



Freetown Business School

Leading & Managing Through the COVID-19 Crisis – Preparedness Response Plan for Businesses

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OUR COVID-19
CONVERSATION WITH KEY
LEADERS WAS
ENLIGHTENING,
EDUCATIVE,
RESOURCEFUL AND
SOLUTIONS-ORIENTED

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Introduction

The rapid outbreak of the Coronavirus (COVID-19) presents an alarming health crisis worldwide. In addition to the human impact, there is also a significant commercial impact being felt globally. In a country like ours, COVID-19 compounds our existing vulnerabilities by adding one more shock to the system. Businesses across the country are naturally concerned about the impact of the pandemic on their people, their finances, and their processes. For some organisations, how they are going to survive in the next few months is the only agenda item. Others are wondering how they would need to change once the crisis has passed.

Whilst no one can say how long the crisis will last, recent research (PwC Global Crisis Survey 2019) tells us that what is clear is that some companies emerge more robust – and even experience revenue growth - after a crisis, but that this all depends on factors such as preparedness, a fact-based approach, and effectiveness of all stakeholder communications. Therefore, the actions of executives, entrepreneurs and their teams now, in the midst of this crisis, will significantly determine their fate.

To support businesses during this time, we at Freetown Business School (FBS) hosted a **Conversation with 30 Key Leaders from across the private and public sector** on *Leading and Managing through a Crisis* on 26th March 2020. The event was sponsored by Cordaid Sierra Leone and the Sierra Leone Cable Company (SALCAB).

The objective of the event was to discuss and find solutions for businesses in Sierra Leone in the areas of **Human Resources/People, Finances, Tax, Business Sustainability, Information Technology**. The recommended solutions from the event are shared in this paper.

We hope that in sharing these results, businesses will be able to use the recommendations as guides to tackle the pressing issues that the pandemic poses.

The outbreak is moving quickly, and businesses might require new approaches in the ensuing weeks and months. We at FBS are continually tracking the epidemic and researching best working solutions, not just in-country but globally. We will continue to share best practices as the outbreak evolves.

Areas of Focus

During the 3-hour deliberations between the thirty (30) key leaders, various issues and ideas were discussed mainly relating to the current problems faced by businesses, how businesses are coping and planning for the COVID-19 crisis, and the support they will require from the business community and the government.



Human Resources/People

Businesses were concerned about how they will deal with their staff in terms of their health, retention and new working protocols



Finances

Finance was the biggest issue as some businesses reported a reduction in their revenues as a result of the crisis



Tax

Businesses wanted to know whether they will be liable to pay their taxes during the crisis and what options would be available to them



Business Sustainability

With uncertainty surrounding the crisis, businesses were concerned about the sustainability of their businesses



Digitisation in a Changing World

With the advancement of technology, discussions centered around how businesses can leverage technology to improve their businesses



Support from Government

Many countries have implemented COVID-19 emergency measures to support businesses, and leaders discussed GoSL proposals

| Human Resources/ People

Leaders recognised that their employees are the most critical resource in their businesses, and at this crucial time, dealing with their employees is vital to their operations. Two key areas of concern for businesses regarding their employees were the health and safety as a result of the pandemic, and staff retention considering reduced revenue and business operations.

KEY AREAS OF CONCERN

Beyond human welfare, there are other people challenges to tackle, including how to support remote working, whether lay-offs can be avoided, and how businesses can afford mass redundancies.

