

Webinar – Sting Damage Control



Mars 25, 2020 – Start 11.00 am

Sting

Zoom Webinar – Sting Damage Control

Vilka möjligheter finns

Åtgärder för att säkra överlevnad

Kostnadsbesparingar och kassaflöde

Initiative från Myndigheter

Fortsatt Q&A

Formatet för denna Webinar

- Hannah, Ivar and Magnus kör detta webinar
- Ni kan alla skriva frågor i chat boxen eller direkt under webinarret. Vi skall försöka besvara dessa löpande.
- Muta era länkar när ni lyssnar (unmute när ni talar)
- Ni är välkomna att dela mer er av era erfarenheter och förslag.
- Remember, caring is about sharing!

Plötslig stopp på marknaden.

- Marknadssituationen har radikalt förändrats – efterfrågan minskar snabbt
- Den adresserade marknaden har stora problem
- Din förmåga att reagera och förändra din affärsmodell, kundbas och till och med industri eller marknad är begränsad.



Projicera – Simulera - Förändra

- “Oavsett hur svårt det är för företagsägare att förbereda scenarios, så är det en av de viktigaste saker som man kan göra“
- “Scenarios rankas vid sidan om affärsplaner och bolagets mission bland de saker som ett bolag måste göra för att planera och reagera för framtiden.”



Möjligheter – se över affärsmodellen

- En del är vinnare – en del förlorare
- Många blandade affärsmodeller kan viktas om analogt => digitalt
- Ta in era kunder i den digitala affärsprocessen, alla behöver ställa om
- Analysera er kundbas / prospekt; vilka ska ni lägga mer tid på, mindre tid på.
- Finns det alternativa / nya intäktströmmar? Ex professionell services
- Sök hellre kortare affärer än långsiktiga möjligheter.



Möjligheter – kundvård är A och O

- Om era kunder är tveksamma, ge dom en "opt out"
- Kanske inte rätt tid att expandera affären just nu
- Fokusera på kundnöjdhet
- Alla mässor / konferenser kommer troligen att ställas in. Vilka alternativ finns?
- Glöm inte - de som klarar sig igenom stålbadet kommer ut starkare.

Stora möjligheter att göra långsiktiga effektivitetsvinster via nya digitala processer.

Åtgärder för överlevnad – din affär

- Existerande kunder – säkerställ nöjda kunder
- Utöka din digitala kommunikation
- Se över din nuvarande budget;
 - Undersök alla affärsmöjligheter
 - Överväg alla kostnader – implementera omedelbara kostnadsneddragningar
 - Analysera ditt kassaflöde – förläng din sk runway
- Se över och utnyttja de stöd som Staten har lanserat om applicerbart.



Kostnadsreduktion – lyft på alla stenar

- Ta i "lite för mycket" om det gäller att dra ner antalet anställda. Att göra det upprepade gånger skapar mer otrygghet.
- Skjut på alla kostnader som inte behövs göras kortsiktigt
- Minimera de kostnader som ändå måste tas
- Förhandla om hyresbetalningar mot kontraktstid
- Se över lönekostnader; minska, försena, byt lön mot ägande
- Avvakta med nyrekryteringar. Provanställ om möjligt.



Likviditet – pengar in!

- Nya lån är svårt att få – sök utökad kreditlina på befintligt lån
- Om pågående finanseringsrunda – acceptera de villkor som finns
- Förskottsbetalningar från kunder mot kassarabatt
- Bevaka kundbetalningar, påminn direkt vid risk för försening
- Använd factoring för att snabbare få betalt (15%)
- Skärp betalningsvillkor från kunder i övrigt, framtung betalning
- Om det finns lager, försök sälja ut detta även mot rabatter
- Om maskinutrustning finns – sälj och leasa tillbaka.



Likviditet – pengar ut!

- Delbetalningar av kostnader, dela upp i månadsavbetalning
- Leverantörsfakturer – utökad betalningstermin, 60 - 90 dagar
- Om Almi lån – kontakta handläggare, utökat lån, stoppad amortering
- Skjuta på löner / dra ner löner
- Överväg att pausa hela verksamheten ett tag.

Om det är någon gång som likviditeten är avgörande så är det nu – Cash is king!

Support from the State – short term leave

- Short-term leave: Employees to reduce working hours, 90 percent of salary remaining. The state 3/4 of the cost, the employee and the employer share the remaining quarter. Starts from April 7, but retroactive from March 16. It will apply in 2020. Requires either union or 70% of employees onboard. Also for self employed and owners unless Enskild Firma.
- Note – decision comes only after April 7th!



