

Coping With COVID Workshop Case Study 1

Peter runs a workshop in a medium sized regional town. They've been in business for 8 years and have 5 staff (2 administration and 3 technicians). Their business is a Trust, they rent their premises and have an average annual turnover of approx. 1.2 million. The business is part of a National independent service network and they have a number of nearby competitors.

Pre COVID they were tracking for 12% growth in 2020 and generally have bookings out for two weeks, however they had no defined plan on sustaining the growth. Peter's pre COVID 2020 plans for the business were to put systems and process in place to help them become more profitable and improve their personal income and lifestyle.

When COVID-19 hit they initially reduced their trading hours but soon reverted to their standard business hours. Forward bookings during COVID-19 initially were 4 days out. They initially thought that COVID had them down turning 25-30%, however analysis showed an actual sales decline of 12%, but profit down by 38%. The business kept all their staff on through this period but have ceased any overtime.

The top concerns during COVID were financial stability, lack of incoming work and in turn profit. How they would manage staff long term and how their lack of planning could impact business ability to respond to the situation.

Peter found it difficult to digest the huge amount of information around Government support packages and changing legislation. However, they did take advantage of the webinars run by the AAAA, support from their independent network Business Development Manager and accountant to gain an understanding of options.

The business accessed the \$10k Victorian Government Grant, applied for JobKeeper (although don't yet qualify) and deferred payments on lease vehicles. Of most assistance during this time has been the BAS PAYG, which has been put aside as a safety net while the business tries to trade as normal through this time.

The business sends regular service reminders and SMS's to customers, along with newsletters, which they continued during COVID. In addition, they have begun to utilise social media more during this time. This social media activity informing customers that they were open for business had an immediate response and bookings picked up and are now back out to the two weeks they regularly run at. This has proven the value of social media to the business and they will be engaging closer with the resources provided by their independent network to help reach new customers in their area. They identified that they could also have been utilising their customer database more effectively for marketing purposes. The timing of the Government stimulus package may also have had an impact on increased bookings.

Core business focus during COVID is on keeping busy rather than exploring diversification and improvement opportunities. However, COVID has identified to the areas that the business can be improved through better systems and process and how consistently utilising marketing tools can help with business growth and will ultimately change the way this business runs long term.

While initially cautious in early days of the crisis, Peter is confident that the business will come through and the lessons learnt will make the business ultimately stronger.