



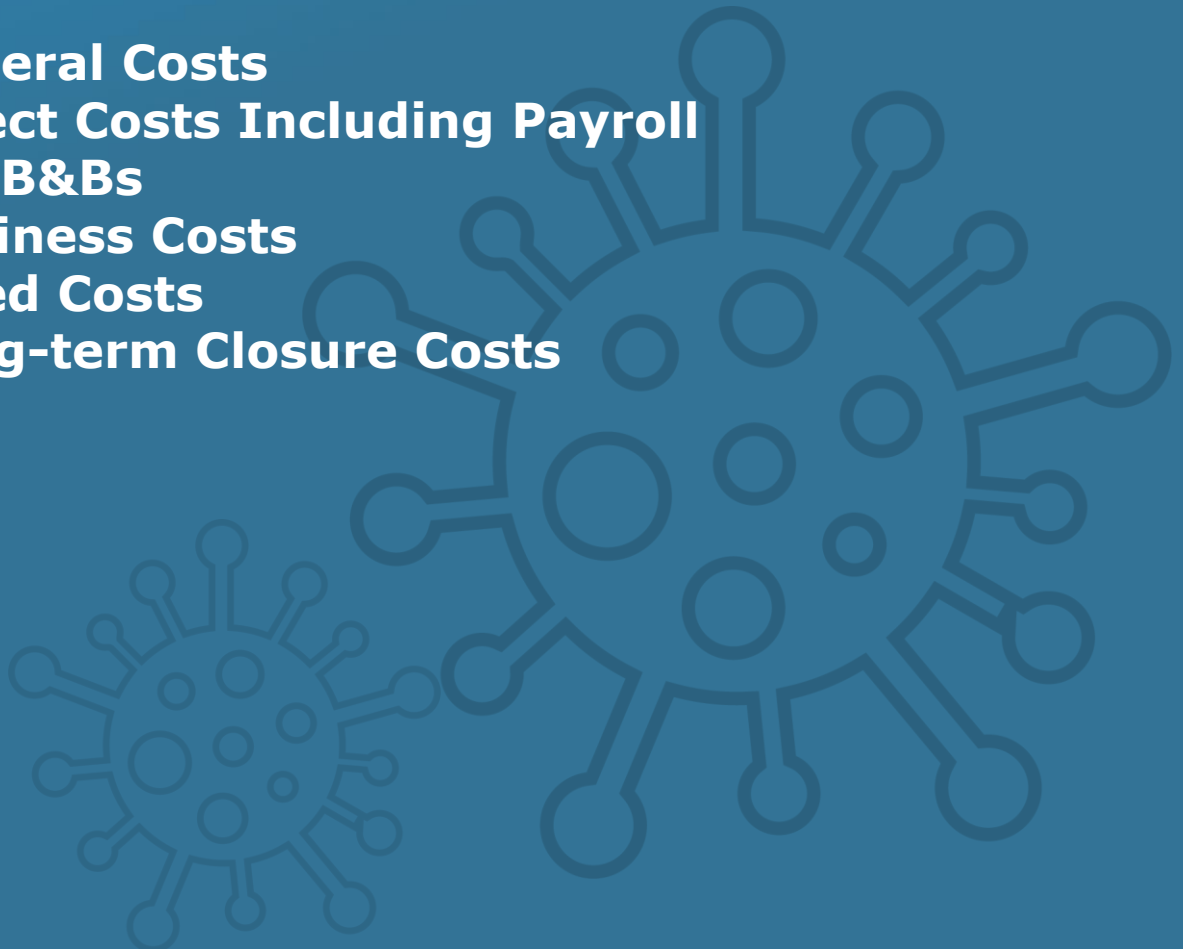
## CHECKLIST CASH BURN & COST REDUCTION

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### ACCOMMODATION PROVIDERS (B&BS, CARAVAN & CAMPING, SELF-CATERING, OTHER PROVIDERS)

