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# Back to Business: Financial Planning

## Video Transcript

One of the areas our Financial Planning team specializes in is problem solving for clients in complex matters involving financially troubled properties, whether it's lenders, borrowers and debtors, boards of directors, officials on ad hoc committees of creditors, and inquiries of troubled businesses or debt. We want to provide you with a restructuring perspective on certain key aspects and issues you may wish to consider in deciding whether, when, and how to reopen your business. This alert is part of Venable's ongoing series, Back to Business Considerations in the Wake of COVID. Any reopening plan should be developed by understanding your business's current and projective financial condition, including a review of all relevant debt documents; material contracts such as with suppliers, vendors, landlords and customers; and employee cost in benefits and funding options.

For example, have you sought all funding that is available under the recent stimulus provided by the federal government, including by Congress and/or by the Federal Reserve? Do you have access to working capital under any of your current debt or equity documents? If not, do you have any incumbent assets that you might use as collateral to raise capital? Think outside the box if possible, such as about what airlines and other companies are doing. Airlines are trying to raise money by selling their frequent flyer points programs. Energy companies are trying to sell their oil and gas in the ground to the federal government. Even your local hair salon is selling gift cards for future haircuts. Be careful, as part of the plan, to understand whether you may require consent or waivers from your existing lenders. Once you have done this diligence, then go and create your projections based on your real funding plan. You may wish to engage an expert to review the key assumptions in the plan and its key risks, including whether it is in conformance with your state's reopening guidelines. Remember to consider the effect of any current payment deferral or eviction or foreclosure moratoriums that are likely to terminate soon after shutdown orders are lifted.

In addition, your strategy should probably include contingency planning. What will you do if shut down or emergency orders return or if your projections are materially off? Might you consider Chapter 11 or a Small Business Recovery Act filing to save your business? Is liquidation an option? Might the employees be willing and able to become owners of the business? While you are proposing and formulating the financial plan, please consider coordinating your financial planning with other key reopening tasks, such as maximizing the use of your current insurance portfolio. Plan for all aspects of your employee relations. Understand any OSHA or privacy requirements. Understand your real estate requirements. Ensure that you have a litigation management plan in place. All of these tasks are the subject of five-minute videos by partners at Venable, which I urge you to review on our website.

Last, but most important, general guidelines. We suggest that you use informed common sense. Do for your business what you will do to protect your and your family's physical and financial well-being. Stay informed and be diligent about doing so. Be patient. If possible, use experts to assist.

Venable is actively monitoring these issues and working with clients to evaluate and respond to other emerging business, legal, and operational challenges arising from the pandemic and government responses thereto. Please visit our website at [Venable.com/COVID-19](https://www.venable.com/COVID-19) to learn more about our services and connect with a member of our team. Thank you and, most important, stay healthy.

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## Links

[Venable.com/COVID-19](https://www.venable.com/COVID-19)



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