

Coping With COVID-19 Case Study Three

Jim owns a workshop in a regional town with a population of 1700 with 5 other independent workshops in the town. They have been in business for nine years, with 6 staff (1.5 administration and 4.5 technicians) in a building they own outright.

The business had a turnover of around \$1.5m last year and had budgeted for 10% growth in 2020 but had actually been running at 17.5%. They felt that they were down 25% due to COVID, however analysis of figures shows they are up 20% YOY.

Pre COVID their forward bookings were out to three weeks, which they have maintained throughout the crisis. They continued to trade as normal and while they had initial discussions about contingency plans with their staff, and registered eligible staff for JobKeeper, they have not qualified and have keep all staff working as normal.

Pre COVID Jim's plan for 2020 was to reconfigure his workshop to improve workflow, build process and systems to increase profitability. The crisis has only highlighted the need to action these changes, and a plan has been put in place to push forward with these updates.

Interestingly, Jim has found that with customers spending less time in the workshop due to contactless payment and drop off/pick up procedures, productivity has actually increased due to more efficient communication with customers.

It has been challenging to keep across all the assistance available to businesses, however, along with JobKeeper, the business has accessed the BAS PAYG and set it aside as a safety net. They have also applied for State Government grants. They've not spoken to their landlord or accountant as they are still trading well.

The business has been doing much more with social media during this time to educate customers that they are open and have found this method of marketing to be effective and will continue using social to expand their marketing.

One opportunity that the COVID crisis has presented is the potential opportunity to purchase the closest competitor and expand business.

Overall, while Jim was initially concerned about a downturn, fortunately it didn't eventuate. He is feeling confident that there are business opportunities to be capitalised on, and is restructuring the business, putting in process and strategy, including expanding hoist capacity as he moves into a strong growth phase.