PROPOSED SOLUTIONS FOR BUSINESSES

- **Review all Human Resource Policies:** Ensure preparedness for all potential scenarios.
- **Create a channel for consistent and clear communication:** It is vital that staff are kept continually updated on developments as and when they happen to keep staff updated and involved – agree who will be responsible for this.
- **Take and communicate clear Health and Safety measures putting people before profit:** Remembering that the health and safety of your staff are paramount at this time. You will need to revise your policies to incorporate global and government guidelines on safe working practices. Give as much information on safe practices to staff as possible. Provide secure working facilities and strict isolation of suspected cases. Decongest business premises to reduce the possibility of transmission.
- **Staffing:** As organisations face this pandemic, there might be a restructuring process which in turn will have an impact on staffing levels. It is important at this point to identify your core staff and think about ways to retain them. With other staff there might be a need to restructure their positions. In the first instance, utilise your policies, such as annual leave policies, sabbaticals, and education policies. There might be a need to lay off staff. It is essential to liaise with key governmental bodies such as the Ministry of Labour and Social Security, and staff unions to explore the most cost-effective options.
- **Engage with Sierra Leone Employers' Federation (SLEF):** The Federation is currently working on a guide to support employers during the current crisis. Employees are advised to contact and engage SLEF for further information.
- **Consult with Employees regularly:** Ensure employees are reassured about their future and encouraged to stay at home in the event they fall sick. Consultation is essential during this time, especially since staff anxieties might be high.

Finances

“Cash is King” is an expression used to highlight the importance of cash flow for businesses. Amid COVID-19 where some businesses are losing all of their revenues, cash is not just king, cash is crucial to the survival of the business. During the conversation, many businesses noted the effect on their operations, and the strategies they are putting in place to ensure their businesses are financially stable.

KEY AREAS OF CONCERN

For most, the revenue lost in this period represents a permanent loss rather than a timing difference and is putting sudden, unanticipated pressure on working capital lines and liquidity. Some businesses have lost half or all of their revenue overnight and are having to make drastic decisions, while others are having to consider insolvency. Some organisations can weather the storm by downsizing operations and cutting costs by spending only on priorities, while for others surviving from one week to the next is a harsh and anxiety inducing reality.

PROPOSED SOLUTIONS FOR BUSINESSES

- **Stabilise supply chains:** Companies need to guarantee business continuity through transparent supplier engagement, demand assessment, and adjustments of production and operations.
- **Engage Customers:** Have open and honest conversations about their needs and what you can offer.
- **Stress-test financials:** Companies need to develop and assess relevant epidemiological and economic impact scenarios to address and plan for working capital requirements. They will also need to identify areas for cost containment across the business.
- **Utilise technology:** Make use of technology to improve business processes, which will save the business money.
- **Create parallel budgets:** This allows for potential scenarios to **monitor expenditure and cut costs** in a latent period of limited income whilst maintaining key expectations.
- **Plan for the decrease in revenue:** This is to be expected, and businesses need to plan for a reduction of revenue that is compounding the ongoing losses due to existing economic challenges.
- **Take measures to hedge foreign exchange challenges:** If your company has a hedging strategy, you might have to review it to manage liquidity.
- **Take a closer look at cash flow to identify areas of cost savings.**
- **Look closely at costs such as staff salaries, rent, utilities, etc.**
- **Focus finance spending where good, sustainable returns are assured, to ensure revenue streams.**

| Tax

Taxes make a considerable chunk of expenditure for businesses since they are obligations businesses have to comply with per the tax laws. With stress on their business finance as a result of the downturn in the economy caused by the Coronavirus, businesses were concerned about their tax obligations in the current circumstances.

KEY AREAS OF CONCERN

The Businesses expressed great worry about how they will meet their tax obligations as they grapple with the financial challenges caused by the coronavirus. The businesses in attendance were very keen to know whether the government would be able to offer tax relief/exemption on PAYE, NASSIT contributions, or introduce a payment plan that will extend the tax payments deadline. Businesses asked questions on what would happen if they cannot meet deadlines because of a lockdown. Would they face penalties? Will the government reduce the rate of GST within this crisis period or even cancel taxes of foodstuff and pharmaceuticals?

Over 90 countries and counting, including African countries, have implemented tax support measures to support taxpayers in response to COVID-19. Support has included measures being taken by governments to ease the burdens on taxpayers and to help businesses and individuals with cash flow problems, with difficulties in meeting tax reporting or payment obligations or otherwise facing hardship.

