
- Proactively collect their Debtors.
- Strive to complete existing contracts within the time budgets, even if it means there is no current follow-on paying jobs.
- Delay Capital expenditure.

To find out more about Blaise Brosnan and his business, please visit www.mriwex.ie.

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