

The future of business beyond the lockdown

By [Adam Craker](#)

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Like many other countries around the world, South Africa is currently undergoing a national lockdown as a result of the ongoing Covid-19 pandemic. As the global toll on human life grows, so too does the toll on livelihoods and businesses everywhere.



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At this stage, it is uncertain whether the extended 14-day lockdown period will be extended or not. We're still in the eye of the storm. What is becoming clear, however, is that the coronavirus has already had a devastating impact on our country's economy.

Already in a recession, our slide into junk status in March compounds the toxic situation that has so rapidly unfolded as a result of Covid-19. Finance Minister Mboweni intoned recently, "The decision by Moody's could not have come at a worse time. South Africa, like many other countries, is seized with containing the outbreak of the coronavirus".

Initially, for some companies, the 'first response' entailed invoking business continuity plans to ensure minimal disruption and facilitating – where possible – the ability for employees to work from home. Others have had no choice but to halt operations altogether during the lockdown period, resulting in job losses, pay cuts and a massive dent in the bottom line.

For those businesses that are still treading water, the lockdown means it's now a waiting game. One thing is for sure: companies resilient enough to keep going will be those that can adjust their operations to adapt to the 'new normal'. It's time to think out of the box now.

So, what's next? How will the businesses that survive the lockdown period get back on track and keep their physical and virtual doors open in the months to come?

Preparing for life after lockdown

Government and the Private Sector are joining forces to help small to medium-sized businesses survive the financial battering that many have experienced. Some of Government's interventions include the following:

- **IDC facility for South African-owned businesses:** The President announced that the IDC has put a package together with the Department of Trade, Industry and Competition of over R3 billion for industrial funding to support vulnerable firms and to fast-track financing for companies critical to the country's efforts to fight Covid-19 and its economic impact.
- **Debt Relief Finance Scheme:** This has been created to provide relief for small businesses in need of financial support. To find out more about this scheme, [click here](#).
- **Solidarity Response Fund:** This fund has been designed to unite the nation and to accelerate the country's response to Covid-19. Government has made an initial R150 million available as seed funding. R100m of this is from National Treasury and R50m is from the National Lotteries. The Private Sector has been encouraged to support the fund with their own donations, as the focus of the fund is on mobilising the support of business and civil society. The Motsepe, Rupert and Oppenheimer families have already each pledged R1 billion.

Financial assistance is an important aspect of helping businesses to survive during this challenging time. Equally important, however, is getting the right expert advice to navigate the road ahead.

Recovering from a financial bite with the COBRA War Room

Collaboration in a time of crisis is essential. This is why IQbusiness, Schindlers Attorneys, Engaged Business Turnaround and other partners have united to bring their extensive legal, accounting, technology and business turnaround expertise to help businesses in financial distress.

Each recognised industry experts in their own field, these businesses have launched a crisis management centre in Partnership with Microsoft called the COBRA War Room (Covid-19 Business Rescue Assistance). This centre has been built and will be wholly managed by IQbusiness using the cloud and collaborative platform based in Microsoft Teams.

The initiative aims to assist and sustain South African businesses through the Covid-19 crisis with free services to help them receive coordinated bank, government and stakeholder support through a structured business rescue process.

The business landscape in South Africa may have changed forever. This doesn't mean that during the national lockdown, and beyond, you must face the storm as an island – alone.

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