PROPOSED SOLUTIONS FOR BUSINESSES

- **Engagement with the Government:** The private sector led by the Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA) to engage the government on tax reliefs, the extension of payment and returns deadlines, postponement of audits by the National Revenue Authority (NRA).
- **Communicate promptly with the NRA:** The tax laws make provision for extension of time to pay taxes where good cause is shown. Write to the NRA for permission to extend tax payment and returns deadlines if your business is adversely affected by COVID-19.
- **The NRA will not impose penalties** if return and payment deadlines fall within the lockdown periods.
- **Communicate promptly with NASSIT:** Write to the National Social Security Insurance Trust (NASSIT) to reduce contributions in cases of permanent lay-offs wherein salaries will be reduced.
- **Pay statutory taxes on the last day permitted** as this will help your cashflow.

| Business Sustainability

One of the objectives of the conversation with the key leaders is finding solutions for businesses as a result of the COVID-19 crisis. In leading and managing through a crisis, business leaders must demonstrate resilience in leading their organisations.

KEY AREAS OF CONCERN

The ongoing COVID-19 socio-economic crisis is forcing business leaders in Sierra Leone to take quick actions to respond to the pandemic and its effects on their businesses.

These problems range from the struggle to stay positive, the battle to remain efficient and the need to avoid unnecessary vulnerability and the risk of insolvency.

What will happen if they have to stop operating or have to reduce their activity significantly? For how long can they sustain that? How deep an economic shock can their businesses sustain without causing human suffering that our societies are unable or unwilling to bear?

PROPOSED SOLUTIONS FOR BUSINESSES

- **Communicate with Senior Management:** Engage senior management and decision making personnel on key conversations around the business and options available to ensure sustainability during the time of crisis.
- **Communicate with your Team and be open:** Your staff might have solutions that might prove to be very valuable, and they will appreciate being consulted.
- **Review all aspects of your business:** Separate all aspects of business and set them out like a production line. Inputs (in-house and external), added value along the way, contribution to profit (staff and equipment costs adequately allocated).
- **Portfolio Diversification:** Businesses might have to change their business models and diversify their portfolio thinking about innovative ways of carrying out their businesses. Example, some restaurants are doing delivery services, some manufacturers are producing hand sanitisers. However, with any new business, there are risks involved; therefore, proper due diligence and market research have to be undertaken. Additionally, businesses will also have to look at their current infrastructure and other resources before making the shift.
- **Build Customer Relationships:** Now is the time to have a customer-oriented business that shows concern for the customer's needs. Ensure that all staff understand that the customer is vital.
- **Take on the challenge:** Some opportunities come out of a crisis. Therefore, business leaders and entrepreneurs should have a positive mindset to be able to identify new opportunities.

- **Be on top of the Competition:** All businesses face competition, and there is no time like now to know exactly who your competitors are and what they are offering. Are there particular products or services that are being developed and which you ought to be selling or looking into before somebody else takes it up? Can you set your prices more competitively?

| Digitisation in a Changing World

Technology has changed the world, especially in the last decade with high-speed internet and improved tools that have enhanced business processes. As we gradually move into the 4th Industrial Revolution, businesses can leverage these advanced tools to cut costs, improve efficiencies and serve their customers better. During the conversation, business leaders discussed how technology could be used in the changing world.

KEY AREAS OF CONCERN

As the world grapples with the impact of Coronavirus and some countries go into lockdown, many organisations worldwide are having to implement, and rethink the way their people work and how to continue delivering services without the need for physical contact. Digital technologies and capabilities have become more crucial than ever. Business leaders expressed concern about whether Sierra Leone's infrastructure can support this new way of working. Some employees will be working from home for the first time, which means figuring out how to stay on task in a new environment that may not lend itself to productivity. How will organisations monitor the work of their staff? How can businesses rise to a challenge that is fast becoming the new global norm even if it is just for a while? Businesses were also concerned about mobile and data tariffs which make it expensive to run their businesses, especially when some of their staff work remotely, and new business processes depend on technology.