Regeringskansliet

Nivå	Minskad arbetstid	Minskad lön	Arbetsgivare	Stat	Minskad kostnad arbetsgivare
1	20 %	4 %	1 %	15 %	-19 %
2	40 %	6 %	4 %	30 %	-36 %
3	60 %	7,5 %	7,5 %	45 %	-53 %

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Support from the State – tax relief

- Temporary deferral of payment of tax, which is proposed to come into force on 7 April. This deferral option concerns the payment of employer contributions, deducted tax and value added tax, which are reported monthly or quarterly.
- The opportunity is valid for three months for each tax during January – September 2020, and the deferral period may be set for a maximum of one year. Note – this is a loan and not a grant. You need to prove repayment capacity.
- Application through the form “Application, Deferment of payment of tax due. temporary payment difficulties. ”



Regeringskansliet



Skatteverket

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Support from the State – extended loans

- For smaller companies, ALMI is likely to be what is relevant.
- In order to avoid viable companies being knocked out as a result of the spread of the corona virus and to meet the needs of the companies, the government has decided to strengthen Almi's loan fund by SEK 3 billion.
- At the same time, Almi is given extra resources to meet the rapidly growing number of companies that are turning to Almi.
- Note – ALMI will only support companies proved to be healthy prior to Corona situation.



Regeringskansliet

almi

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Support from the State – sick leave

- Sick pay day 2-14 The government proposes that the state temporarily take the full cost of sick pay during April and May. How to proceed is not yet fully determined.
- Self-employed persons are also compensated by receiving a standardized sickness benefit for days 1 - 14.
- Proposal to temporarily revoke a medical certificate if you are ill for up to 14 days.



Regeringskansliet



Försäkringskassan

Dags för actions!

Vad är dina slutsatser?

- Se över möjligheter och åtgärder
- Gör och uppdatera din egen budget
- Ta fram din kassaflödes prognos
- Använd dessa för att simulera/projicera
- Definiera ett worst-case scenario
- Stress-testa din kassaflödes prognos
- Arbeta preventivt med alla åtgärder
- Undersök de staliga stöd som erbjuds
- Tveka inte – agera snabbt!!
- Det är nu det gäller!



Our overall view – a ‘wait and see’ approach is a non-starter

- COVID-19 is unlike any previous crisis; traditional ‘crisis response’ approaches will not be sufficient
- The process of ‘containment’ and ‘slowing the spread’ that is phasing in country by country will create major disruption in itself, irrespective of the seriousness of the virus spread itself
- Prepare for the worst, and be thankful if it doesn’t eventuate; ‘wait and see’ approach is a non-starter
- High likelihood of a substantial revenue disruption, leading to a potential liquidity crisis for many
- The recovery may not be a quick ‘bounce back’, plan for multiple quarters of lower revenue
- Employees and customers likely experiencing fear/panic
- You need to appoint a senior, fully dedicated COVID-19 “war room” team, focused on this all day, every day
- As CEO, it’s critical for you to be out in front with a planned cascade of possible actions based on which scenarios unfold, likely more aggressive than your team can imagine right now
- Customers will change behaviors in non-reversible ways, accelerating prior trends; bold action now can set you up for success through the downturn and beyond



