

Transcript: Finance Discussion

Ron Myers, The Consulting Room Group with expert Financial Directors Grace Oforiokuma and Haider Mawji. Recorded 09/04/2020

Please note that the information provided in this podcast is accurate as of 09.04.20 and that the information given is for general information purposes only. It is not intended and should not be used as a substitute for specific financial advice. Specific financial advice should be taken before acting on any of the topics covered.

Ron Myers:

Hi there. This is Ron Myers and I'm one of the directors of The Consulting Room, and in this podcast, I want to deal with some of the financial questions that we are being asked by many of our members today. I'd like to introduce Grace Oforiokuma, who is the portfolio chief financial officer at the CFO centre and has experience as a financial director across different market sectors, including five years as chief financial officer at Reddington Multi Specialist Hospital Group. And it is also my pleasure to introduce Haider Mawji, who is a principal at the FD Centre and also has experience as a financial director in different industry sectors. Both of them work with the FD Centre, and this allows smaller organisations to benefit from the expertise of the highly experienced financial director, without incurring the expense of hiring someone full time. Great. I just want to say hi and thank you, and how are you this morning?

Grace Oforiokuma:

Hi. Fine, thank you. Pleasure to be here.

Ron Myers:

Great.

Haider Mawji:

Likewise. Pleasure to be here.

Ron Myers:

Brilliant. Okay. That's fantastic. Thanks for your time, I really appreciate it. I know you're both very busy at the moment, answering all sorts of questions from customers who have some of these financial issues and problems that they need addressing. So, I'm going to start off really, with Grace, by asking you probably one of the most common questions, it's the broadest questions that we have at this time. Clinic owners, and in fact many associated aesthetic industry suppliers, have lost the majority of their income, as clinics have obviously had to close for treatments. So, what steps should they be taking to mitigate losses and secure their business at this point?

Grace Oforiokuma:

I think that's a great question, and it is definitely very broad. I would respond by saying that the steps that can be taken probably fall into three key areas, assess, mitigate and manage. So, the business needs to assess its current position, and that should be done very quickly. That's with regard to cash needs, the

impact of the business model going forward and current commitments. So, most organisations we would look to create a short term, possibly a 12 week, rolling cash with forecast, so that we can understand what the cash needs and constraints are.

Grace Oforiokuma:

We would also pick up on the business plan projections, so I'd suggest that businesses do this, where they look at their business model for the next 12 to 36 months and consider the best and the worse case scenarios. And the third thing under assess is reviewing contractual terms. Understanding the business liabilities and the responsibilities. So, this could relate to banking agreements, property rental agreements, suppliers and prior made contracts. I mean, that's to just mention a few, but it's important to understand what the business is contractually tied into.

Ron Myers:

Okay.

Grace Oforiokuma:

Once you've assessed the business position, you would seek to mitigate the risks and losses by putting in solutions. So, without going into too much detail, firstly you might consider stemming all non-cash... Sorry, non-essential cash flows. Possibly considering ways to increase income streams if you haven't closed your doors, or you haven't had to. Considering expanding services that you currently provide. So, as an example, that might include moving to virtual consultations, it might include increasing the sale of skin care products or similar.

Ron Myers:

Okay.

Grace Oforiokuma:

Of course, we recommend that you take advantage of all of the government backed loans, grants and payment deferrals that are out there. And also engage with your banks, with your suppliers, with your commercial landlord, to look at further deferrals of payment where possible. And of course, consider which staff should be furloughed. So, following on from that, looking at managing your stakeholders. This is really the communications with all of those stakeholders that I've already mentioned. But also, the communication with your clients and how you maintain and stay in their line of vision during this time. Because what you're hoping to do is to grow bookings ready for when you open again.

Grace Oforiokuma:

So, you might consider appropriate marketing, and in this case that might include things like webinars, podcasts, online tutorial, anything that will make you remain visible as well as appropriate marketing. So, the caveat to that is that if you have been furloughed yourself, as part of the closure, then you would be unable to carry out any work, including marketing, that would increase commercial income streams.

