



Understanding the impact of COVID-19

A Checklist for your organisation

12 March 2020

Due to the fast changing situation please refer to [kpmg.co.uk](https://www.kpmg.co.uk) for most up to date information

[kpmg.co.uk](https://www.kpmg.co.uk)

Crisis management & business continuity planning

As the business world learns to adapt with constant changes, the next chapter is being written. The impact of COVID-19 (Coronavirus) is affecting global supply chains, disrupting financial markets and the workings of day to day businesses.



Actions

The most critical immediate requirement for any business is to **identify and value the risks/scenarios, model the financial impact of those and assess the liquidity / headroom position through a short term cash forecast**. Businesses are facing existential risk here and if they can't make the next few weeks without running out of cash, everything else is irrelevant. We've got the war stories to illustrate that.

0-4
weeks

- Understand key risks across operations and supply chain
- Mobilise teams to firstly navigate crisis response and secondly focus on supply chain assessment and risk management
- Ensure your governance is in place to rapidly make key decisions
- Conduct business and financial scenario planning for a quick recovery, a global slowdown and a global pandemic and recession

1-3
months

- Plan mitigating actions across operations and supply chain, assessing impacts on sea, air and land transport
- Ensure communications are made with principal customers and stakeholders
- Review and assess what impact this will have on workforce planning and management
- Review phasing impacts depending on your sector

4+
months

- Create an agile and visible global supply chain
- Understand and deploy digital and process automation to mitigate the impact of disruption.
- Develop and implement enhanced risk management practices



Actions we are seeing clients undertake include: contingency planning and scenario modelling, operational and supply chain risk management, financial risk assessments, business resilience, and digital and supply chain transformation.

