

# Chief Finance Officers and Finance Function Bringing Value during the Covid-19 Crisis

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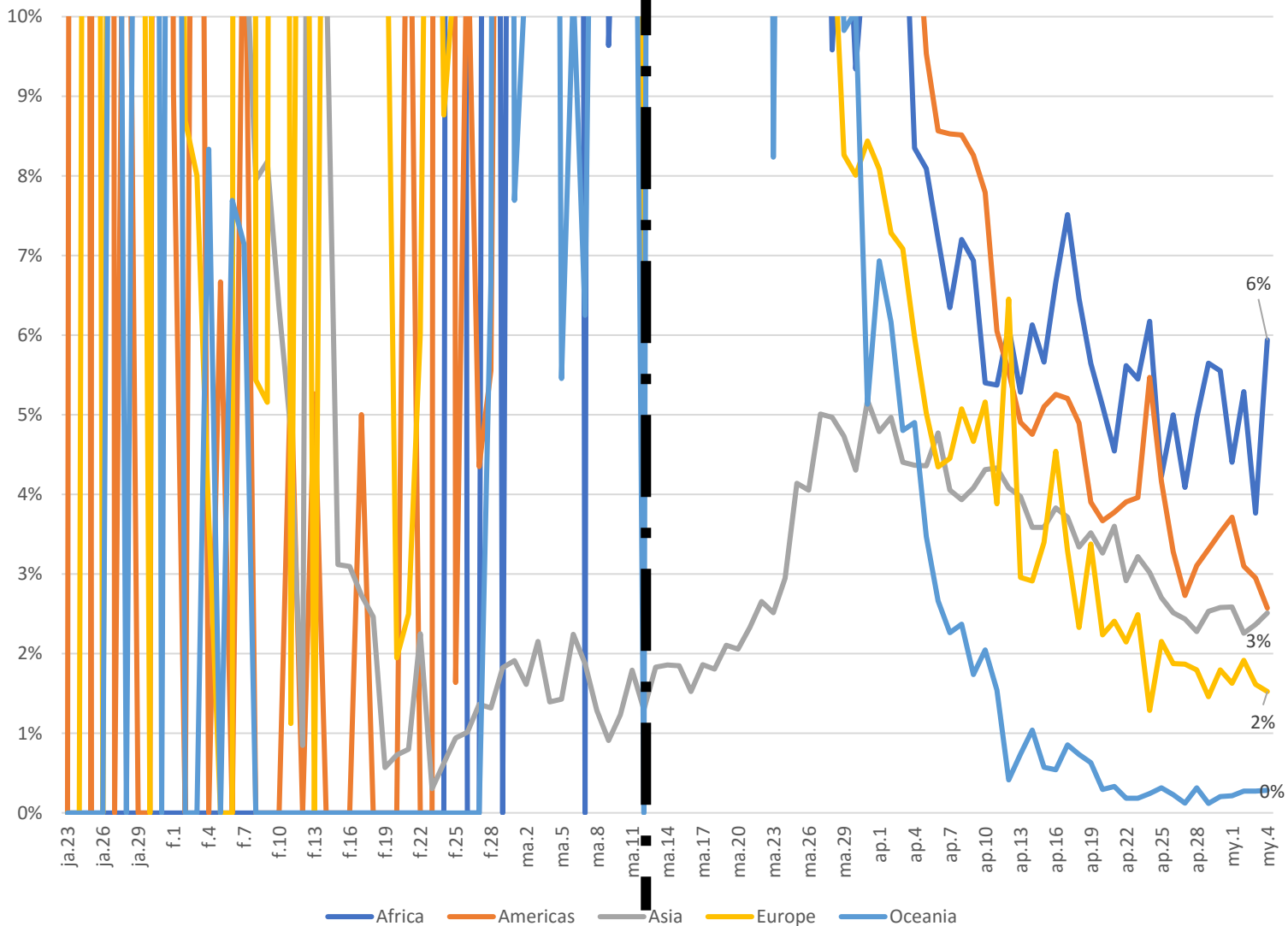
8 May 2020