Ron Myers:

That's great. That's fantastic advice, Grace. Now particularly I think... I mean, obviously really getting down to the core numbers in your business in this, trying to reject this 12 week rolling cash flow

forecast, is probably critical during this period, isn't it? Because it is being able to have control over the cash in your bank that probably is one of the most critical issues at this point in time.

Grace Oforiokuma:

That's right.

Ron Myers:

Okay. Lovely. So, Haider, are clinics eligible for a Business Interruption Loan, and if so, how do they make an application at this point? Because I know there has been confusion around this.

Haider Mawji:

Okay. Yes, the Corona Business Interruption Loans scheme, or as you probably hear it now a lot, being called CBILS, is available to every business. And that is even if your clinic or business is partly open. So, for example, I know there are some clinics that send out... Also not only do they do surgeries in-house, but they also send product out. So, the fact that you may be, your online sales and your products are selling, you are still able to apply for a loan. And I would strongly recommend every business that has been affected, apply for the loan, because the loan is effectively a free... It's interest free without any set fees or any charges. It's one of the few times I've ever seen a loan scheme that actually there is no set fee, and it's interest free for a 12 month period. So, it's effectively free money.

Ron Myers:

Great. Well, that is always music to ears, I think, of any business owner, because also capital, access to capital is always difficult, even at the best of times, as we know. I agree with you as well, I think if your business is in a position whereby you can see the future for your business through this, then I think having something there that's a cushion, at least, is probably going to help. So, just from a practical point of view, Grace-

Haider Mawji:

Sorry. Can I come back? Because that was one part of it. The other part was, how do make an application?

Ron Myers:

Sorry, yes.

Haider Mawji:

So, basically, the easiest way to do that was go through... The easiest and the fastest way of doing it, is to go through your existing advisor, be that a bank or another lender, that you've got a relationship with. And that should be the easiest way. And you will, just so you know, you will need to provide financial information. So, that will include a P and L balance sheet and a cashflow forecast.

Ron Myers:

Yes.

Haider Mawji:

And a simple synopsis of how your business has been affected by CV-19. And what steps you've taken... Covid-19, and what steps you've taken to mitigate that.

Ron Myers:

Okay.

Haider Mawji:

It doesn't take very much, as in the synopsis, but you do need to prepare a P and L balance sheet and forecast to show what effect the business has had on your business, and why you need the money.

Ron Myers:

Yes. Okay. Fine. That's cool. And I can imagine actually pretty much every business, especially in our arena, can make a case for that, because of literally the dramatic loss of income and sometimes no income at all.

Haider Mawji:

Absolutely. Because most clinics would have had to close the doors. I would say 95% of the businesses we are talking to today, will be in a case where they can make... They have closed their doors.

Ron Myers:

Yes. Absolutely. Okay, Grace. So, if a business applied, let's say, for a commercial loan or lease on a piece of equipment last year, but were rejected, would they still qualify for a Business Interruption Loan at this point, Grace?

Grace Oforiokuma:

Well, the short answer to this is, it depends.

Ron Myers:

Okay.

Grace Oforiokuma:

It depends on the lender who is assessing the applications. So, although the business may be eligible under the terms of the scheme, ultimately an application may or may not be approved. But having said that, government and lenders want businesses to survive. I mean, they understand the impact, and they are looking to everything that they can. Having said that, all lending applications are still subject... (cough) excuse me... to satisfactory credit assessment, and to a review of whether the lender thinks that the business will be able to repay at all. So, if the business is eligible and was viable prior to the pandemic conditions, then it's likely that the loan will be granted.

Ron Myers:

Yes.

Grace Oforiokuma:

I mean, the government provides a guarantee on 80% of all the money lent through the scheme, so it encourages lenders to... Excuse me. Accept loans that might otherwise be considered marginal and may have been declined under normal circumstances. But banks make their own decisions on this.

Ron Myers:

Yes.

Grace Oforiokuma:

So, what I would say is, and my recommendation, if the business is eligible under the terms, would benefit from a loan in this situation, and has a strong and realistic recovery plan and of course can demonstrate that in the application, then I would suggest that they make the application regardless of any previous rejections.