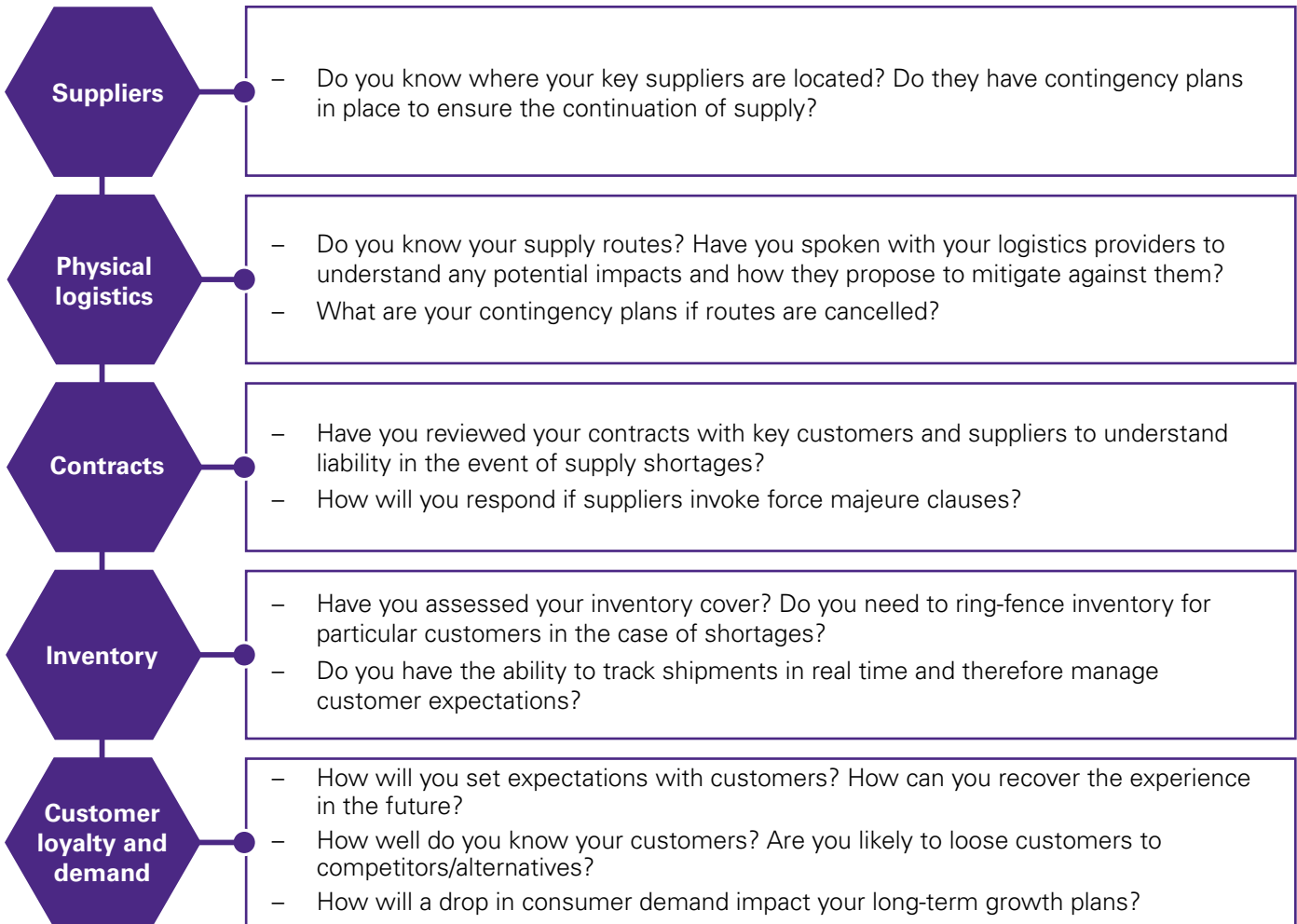


Observations

- Manufacturing closures in China
- Increasing public health requirements
- Suppliers invoking force majeure
- Additional border checks resulting in delays
- Congestion at seaports and airports, with busy sea routes from Asia to Europe being cancelled
- Reduced outbound capacity from China with increase in prices
- Labour shortages impacting productivity and land transport