PROPOSED SOLUTIONS FOR BUSINESSES

- **Trial remote working options:** On the occasion that a lockdown becomes imminent, remote working will become the new norm, so if you haven't yet started working remotely, start doing so at work. Test the technology staff are expected to use while at work. You can allocate a few hours where the entire team communicates only through the agreed technology - Email, WhatsApp calls, Zoom, Skype, Microsoft Teams, Slack, text messages.
- **Provide staff with the necessary tools:** Review what your team will need to work effectively from home. Needs may differ according to staff functions. Generally, staff will need laptops, mobile phones, internet connection, data, and access to cloud productivity tools like Zoom, Microsoft 365 etc.

- **Draw up/review remote working policies and procedures:** You will need to create/review working from home policies and procedures to help your staff who may never have had to work in this way. Policies and procedures should have built-in team check-ins - you can use Zoom, Skype, WhatsApp conference call, monitoring, rules of engagement. You may need to arrange call-ins to those not entirely digitised to just check on them.
- **Cybersecurity:** Cybersecurity is essential as more employees are working remotely as a result of the COVID-19 coronavirus. Remote working comes with the added responsibility of taking the appropriate steps to protect your organisation's data while being connected online. Consider drawing up a cybersecurity policy if you don't already have one.
- **Explore new technologies to improve business processes:** This is an excellent time to explore technologies that will enhance your business processes, reduce costs and serve your customers better.
- **Engage the government on mobile and data tariffs:** The business community through the Sierra Leone Chamber of Commerce, Industry and Agriculture to engage government through the National Telecommunications Commission (NATCOM) on mobile and data tariffs.

| Support from Government

Many governments worldwide are implementing measures to support businesses to cushion the economic effects of COVID-19. In the United States, Congress approved a historic US\$ 2 Trillion stimulus package that includes US\$350 Billion and US\$550 Billion for small business loans and distressed company loans, respectively. The United Kingdom has also provided support for businesses that provides for payment to business employees, business grants and support for small and medium-sized enterprises.

KEY AREAS OF DISCUSSION

Leaders were made aware of the Government of Sierra Leone's **Quick Action Emergency Response Programme (QAERP)**. The Government has developed the QAERP to help maintain macro-economic and financial stability and to mitigate the impact of the COVID-19 outbreak on businesses and households. The QAERP is yet to be implemented, and the government is engaging the private sector on the measures they plan to implement to cushion the effects of COVID-19 on the Sierra Leone economy.

The **objectives** of the QAERP are to:

1. Build and maintain an adequate stock level of **essential commodities at stable prices**.
2. Provide **support to hardest-hit businesses** to enable them to continue operations and avert lay-offs of employees.

3. Provide **safety nets** to **vulnerable groups**.
4. Support **labour-based public works**.
5. Provide assistance for the **local production** and processing of **staple food items**.

The areas of government support required by businesses included:

- **Tax deferment for companies** to reduce their costs in the short term, especially for the hardest-hit businesses. Businesses also called for tax deferment for importers and manufacturers of essential products.
- **Business Grants** to help with their current cash flow constraints.
- **Support to businesses** to assist in staff retention.
- **Loans at concessionary rates** to boost finance to maintain and expand their business operations.
- **Reduction in mobile phone and data tariffs** to enhance remote working and leverage new technologies to improve their businesses.
- **Foreign Exchange** availability to import essential products such as food items and fuel.

CONCLUSIONS

1

People. Businesses should prioritise the safety of their staff during this pandemic and be empathetic when reviewing staff retention.

2

Finance. Businesses should be resilient and re-strategise to ensure business sustainability. Businesses should prioritise Cost Savings and Portfolio Diversification.

3

Resources. Businesses should fully utilise internal and external resources, including support and advice from business organisations and the government.

EVENT PHOTOS





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