Ron Myers:

Great. Okay. Well, that is actually quite encouraging for people, because I think there may be people that feel that they don't actually qualify because they've been turned down in the past. So, there's no guarantee that they will get accepted but don't be discouraged by the fact that you might have been turned down in the past. Okay. That's great. So, Haider, how does a business determine exactly how much they should apply for?

Haider Mawji:

For me, this is really the easy one, and I would say as much as you can get.

Ron Myers:

Fine. Okay.

Haider Mawji:

However, just to qualify my answer and the point I made earlier, even if you justify it, so whatever you put in your business plan, or your cashflow forecast, you need to justify it by numbers.

Ron Myers:

Yes.

Haider Mawji:

Yes. And again, to reiterate, absolutely, 100%, even if you don't need it right now, get the money. Because it's always easier to get money when you don't need it than when you do need it.

Ron Myers:

I would agree. I think none of us really know what the trading conditions are going to be like the other side of this. We obviously know we are in a recession so whatever... I think, we can all imagine that it's probably going to be more difficult to acquire and keep customers post Covid-19, than it will be before. So, I imagine having that cushion there in the event that it takes a little bit more time to get back up to your current levels of turnover and a profitability, is not going to hurt is it?

Haider Mawji:

Absolutely not. And just to reiterate the point, for the clients I work with, I set up lending facilities for those clients and we just didn't take them. So, actually now we make applications for CBILS with those banks, because we have already had good relationships and they know us well enough already because we've kept up with information, it's literally a two minute... It's literally a turn around within a couple of days, and the applications are in.

Ron Myers:

Fantastic. Okay. That's great. So, Grace, can you just explain what other funding might be available to a business during this time, outside of the CBIL?

Grace Oforiokuma:

Okay. So, we have talked about the CBIL... Sorry. Excuse me. Businesses can also access asset finance. They can look at invoice financing and of course overdraft facilities as usual.

Ron Myers:

Yes.

Grace Oforiokuma:

They could potentially be eligible for small business grants fund, depending on ratable value. Commercial loans remain an option as they always have. And they can look at the injection of funds through shareholder capital and any alternative debt funding. Of course, apart from the loans and funding there is a wealth of other aid out there. Time to pay and so on. But just focusing on those areas, yes.

Ron Myers:

So, you feel that those... The people who provide those other sources are still willing to potentially lend to a business as long as they feel it is viable.

Grace Oforiokuma:

I think it is about viability, and it is about the information that Haider has mentioned, that we need to be prepared for any loan, any loan application. It's about the strength of where you will be as a business after all of this.

Ron Myers:

Yes. Okay. Haider, are there any other, while we are just talking about loans, any other things that a business should consider before they apply for a loan?

Haider Mawji:

Well, this is scary part, I think, as an advisor. I think, one of the things you should really consider is, if you come out of this the other side, and you need to decide whether you will be able to survive as a business. Because if you don't think you can survive or... How do I put this? I'll put this in percentage terms. If you don't think there's at least a 25% chance of you surviving after it, then I would strongly recommend that you consider your options. Because the last thing you want to do is take money, even

though it's interest free and backed by the government and whatever, but you don't want to have that hanging on you as a business, and you as a director of the business.

Ron Myers:

Yes. So, really, I think, the key thing then, is probably getting really good advice in that assessment process around exactly where your business stands at this point in time. Your current levels of debt, the levels of profitability, and getting-

Haider Mawji:

Well, there's two factors in that. One is, the financial assessment, yes. You, your team, your finance advisors, or whoever you have, those guys should be able to tell you how financially strong or... Well, your strengths and weaknesses. But the one of the key critical components is you as the business owner and the businessman, you should know what kind of level of sales you would expect to get [crosstalk 00:15:08] of this business if things were normal. And then I would suggest if you then take that at least a 50% as a minimum, do you see what I mean?

Ron Myers:

Yes.