This Checklist will help you to think about where you can reduce costs. The key areas included in the Checklist are:

- **General Costs**
- **Direct Costs Including Payroll**
- **For B&Bs**
- **Business Costs**
- **Fixed Costs**
- **Long-term Closure Costs**





General	Check
Review all of your direct debits and any standing orders. Have you cancelled these? Make sure you don't cancel required payments such as insurance, for example.	
Review every cost item. Is there an alternative? For example, can specific stock items be re-negotiated or sourced elsewhere at a more cost-effective price? Remember to consider cost/quality requirements.	
It is expected that as businesses re-open increased cleaning will be required. Have you costed sufficient levels of products required for sanitation, cleaning, etc.? This will also impact on staffing levels.	
As your business reopens ensure all staff are aware of payroll policies, e.g. no over-time; checking schedules regularly as there may be some tweaks to start/finish shift times; new hygiene/cleaning requirements. Clear work expectations are important.	
Forecasts: While it is difficult to predict business levels it is important to create weekly and monthly projections, where possible. This will help you to forecast the level of revenues and the associated costs while you are open. The costs will include the variable costs with opening along with the fixed costs of the business (e.g. insurance, utilities, etc.).	
Capex: Have you deferred any non-essential capital expenditure?	
Have you considered becoming part of a purchasing group? This might be relevant and beneficial to larger operations.	





Direct Costs Including Payroll	Check
<p><b>Accommodation:</b> Review all consumables provided.</p> <ul style="list-style-type: none"> <li>• Can you reduce certain items e.g. complimentary magazines, etc.?</li> <li>• Linen/towels. Have you determined your policy for linen/towel changes? This will need to be reviewed and additional cleaning/changing may be required.</li> <li>• Have you costed how long it will take to clean a accommodation upon re-opening? This may be longer than pre Covid-19.</li> <li>• Have you costed additional cleaning requirements/products for accommodation cleaning?</li> </ul>	
<p>Review all consumables/non-consumables to reduce or change where appropriate? E.g. paper goods, etc.</p>	
<p>Determine the hygiene/cleaning requirements and schedule:            What items you will require to reopen? (e.g. gloves, perspex at reception, till areas, hand sanitisers, signs, etc.)            What will be the required cleaning schedule and who is going to complete this task? can it be incorporated within existing staff's requirements or will you require additional staff?            Will you require additional staff to ensure social distancing?</p>	
<p>Ensure all purchases are checked and docketed.</p>	
<p>Review your labour costs.            Will you need to reduce your staff levels? If you need to consider redundancies have you factored in this cost?            Have you considered any potential additional training costs, particularly around the areas of health and safety and new operating procedures?            Do you need to hire new and/or additional staff? If yes, have you factored in training costs?</p>	
<p>Upon reopening have you implemented reduced working hours as far as possible?            Where key personnel are retained, ensure you have availed of the Temporary Wage Subsidy Scheme and any variations to this scheme that may follow.            If staff do not meet the Temporary Wage Subsidy Scheme threshold, have you considered pay reductions.            When your business re-opens you may operate on a skeleton staff.</p>	
<p>Have you reviewed all additional staff costs to see if any excessive or unnecessary staff costs can be eliminated or reduced, e.g. motor expenses?</p>	



For B&Bs	Check
<p><b>Food and Beverage:</b> If you provide a food and beverage offering (e.g. breakfast, snacks, dinner).</p> <ul style="list-style-type: none"><li>• Review your menus and outlets.</li><li>• Can you reduce/change your menu offering to improve food GP?</li><li>• Ensure that each menu item is accurately costed and priced and that all food items/condiment/extras are included in the menu price.</li><li>• Review pricing from all suppliers and new/different options.</li><li>• Have you costed alternatives for example outsourcing?</li><li>• When re-stocking kitchens review projections and business levels to ensure, as much as possible, a reduction in food waste.</li></ul>	