Additional
questions/discussions

- **Wednesday March 25 kl. 17-19: Founders Night 6 with Dreams Wednesday, kl. 17—19**
- Between 17-18 A talk with Johan Hemminger, COO & Co-founder of Dreams (Q&A throughout chat). [Join the event at 5pm here](#)
- Between 18-19 Separate "Breakout Sessions" with your fellow Sting entrepreneurs, hosted by Sting coaches
 - a) Bootstrapping with Fredrik, Jonas & Hannah >> [Join the breakout session here](#)
 - b) Financing with Maria & Pär >> [Join the breakout session here](#)
 - c) Marketing & (Crisis) Communication with Jill & Henna >> [Join the breakout session here](#)
 - d) Team Management & Leadership with Sara & Elias >> [Join the breakout session here](#)
 - e) Cash-Flow Management with Magnus & Olof >> [Join the breakout session here](#)
- **Thursday March 26 kl 10—11: Information about new bridge loan possibilities from Almi Företagspartner, Stockholm, kl. 10—11**
- Welcome to a Zoom meeting on the 26th of March 10.00-11.00 with Carl-Henrik Koit, CEO Almi Stockholm.
- Almi have last week got 3 billion SEK from the government to support startups and other entrepreneurs. They will in this zoom meeting inform about the new bridge loan product, that they are launching as a response to the Corona crisis. This can be a very relevant loan for many Sting companies, so we highly recommend that you listen to this. **The meeting will be held in Swedish.** You can raise questions via the zoom chat in Swedish or English and we will try to forward all questions to Carl-Henrik.
- As always, be muted and for better sound quality we recommend a headset.
Join the Almi meeting here: <https://zoom.us/j/445602228?pwd=ams4M3FROEpHcnd3NnBvaUs4YnBiQT09> Meeting ID: 445 602 228, Password: 076211
- **Thursday March 26, kl. 14—14:30: Fundraising in tough times - Tips from the Creandum team over Zoom**
- During this Zoom session, Sanna Westman from the Creandum team will share Creandum's view of the current situation and the effects on the business and fundraising climate for startups. She will also provide some tips and tricks on bootstrapping and fundraising in challenging times.
- **Join the zoom meeting here: <https://zoom.us/j/936876743>**
- Interested in one2one meeting with Creandum? Contact maria.ljungberg@sting.co, we may have a few free spots!
- **Friday March 27 kl. 13—14: PwC/Sting: Covid-19 and the support packages for Swedish companies, Q&A via Google Hangouts**
- Our partner PwC will share the latest information about [the new rules for Swedish entrepreneurs](#). After their info, you can ask questions from Victor & Elina from PwC.
- **Join the meeting with PwC here: >> <https://meet.google.com/hcd-gcmn-eag>**
- **On Monday we're preparing a webinar of new sales opportunities that are out there. Stay tuned, link to be added later.**

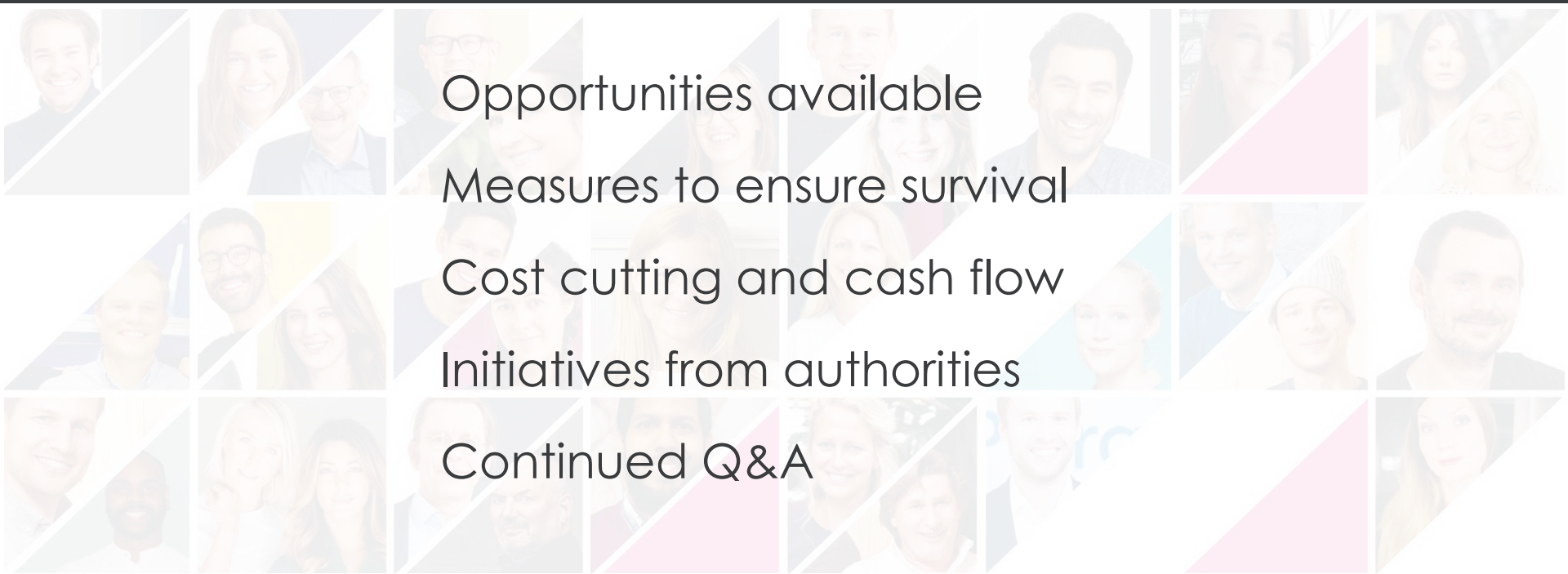


What initiatives would you like to see from Region Stockholm??