Haider Mawji:

Because that way, you can then say, right. If they were 50% of what I'd normally expect, how will I be able to survive, and how long? [crosstalk 00:15:28]

Ron Myers:

That's actually great advice, because you're right. I think then, if you can model that in some way and say, well, if my sales drop by 50%, if you understand what your margins are and you're other costs, then you'd be able to model roughly where you could be, and how long you could survive through that period. Yes. Okay. That's great.

Haider Mawji:

And then on top of that, that 50%, that is actually the best case scenario out the other side. If you can survive that, then it's a case of saying, yes, you know what? We could potentially survive, and then it might be worth going for a loan. Then it becomes less of a subjective judgement, but it's still down to your understanding of you as your business. And you as the owner, or the directors of the business, you will know that better than anyone else. We as financial advisors can tell you how strong you are and what your likelihood is, and what your requirements will be, then you'll be able to judge whether you can hit those requirements.

Ron Myers:

Yes. It's incredibly difficult at this time, because obviously every business owner, every entrepreneur has a huge amount of emotional capital invested in this, as well as proper capital as well, and cash and whatever. I think sometimes just taking that emotion out of it and getting someone who can advise you to sit down and look really hard at the numbers and the reality of the situation, probably helps a little bit. Because entrepreneurs have to be enthusiastic and optimistic just as part of their nature. But also, I think, particularly at this point, we've also got to be realistic and look really hard at the situation that

we are in at this point. I like the idea around modelling around this 50% as being maybe a best case scenario for a few months afterwards. That's useful.

Haider Mawji:

And also, just... The other thing is, just to actually put the numbers down on a piece of paper, it makes a huge difference because then you can see the stark reality of them in front of you.

Ron Myers:

100% agree. Okay. So, Grace. At the moment, there are some businesses that are really struggling at the moment to make payroll, and/or meet some supplier demands within the next few weeks. Do you know how soon the government grants and/or loans will be paid out to help people that really have that real immediate cashflow issue, especially around paying staff?

Grace Oforiokuma:

Right. Okay. So, with regards to the Business Interruption Loan. My experience is that one the application is in, say a week to two weeks to turn around, and then if an approval is gained, then another couple of weeks, two to four weeks maybe to have those monies paid out, depending on the size of the loan. So, banks are generally saying four to six weeks for that loan to come good. But what I will say though, is that it is a very popular scheme, and so banks have many applications, the volumes are extremely high, and so most lenders are saying, yes, we are looking for four to six weeks, however it does depend on how we get through these things.

Grace Oforiokuma:

So, the advice I would give on that is make sure that your application is sound. Make sure that it includes everything that your lender has requested, so that you don't have to start the process again or have any delays. With regards to the Job Retention Scheme, I know that our clients are asking constantly, when will the recourse be open? When can we start to do this? The government have said, this will be in place by the end of April, so we are watching this space at this point in time. And hopefully it will be sooner rather than later. For business relief... Sorry. Business rates relief, the Small Business Grant Fund, businesses will be contacted by their local authorities, so that's not something that is an open point. It's happening.

Grace Oforiokuma:

Time to pay, with regard to, say for example, VAT, for those clinics that have VAT services, vatable services, that is just as simple as turning off your direct debit, so that you don't inadvertently pay over, when actually those deferrals are already in place.

Ron Myers:

Yes. That's good advice. Just to let you know as well, we lease premises in Rugby and the Rugby Borough Council came back to us last week and said, it hasn't happened yet, but they said we will have £10,000 come into our bank account this week. So, it does look as though the Borough Councils are probably going to be the quickest in terms of actually getting physical cash into bank accounts.

Grace Oforiokuma:

Absolutely. I mean, I think some are faster than others. But it's a relief to SMEs, when that happens, when you get that notification and you know you haven't had to make a great effort in chasing.

Ron Myers:

Absolutely. And I think that's great. Okay. So, Haider, man clinics and suppliers have a small but very loyal workforce, and a lot of them with critically individual skillsets. Is there anything that you can advise at this time that business owners can do to protect them financially?