Business Costs	Check
Have you reviewed all leased equipment? this could include vehicles, IT rentals, printers, merchant services, debit/credit card terminal rental fee, kitchen equipment etc.	
Is it possible to change your credit card terminal for a more cost-effective option?	
Talk to the bank to see about reducing bank charges. Have you engaged with other creditors? Can you implement any payment plans to manage cashflow?	
Can you reduce your telephone, print or postage needs?	
Have you reviewed your sales and marketing costs (e.g. advertising campaigns, Facebook, blogs, etc.) to see what you will continue with and what can be reduced/scaled back/cancelled?	
Upon re-opening, can you become part of a local marketing group? Can the cost of marketing be split with other local complimentary businesses to yours?	



Business Costs (Contd.)	Check
Increase your social media presence and ensure the social media channels you are using are appropriate to your consumer.	
Have you turned off excessive external lighting, heating, cooling, ventilation units, etc. while closed? Ensure that this does not affect your business, e.g. you may have kept fridges/freezers on if you are only closed for a short time.	
As re-opening occurs it may be the case that you will not be fully open. Consider closing areas and reducing power to these areas, e.g. bedroom floors, additional self-catering units.	
Submit meter readings for electricity/ gas.	
Monitor oil prices.	
Have you suspended waste collections while closed? Ensure you manage collections upon re-opening as wastage may be lighter with lower business levels.	
As your contracts with each utility provider end, ensure that you renegotiate where possible and shop around for the best price/value.	
Where possible seek to reduce your maintenance contracts but not at the expense of reduced service which may impact your building/equipment when re-opening or in the long term e.g. lifts, air conditioning, other equipment etc.	
If there are non-urgent repairs e.g. to apartments, consider closing these out from inventory upon re-opening until demand increases.	
If applicable, can you reduce grounds upkeep within reason.	



Fixed Costs	Check
<b>Insurance:</b> Talk to your insurance broker/ insurance provider. Building insurance will need to remain in place. Can you suspend or seek to reduce public liability insurance, or will a rebate be made available? Can you avail of insurance premium financing? See link to Guidance Note on Insurance <a href="https://covid19.failteireland.ie/industry-updates/faqs-managing-your-insurance-during-covid-19/">https://covid19.failteireland.ie/industry-updates/faqs-managing-your-insurance-during-covid-19/</a>	
<b>Rent:</b> Have you engaged with your landlord to reduce rents and service charge if it applies?	
<b>Rates:</b> Defer rates payments due, in line with Local Authority guidelines	
<b>Debt Repayments:</b> Ensure you are having regular conversations with relationship managers/ funders/owners, e.g. banks, debtors, Local Authorities, Revenue, etc.	





## Long-term Closure Costs

If you have determined that it is best to close your commercial business until 2021, it will be imperative to reduce your monthly costs to a minimum. If considering this, then it is also important to consider that when re-opening there may be additional pre-opening costs such as cleaning, hiring staff, training, equipment maintenance, etc. In addition, current creditors will look for payment in advance of reopening.

Long-term Closure Costs	Check
Insurance: Review with the insurance provider to see if your policy will change and how this will impact your premium. Ask for specifics about what is required (e.g. security in the case of non-occupied self-catering for example), or if you are able to cancel certain services with limited implications (e.g. reduced electricity).	
Review every cost line item with the aim of reducing these. If a building is closed, for example, do you need to have the lift operational? If no, this may reduce the lift maintenance contract.	
If there are non-urgent repairs, consider postponing these. In the event of extended closure, do you need to increase security presence? Will this be a requirement of your insurance provider?	
Contact all suppliers including any service contracts with a view to cancelling or reducing.	
Payroll: reduce staff to a minimum (as required). Redundancies may have to be considered.	
Fixed costs such as rent, debt repayment and rates will all have to be discussed/negotiated to determine if there is a possibility for deferment, reduction, cancelling.	