Supply chain & operations

Checklist



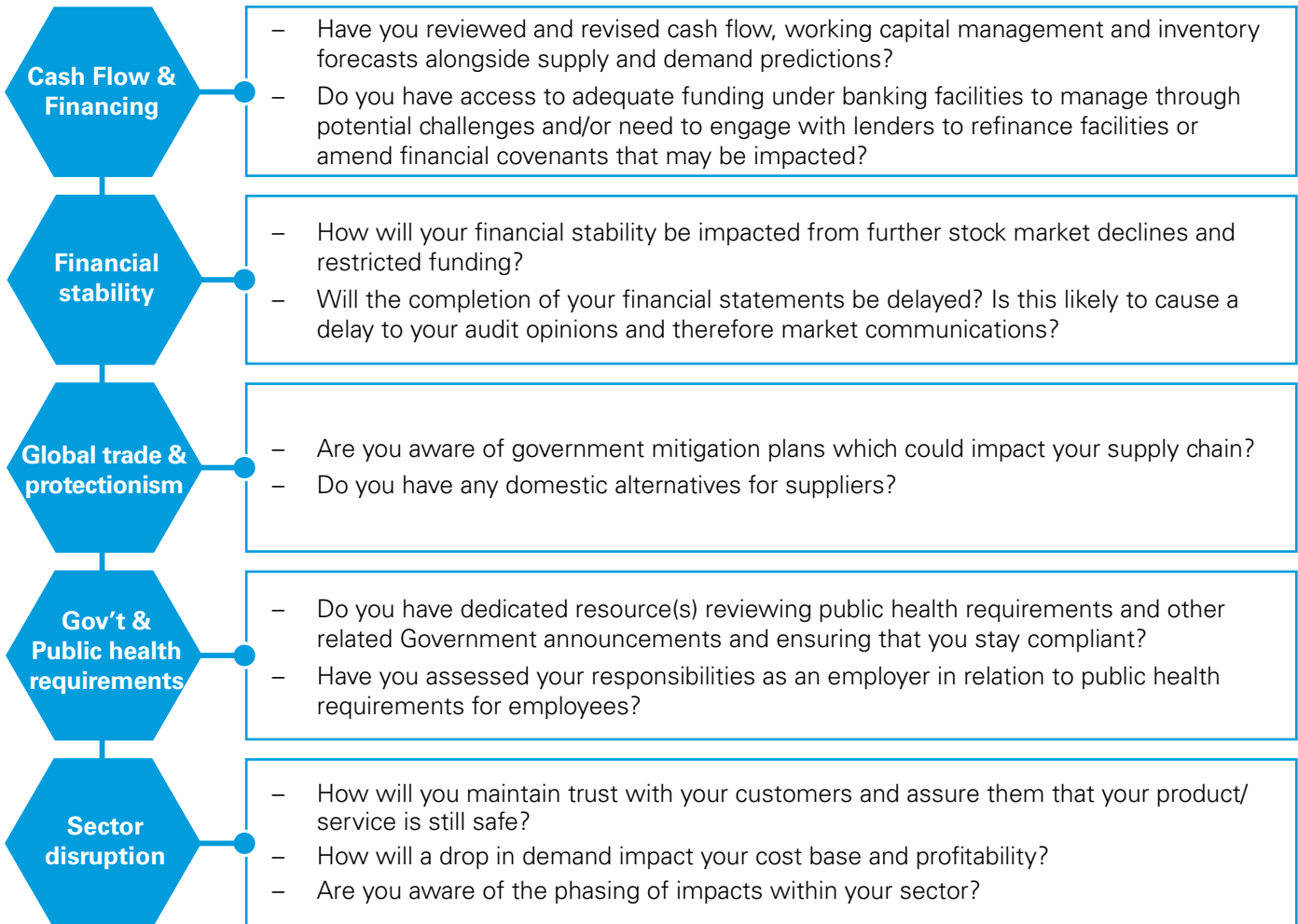
Business impact

Checklist



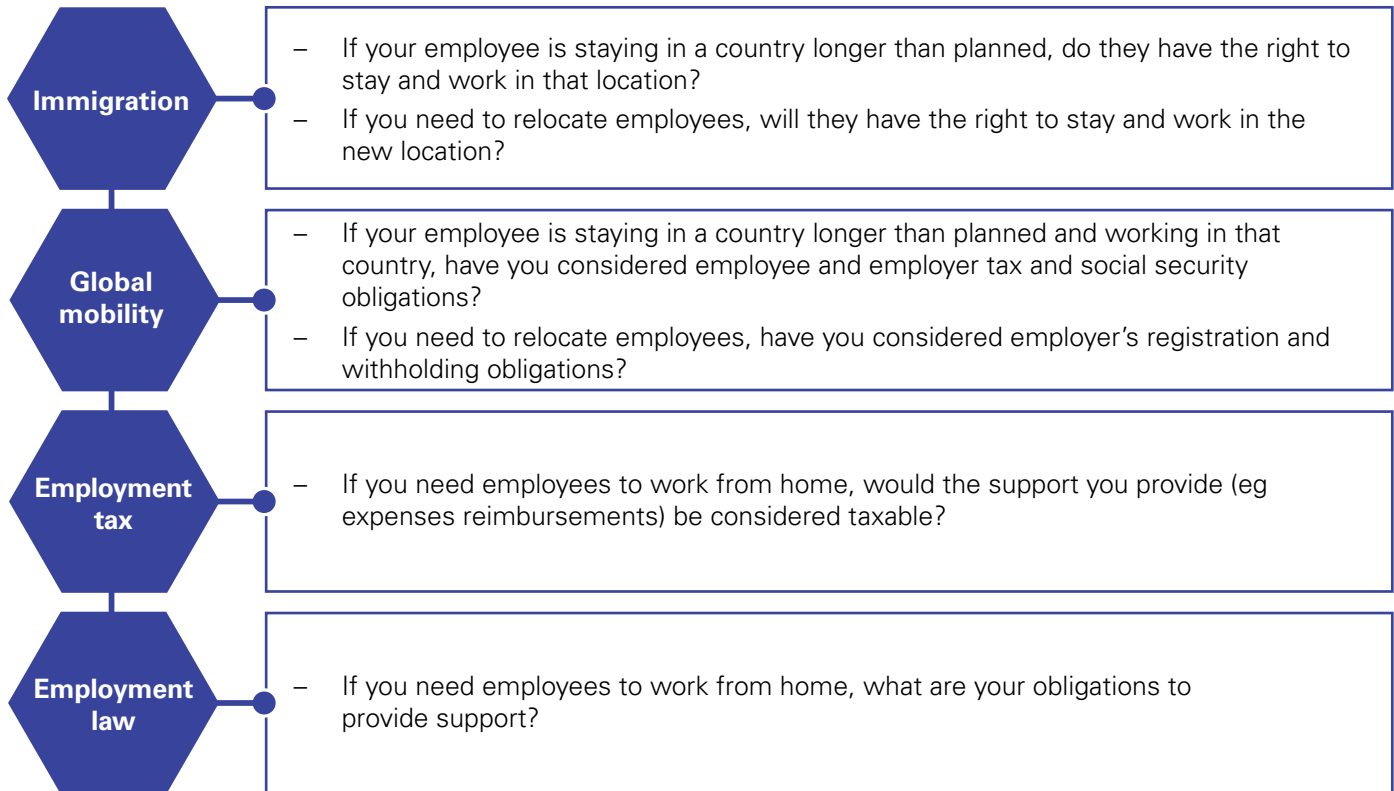
Financial & external factors

Checklist



People

Checklist



Contacts

Gareth Williams

Crisis Response Lead
gareth.williams@kpmg.co.uk
+44 7825 608 588

Mark Raddan

Liquidity & Financing
mark.raddan@kpmg.co.uk
+44 7810 854 152

David Slater

Trade & Supply Chain
david.slater@kpmg.co.uk
+44 20 7694 5182

Richard Bernau

Financial Services
richard.bernau@kpmg.co.uk
+44 7917 720 898

Caroline Rivett

Business Continuity
caroline.rivett@kpmg.co.uk
+44 20 7311 2366

[kpmg.co.uk](https://www.kpmg.co.uk)



© 2020 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. Printed in the United Kingdom. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Designed by CREATE | CRT125785