Haider Mawji:

Okay. So, I think we mentioned... Later on I think we will talk about furlough. But furlough is definitely one option, which is good for them. But the other is, I think there is quite a lot of advice being given by the government on what people should be doing, as in financial things they can do. I think, as business, if you can send them links regularly, updates from the government, that... Sorry. Let me rephrase that. First thing you should be doing is... I think one of the things you should be doing is regularly communicating with your staff. Even if they're not working with you, having a regular communication with your staff to say, look, we are here as a business, we are here working with you and we are keeping you up to date with stuff, that's really important.

Haider Mawji:

The second thing is, then sending them a link of what the government is going on and what they are doing with the government, or what the government is giving as advice, those links, they'll find that useful, the fact that you are still thinking about them, even though they are not working with you. And that gives them really, really... That makes them feel wanted and it's a kind of communication. And that is more important now than ever.

Ron Myers:

That's fine. I think that's good advice. And so really just looking at again, what you can do to help them look at personal financial help that the government can offer for individual's situations, and I guess that's... I agree with you. I think that's important and shows that you really are still caring for them.

Haider Mawji:

And communicating with them. The other one is, I know there are a number of... We all have members of our team that are absolutely critical to us, as part of the business, and when we come out of the other side you will need them to be able to be able to grow and scale again, right? So, there's probably a good conversation... This is probably a good time to have a conversation with them, about even if they are on a... You've put them on a scheme, or reduced the number of pay, say, look. Once this back up, let's talk about it now, how we can mitigate and help you going forward. Once the business is back. So, then they feel that you are thinking about theirs as well, to make up the difference.

Ron Myers:

Yes. That's cool. That's good advice. Okay, Grace. If you're a director who also works for the business part time, can you actually furlough yourself?

Grace Oforiokuma:

Absolutely. Yes you can. So, you may be eligible for that, and you would receive your grant of 80% of your regular wages up to a monthly capital of £2,500. Now that is if you are paid via your payroll. And so, we have had a number of questions around this from our clients, and particularly as well around people who maybe run their own personal status companies and are sole directors. It is important to say that it applies to the portion of wage costs that goes through payroll. So, therefore, if you are receiving dividends separately, that would not be included in the calculation.

Ron Myers:

Okay. That's fine. And I realise and understand as business owners, and obviously we are still working in the business and we pay ourselves, as a lot of directors do, minimum salary and most of it dividend. But obviously we can't furlough ourselves anyway because we are still working in the business.

Grace Oforiokuma:

Well, that's right. So, that's an important point to make. And that is, as a director, you can continue to provide directorship, or carry out directorship tasks, such as filing, and all of the statutory things that you would have to do of your company. You can do that within reason. What you can't do is carry out your role as an employee where you would be looking to further the business, grow the business, generate income and so on. Because you cannot work for the business in that way during that period of time.

Ron Myers:

Yes. So, at the moment, actually it is a lot of the directors that actually will probably, from a personal point of view, struggle a little bit more financially because of the fact that they aren't actually receiving any direct support for what they would take out of the business.

Grace Oforiokuma:

Exactly.

Ron Myers:

So, Grace, how do clinics discourage clients from cancellation or refunds for any courses that they might have already paid for?

Grace Oforiokuma:

Okay. This is an interesting one because some clients... Well, okay. So, basically some clients have maybe already had bookings in, and it's on a non-refundable discount basis. And the clients are maybe taking the view and saying, well, you know what? I don't mind losing this X percent that was non-refundable. I would rather just do that, because I don't know how things are going to go in the future. So, from the point of view of my clients and the clinics that I have worked with, if... The aim itself is to hold onto existing bookings, and it's also to maximise cash within the business and to generate additional bookings. So, if you look at it that way, you're trying to basically hold on to those. So, you can consider offering incentives. And those incentives might include discounts on courses of treatment.

Grace Oforiokuma:

So, if say for example, there was a course of three treatments, three skincare treatments had been offered and the person had paid their... It may be discounted already but they'd paid their deposit on that, non-refundable deposit, and you want to retain that, you may offer... You may increase that. I have another situation where, for example, they then offered... Rather than offering just the first course, they offered future courses over a much longer period of time, at a discounted rate. However, there was a request to pay a larger proportion upfront.

