

SME CHECKLIST AMID COVID-19

The following is a guide for you to reference as your business re-establishes norms in the months ahead. Based on [McKinsey's checklist](#), but tweaked and adapted for tech start-ups.

1. TEAM PROTECTION AND SET UP

- Safety first: Ensure your staff are safe and at home. Those traveling may need assistance returning home or finding another safe location.
- If you require an office presence: Plan for a skeleton crew and how to minimize their risks.
- Longer-term accommodations: Determine if Work from Home (WFH) situations are tenable for staff, or what support is required. Some staff may want or need to travel to be with family. Those with young families may need flex time.
- Policies and Actions: Ensure all staff have the tools and setup required to work from home (VPN, laptop, space, additional security, forwarded desk phone). Be clear about the new requirements of WFH.
- Communicate often & transparently about impacts to business, and steps being taken within the company.
- Provide links to vetted resources for mental health. Check-in with every staff member periodically.

2. SUPPLY CHAIN STABILIZATION (IF APPLICABLE)

- For software, critical partners or contractors who help with delivery, onboarding or other aspects of implementation: Assess ramifications of “new normal” on remote implementations. Source alternatives.
- For hardware companies: Complete a full assessment of short and long-term risks to required supplies and product. Source alternatives.
- Create a critical part sourcing and production optimization plan.
- Communicate often with suppliers and partners.

3. CUSTOMER ENGAGEMENT

- Communicate your new measures to customers. Set-up conversations when possible.
- Spread prevention measures across the customer journey. Train your customer team and monitor execution.
- Evaluate how customer segments are impacted: What are highest risks of lost customers? What are the greatest opportunities and new challenges you can help them with?
- Existing customers that are at high risk to leave: Determine what cost reductions, service reductions, or license extensions might be needed to keep them. Assess if you can survive with some of those cuts, or if you can ‘pause’ subscription to reduce churn.
- New customers: Understand what is working with retained clients that you should to focus on.
- Assess your ability to meet contractual deliverables and/or maintain a specific level of service. Include near- and medium-term risk of delaying or missing those deliverables.

4. FINANCIAL STRESS TESTING

- Plan for 3, 6, and 18-month scenarios, including financial and working capital requirements.
- Create a list of cost cutting and back-pocket adjustments for cash preservation, identified at various stages (cost cutting, renegotiate or terminate agreements, shares in lieu, layoffs).
- Have a full understanding of layoff strategy and EI programs to support those who get laid off.
- Have a full understanding of new Canadian government programs to support SME's and assist with working capital.

5. THE NEW STRATEGY

- Short term survival strategy: Map out issues impacting old strategy, with action items to address.
- Long term growth strategy: identify new opportunities and shift product / service offering based on “new normal” for customer segment and offering
- Have a new action plan in place to execute. Understand this plan evolves weekly, or even daily.
- Have critical conversations with your board, key investors, and stakeholders early.