# Timeline of Covid-19

- The novel coronavirus initially ravaged the Chinese province of Hubei and the world only came to appreciate the magnitude of the problem in mid-January 2020
- On 14-Feb-2020, first case reports in Africa; Egypt
- On 11-Mar-2020, the WHO declared the coronavirus (renamed Covid-19) a global pandemic
- Thereafter, many countries implemented lockdown measures to slow the spread of virus
- Not only was China supply chain cut off, now the entire world was on brink of shutdown
- Uganda started lockdown on 20-Mar-2020
- In April and May 2020, lockdown measures continued and there is no certainty in sight

# Trend of Covid-19 pandemic

Rate of daily increase in Covid-19 confirmed cases, 23-Jan-2020 to 4-May-2020



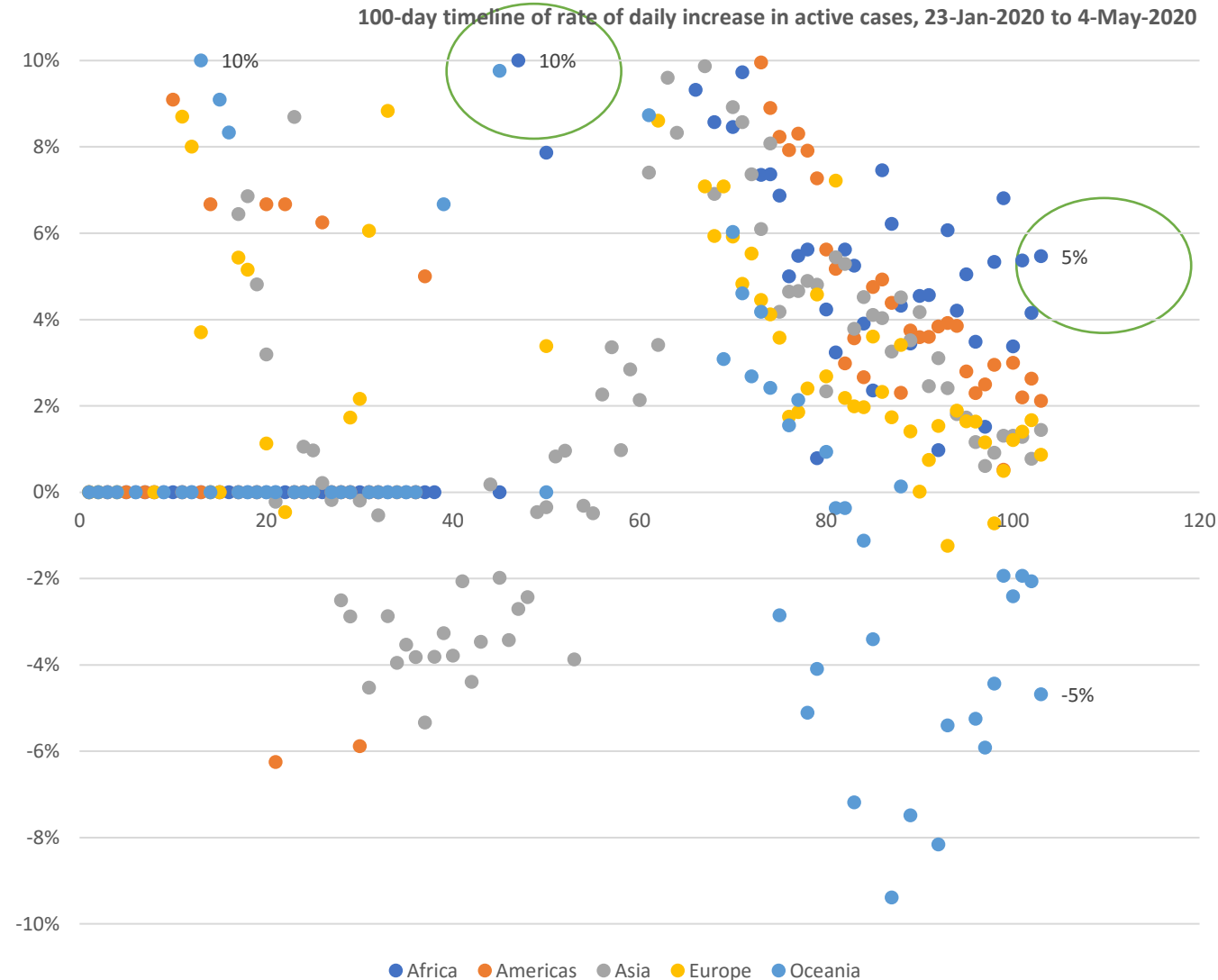
1. The number of confirmed cases worldwide continues to increase by one-million every 2 weeks.
2. The rate of daily increase in confirmed cases as at May-2020:

Africa	6%
Americas	3%
Asia	3%
Europe	2%
Oceania	0%
<b>Worldwide</b>	<b>2%</b>

Source of raw data that was analyzed by author.

<https://data.humdata.org/dataset/novel-coronavirus-2019-ncov-cases>

# Trend of Covid-19 pandemic



1. Most of the Covid-19 data has mainly shown the Confirmed, Recovered and Death figures.
2. To arrive at the Active cases (those still in hospital and receiving treatment), one has to perform a simple calculation;  $\text{Confirmed} - \text{Recovered} - \text{Death} = \text{Active}$
3. Lockdown measures continue in place due to daily increase statistics. *"Pandemic is far from over - WHO"*

# Impact of Covid-19 pandemic

1. Lockdown measures have paralyzed many organizations, including Governments
2. International passenger travel on standstill with most Aircraft on Ground (AOG)
3. Regional borders closed to passengers, except cargo
4. Supply chains (both internal and foreign) have been subdued
5. Transport (both private and public) has been significantly curtailed
6. Employees have been asked to work-from-home, if that is possible
7. Companies have started furloughing and laying-off some employees
8. Schools and other institutions of learning were closed indefinitely
9. Social distancing is the new buzz word
10. Digital meetings and seminars have blossomed
11. Revenues have reduced, while some costs to slow down spread have increased
12. Global and country economies have slowed down and on brink of recession

# How do CFOs and Finance bring value?

1. Chief Finance Officer (CFO) and the Finance function should preserve and grow the financial health of the organization
2. CFO must develop a stakeholder matrix and generate a communication plan for each
3. Due to Covid-19 crisis, CFO should emphasize the survival of the organization
4. CFO should be worried about “financial anemia” and its implications
5. CFO must maintain payments system despite work-from-home measures
6. CFO should maintain a cash budget rolled on a daily or weekly basis
7. CFO to call up any unutilized lines of credit
8. CFO to sign-up for any relief from banks and Government
9. CFO to revise the budget estimates for the year
10. CFO to provide insight into the impact of Covid-19 in the management accounts
11. CFO should utilize data mining and analytics to add value to reporting
12. CFO should provide more frequent information for management decision making, especially staff costs and tolerable duration

# How do CFOs and Finance bring value?

13. CFO to review and undertake risk assessment of the supply chain and mitigation measures
14. CFO to present weekly dashboard of key financial ratios and sector exposures
15. CFO to lead the development of business resilience plan
16. CFO to ensure more updated financial reporting despite 31 December 2019 year end, to include post-balance sheet events arising from Covid-19
17. CFO to prepare financial report on implications of lockdown measures on revenues, marginal costs and overall organizational productivity
18. CFO to continuously assess tax implications of management decisions
19. CFO should develop a lessons learnt report
20. In preparing the next business or strategic plan, CFO should ensure business resilience, scenario and stress testing is incorporated



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