Ron Myers:

Okay.

Grace Oforiokuma:

So, you might look at how you structure your sales. Offer flexible booking periods, as I said, over a longer period. Keep your client communications strong. Look to generate the payment in advance if you can so that you have cash in the door. And offer freebies where you can. Say for example, samples of skincare products, you might offer those because what you're really looking to do, as I said, is keeping income in the business, grow bookings and retain clients.

Ron Myers:

Okay. Fine. That's cool. So, really probably with all of this it's on an individual basis, so looking at that individual around what you can do to... Because obviously they probably still want the treatment but then there may be the financial aspects of that. So, what you can do to hopefully come out with some sort of win win somewhere along the line with that. Okay.

Grace Oforiokuma:

That's right. Yes.

Ron Myers:

Haider, this is something that I think a lot of clinics are particularly concerned about, and this is probably more the other end of this. A lot of clinics owe a considerable of money to suppliers, either for lease payments on machines, or for injectable skincare products that they bought pre-lockdown. And a lot of the suppliers in our industry have actually been really good in giving a payment holiday. But I think many are worried that they will start pressing them for payment as soon as they start trading again. So, how would you suggest they approach suppliers if they are really concerned about cash flow and paying past bills, but also have a need to order more products to run their business in the next few weeks, when they can open their clinics and start to trade again?

Haider Mawji:

Okay. This is a really good question and I think there are two points I'd like to make. First of them, let's talk about one part of it, which is the lease payments for the equipment you have. Nearly all the companies that have given clinics equipment will have backed the cost of that to a finance provider. So, I would suggest you contact as soon as you can your provider of your equipment, and have a chat with them about making, even if they've given you a lease holiday, have another chat with them and say, thank you for doing that, whatever. But after we start, business is going to be tricky, it's going to take a while, so can we start having conversations about that?

Haider Mawji:

And they will be talking to financial providers as well, so this is not going to be an unusual conversation for them. Each of the providers, whether they be equipment or stock providers, will be very, very open and love you for it as a business, that you're actually talking to them, even before you're doing it. It's always so much better to be proactive than reactive on relationships, especially your main suppliers, and your main providers.

Ron Myers:

Yes.

Haider Mawji:

The fact that you're also thinking about product after these things happened means that the supplier will look at you much more favourably and say, right. Here's a business that knows it's going to go out the other side and grow and start selling and whatever. He is somebody that I want to help them with, right? And they'll be thinking, great. Because their first instinct will be, will this company survive? And will they be able to pay for stock they already have? But the fact you're talking about growing the other side and keeping... That's a great conversation.

Ron Myers:

Yes.

Haider Mawji:

That's really, really important. That's a very good conversation to have with your suppliers. They will love you for it, I promise. And to give you context, a couple of my clients have had the same conversation with suppliers and suppliers have been very open to new conversations.

Ron Myers:

Okay. Cool. Well, at the end of the day this is a synergistic relationship. The supplier obviously doesn't want bad debt, but also what they want to do is to ensure that there is some sort of hope and payment plan out there. The last thing suppliers want I suppose is for someone to just not answer questions [crosstalk 00:34:46] trying to get the other end around this. And so, yes. I think it's great advice. Don't just rely on the fact that at the moment most suppliers and the lease providers are just being quite generous and said there's a payment holiday. Get in touch with them and look at what happens the other end, when you start trading again. That's great advice.

Haider Mawji:

Actually be proactive in any major relationship you have. Being proactive is always the best way. Also, there's another point. I know a lot of clinics buy product internationally because they get it sourced from Asia or Europe. So, you may not be able to get credit terms off those guys, and when you start the other side, your cash might be tighter, whatever. There are specialist funders out there that help fund purchase of stock when you've got orders coming in. So, again, there are people out there that will help that. So, again, don't feel like, oh, I can only start small, even though I've got a big order book, because I can't afford to fund it. Because there are people that will do that.