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Zoom Webinar – Sting Damage Control



Opportunities available
Measures to ensure survival
Cost cutting and cash flow
Initiatives from authorities
Continued Q&A

Complete halt in business.

- The market situation changes radically – demand is decreasing fast
- The addressed market is in severe problems
- Your ability to switch business model, customer base or even market is limited.



Project – Simulate - Change

- "As difficult as it is for a business owner to prepare projections, it's one of the most important things one can do"
- "Projections rank next to business plans and mission statements among things a business must do to plan and to react for the future."



Opportunities available – the business

- Some are winners and some losers
- Review your business models (analogue => digital)
- Bring your customers into a digital business model – everyone needs to change
- Review your customer base/prospects – where to focus
- Alternative/new revenue streams – other industries
- Shorter deals rather than long-term opportunities
- No time to lose – be fast in readjusting.



The business – customer care is key

- If your customers are hesitating, give them an "opt out"
- Maybe now is not the right time to expand the business
- Focus on customer satisfaction
- All fairs/conferences will probably be cancelled. What options are there?
- Don't forget - those who pass through the steel bath come out stronger.

Great opportunities to make long-term efficiency gains through new digital processes.

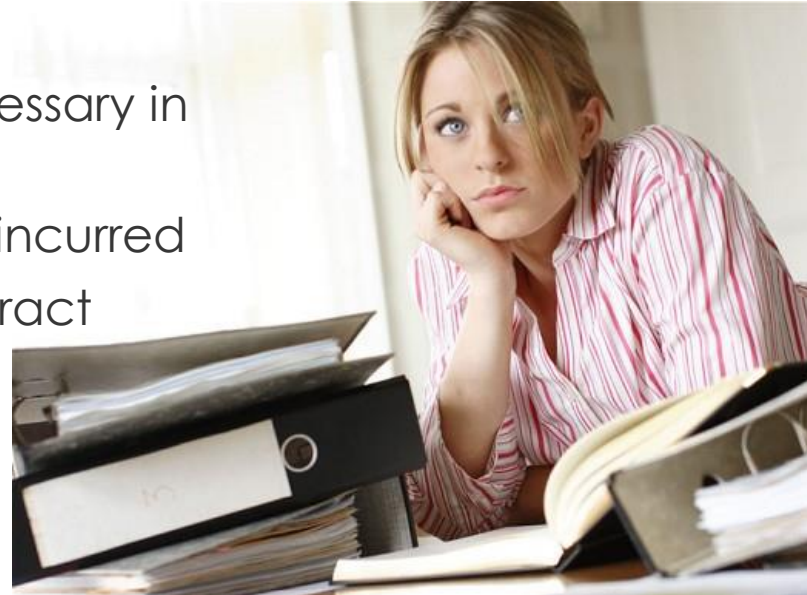
Measures for survival - the business

- Existing customers – ensure customer satisfaction
- Increase your digital communication
- Review your existing budget;
 - Review all business opportunities, (as indicated)
 - Review all costs – implement rapid cost cutting, (to follow)
 - Review your cash flow – extend your runway, (to follow)
- Take advantage of the state support (to follow).



Measures for survival - cost cutting

- Cut "a little too much" when it comes to reducing the number of employees. Doing this repeatedly creates more insecurity.
- Push forward all costs that are not necessary in the short term
- Minimize the costs that still have to be incurred
- Negotiate rent payments against contract time
- Review labor costs; reduce, delay, change pay against ownership
- Wait with recruitments. Trial, project or temporary employment if possible.



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Liquidity – money in!

- New loans are difficult to obtain - seek an extended credit line on existing loans
- If running a financing round - accept the terms that are available
- Advance payments from customers towards cash discount
- Monitor customer payments send reminders directly if there is a risk of delay
- Use factoring to get paid faster (15%)
- Tighten payment terms from customers in general, front heavy payments
- If there is stock, try to sell it out even at discounts
- If machine equipment is available - sell and lease back.



Liquidity – money going out!

- Partial payments of costs, split into monthly instalments
- Supplier invoices - extended payment term, 60 - 90 days
- If Almi loan - contact the administrator, extended loan, stopped repayment schedule
- Delay wages/reduce wages
- Consider pausing the entire business for a while.

If liquidity is ever decisive, then it is now - Cash is king!