



# MHA Advisory – Dealer Business Continuity Series Guide – Urgent Operational Things To Do Today

Now, for tomorrow



# Critical factors

## 1. Sales against OEM target

- Is the dealer going to achieve the planned target and volume related bonus?
- How much of any volume related bonus already been traded in the month / quarter?

### Actions

- Ensure any updated OEM programmes and trading terms are updated in existing deals and forecasts
- Obtain a clear explanation of the OEM programmes and planned payments for external funders / other parties if required

## 2. Outstanding new car orders for delivery between now and the end of the month

- Can all customers take the cars as planned?

### Actions

- Check each and every order to ensure customers are committed and able to take delivery
- Recheck all finance proposals are complete and approved

## 3. Deals involving part exchanges

- Is the part-exchange liquidation route still open on the assumed terms?
- Is the dealer going to be able to auction, retail, or trade for the value assumed in the deal?

### Actions

- Plan alternative routes to market
- Ensure stocking plans can absorb additional stock.

## 4. Workshop gross profit

- What is the likely retail gross profit for the next weeks if things get any worse?

### Actions

- Stop all variable expenditure now
- Reduce costs across the business wherever focusing on staff costs

## 5. Major creditors

- When is the rent due? Is the March wage bill covered?

### Actions

- Robust cash flow forecast
- Understand risk of trading whilst insolvent

## 6. Major debtors

- Who owes you money? Small leasing / contract hire / fleet customers, trade parts customers
- Do the terms you offer carry the debt outside the current month?

### Actions

- Each and every debt is understood
- Trim terms
- Stop credit lines

## Contact us



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