Ron Myers:

Okay. Cool. Brilliant. Thank you. That's really good advice. And also Haider, as well, just to... I suppose this is looking at maybe, and there may be one or two businesses out there who are looking at this worst case scenario really, where they feel that maybe there is not that 25% chance that you alluded to earlier, that they're going to be able to trade through this. Or if they've got a supplier that isn't really listening to them and is maybe aggressively chasing them for debt, and they're considering the option of actually closing their business, where should they go to for best advice about handling this process in the correct way?

Haider Mawji:

Okay. If it's a supplier that's chasing them, then I would strongly recommend they have a proper conversation with them. If they can't have the conversation to take it up the line or take it up... So, for example, for one of my clients, a guy that was dealing with a property, rental property, he wasn't playing very, when I say collaborative, or cooperative. So, I asked to talk to his director. And suddenly the tune changed enormously, overnight. And then they were being more collaborative. So, with the supplier there should always be a way. I would say 90% of the time you should find a way of getting through that conversation.

Haider Mawji:

However, as a business, if the business is... If there is a fundamental issues and you're very concerned about it, then at that point you should seek financial advice. And proper financial advice. Now, by proper financial advice, I mean, effectively, talk to an insolvency practitioner. And that's a specialist company... They are a specialty provider to see as a business how to close down your business legally, that's the important one. Close it down legally and properly. Really, really important.

Haider Mawji:

But, this is the thing. And both Grace and I are chartered accountants so we understand the profession. There are advisors, as in any industry, there are good ones and bad ones. At a time of most stress, because people will be... This is one of the most stressful periods of their lives if they're doing this, they should find someone who has been recommended to them, and also somebody who is recommended that they trust this person. So, for example, if you had a relationship with your auditors, your accountants, ask them to recommend someone. Or somebody who is in the finance industry. And even if you've got a relationship with your banks, because your banks will be... Your bankers, and this is me telling you a cathartic way of telling you this. The bank will be equally pleased that you've done this, because the last thing you want to do, is have a black mark on your financial record as a director or as a person. And if you do this properly, it can be done. But you've got to have the right advice. And the right person backing you.

Ron Myers:

That's great. Okay. Fine. So, look at recommendations, just don't go to Google and look at the first one that comes up.

Haider Mawji:

Yes. Google is great for a list of people and trusted advisors and all of that kind of... Five stars, four stars, whatever. This instance, I think it's really important you get a personal reference. And if you can't get a personal reference from someone who knows, you'll have our contact details or whatever. There are

people out there that are good people. I'm not saying they're... The vast majority of them are good, but you don't want to have that one, where you have that one person who is not a good one.

Ron Myers:

I totally understand that. And as you say really, at times of maximum stress, which you would be under then, you need someone who is going to be able to give you clear, clear, honest advice and help you in that process if needs be. So, okay. Look, this has been fantastic. Thank you, both of you. And finally Grace, I know both of you are chartered accountants, and obviously... Excuse me. A lot of people will be going to accountants for advice, but can you tell me just a little bit more about your offer of help that you and the FD Centre can currently provide, with the complimentary one on one financial scenario's planning core? And the type of businesses that you can help best.

Grace Oforiokuma:

Okay. So, earlier you had mentioned basically how the FD Centre works, and just to reiterate that. We generally work with SMEs which add value, and that's maybe where the business cannot afford, or does not need a full time finance director. And in the current environment, we understand the challenges that businesses are going through, and therefore this is the reason that we are offering on a complimentary basis, we are offering a one hour virtual meeting once a week for a six to eight week period.

Grace Oforiokuma:

So, we will look at all the issues businesses are facing and how we can give some clarity and structure on what can and can't be done. And this is also, and possibly more importantly, an opportunity for business leaders to speak to someone who is completely impartial, yet has the skillset needed to provide strong financial guidance and direction. So, a question for Haider, the last question with regards to what they should do if their business is actually facing closure, who they should go to.

