

Coping with COVID Case Study Two

Darren runs a workshop in a small regional town that has been recently heavily impacted by bushfires. The business runs as a sole trader and has 3 staff (1 administration/2 technicians), they rent the premise and have been in business for 5 years with an average annual turnover of approx. \$360k and one other competitor in the township.

Pre COVID the business projected growth for 2020 was 15%. Usually they have two weeks of forward bookings. Darren's 2020 goal for the business was to increase customer satisfaction and profitability through service diversification.

When the COVID crisis began they traded as normal, retaining their staff while their competitor in town closed their doors. Forward bookings are currently 1 week out, and profit is a little up on prior year.

The major concerns from COVID were how to continue to grow the business, what staff, equipment and processes they would need to achieve the goal, and to identify any opportunities that COVID presented. Crisis identified some process flaws in the business that are being addressed, such as systems and processes.

Darren 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 has no outstanding loans and the owner has put their personal mortgage to interest only for the duration. They spoke to their landlord and the business accessed the \$10k Victorian Government Grant, applied for JobKeeper (although don't expect to qualify). They have also accessed the BAS PAYG but have not needed it.

As they are in a small town they don't tend to market to their customers, as they drive by the business. However, COVID has identified to that this is an aspect they need to invest in.

As a result of COVID crisis they will be investing in processes and systems, including customer database. They will be looking to put in a new hoist, add staff and diversify into performance servicing.

This business is confident that they will trade strongly through the COVID-19 period and build on opportunities to future proof the business.