Grace Oforiokuma:

Sometimes the business owner might not want to speak to... Might not have someone objective to speak to at that point in time, because there are some very difficult decisions that may need to be taken, or certainly considered. So, that's part of the service that we offer. And just on a positive note as well, I think this industry, the aesthetics sector, we would expect an increased demand once we come out of this at the other end. And we are looking to help businesses to prepare for that, and to be ready to take advantage of that. To position themselves so that they can benefit from that higher demand at that period.

Ron Myers:

Okay. That's fine. That's brilliant. So, just to clarify then, you say it's a one hour one on one complimentary session to really analyse some of the things that we discussed in the business. But then also for, did you say, six to eight-week period?

Grace Oforiokuma:

Yes. So, this is for a six to eight-week period, so it would be one hour a week, for a six to eight week period. And we have chosen that because if you look at the... Although no one knows exactly when this will all be over, but the period of time that we would... This period of time is when companies are really, really struggling, don't know what might happen, not sure quite sure what's available to them, or even

potentially maybe how to go about carrying out an assessment or putting those solutions in place. So, this is a key period of time that we feel that we can offer that benefit to businesses.

Ron Myers:

Which is absolutely unbelievable really. And just to give us a scale as well, because obviously we have quite a range of different business owners here, but probably hear you're looking at the more sophisticated clinics that have different issues and problems around managing their business at this point in time. Can you give me an idea of roughly the kind of turnover of business?

Grace Oforiokuma:

Yes. So, usually we would work with businesses who have turnover between two and 15 million. There are some exceptions to that but it really depends on the business itself. We would have to assess them.

Ron Myers:

Yes. Okay. Fine. That's wonderful. Well, thank you very much for all your help and advice. I really appreciate it and your time. I know you guys are really busy. And just stay safe and enjoy this sunny day at some point hopefully if you can. Thank you very much.

Grace Oforiokuma:

Thanks Ron.

Haider Mawji:

You too.

Grace Oforiokuma:

Great speaking to you.

Haider Mawji:

Stay safe Ron.

Ron Myers:

Thank you.

Grace Oforiokuma - grace.oforiokuma@thefdcentre.co.uk

Grace is a commercially focused CFO with significant experience partnering with businesses to deliver efficiencies, growth and transformation. Her strategic focus means that she quickly identifies the big picture and the pieces of the puzzle necessary to deliver value added and sustainable solutions. Improving profitability, achieving returns on investment and cash management are just a few of the areas that Grace supports businesses with.

She has significant experience in Health and Education sectors, as well as Leisure and Wellbeing.

Having worked as CFO for a private group of hospitals and clinics for 5 years, her skills include the strategic financial management of multi-specialist healthcare service provision (primary through tertiary) as well as Phlebotomy & Laboratory services, Radiology, Pharmacy, Medical Equipment & Consumables. She has also worked in the preventative health sector as the Finance & Corporate Resources Director for a Leisure, Health & Wellbeing organisation with over 40 sites across the UK.

A qualified accountant with an MBA and MSc in Accounting & Finance, she is also a Chartered Company Secretary, with an advanced certificate in health service governance. Her governance and risk background means that she well understands compliance and seeks to embed best practice in the way businesses work. Driving best practice and value, she received an award for 100% excellence in Administration & Financial Management as part of an international healthcare quality award and maintained this over the three-year measurement period.

Grace is passionate about making a difference; utilising her skills and experience to help drive the success of SMEs.

Haider Mawji - haider.mawji@thefdcentre.co.uk

Haider is an entrepreneurially minded FD who has evolved his skill set from a traditional background as a Chartered Accountant. He has experienced a high-energy career to date, with 20 years achievement at Board level within the TMT Travel and Medical sectors.

Haider is a dynamic and results-driven individual with a proven track record of increasing profitability, sourcing and successfully delivering external financing, raising credit lines and generating significant savings in operations.

His strong ability to innovate and question has been fundamental to successfully developing, re-engineering and managing financial operations and divisions, both in the UK and internationally. Haider has extensive financial experience and knowledge, from start up's to PLC's. His spirited personality makes him an ambitious FD, who thrives on naturally creating strategic alliances to support and develop key business initiatives.

For more information about Consulting Room Membership, please visit
www.consultingroom.com/Partners/Register/