

## WHAT YOU CAN DO TODAY

# Pragmatic, effective strategies to help your business navigate the COVID-19 crisis

With news about the global coronavirus pandemic continually evolving, business owners are understandably confused and worried. There are immense risks amidst the disruption we are all experiencing — but also new opportunities to serve your customers and position your company for post-pandemic success.

This is a crucial time for business leaders to navigate carefully. Throughout this five-part series, we will provide you with current information, practical suggestions and helpful resources to keep your business on a safe pathway through disruption — and position it for accelerated success when the coronavirus crisis has passed.

1. Stretch cash flow
2. Preserve your workforce
3. Reinforce revenue
4. Demonstrate strong leadership
5. Day 91: After The Wage Subsidy Runs Dry

### DAY 91: AFTER THE WAGE SUBSIDY RUNS DRY

The Canadian Emergency Wage Subsidy (CEWS) has been the single largest legislation the government of Canada has ever passed and has been a useful relief for many business owners (and employees) across the country since March 2020. As June 6 fast approaches and the preliminary period of the CEWS closes out at day 91, business owners will need to explore additional government programs to subsidize them through the duration of this unprecedented pandemic. The question is: what is your mid- and long-term plan to ensure your business is resilient?

Two largest programs available for Canadian businesses currently are:

### CEWS

The government of Canada has left this legislation open to amendments. When legislation was passed, the subsidy was originally scheduled to have three-month coverage, starting on March 15, 2020, and concluding on June 6, 2020. Since inception, the government has placed an additional qualifying period into the legislation, leaving the program with an uncertain future.

### Qualifying Periods

- A. The period that begins on March 15, 2020 and ends on April 11, 2020;
- B. The period that begins on April 12, 2020 and ends on May 9, 2020;
- C. The period that begins on May 10, 2020 and ends on June 6, 2020.

### Work-Sharing

We've been hit with the one of the largest global crises since WWII — if given the option to take out the largest insurance policy possible to weather the storm, it would be prudent of business owners to do this. This insurance policy is Work-Share. Work-Share provides business owners with 76 weeks of relief, and more importantly, 76 weeks of piece of mind for the employees knowing that they have job security and a paycheck to provide for their families working 3 days a week. The impact that this will have on productivity, employee engagement, quality and customer service will be significant.

Below, there is an earnings scenario for employees, and the costs associated. Keep in mind, in this scenario, the employee will be working 3 days a week.

Work-Share Scenario								
Employee	Hours Worked/Week	Work-Share Hours/Week	Wage Cost/Week	Work-Share payment/Week	Total Weekly Earnings	Estimated Earnings/Year	% Of Earnings Annualized	Total Company Payroll Savings
Mr. \$40,000	24	16	\$462	\$169	\$631	\$32,800	82%	\$16,000
Mrs. \$60,000	24	16	\$692	\$229	\$922	\$47,924	80%	\$24,000
Mrs. \$100,000	24	16	\$1,154	\$229	\$1,383	\$ 71,924	72%	\$40,000

### A Quick Comparison – CEWS vs Work-Share

CEWS	Work-Share
3-month duration	18-month duration
75% subsidy of wages	60% subsidy of wages
Cashflow needed	Doesn't impact cashflow
Short term relief	Extended relief
Business focused	Employee focused
Can use with Work-Share	Can use with CEWS
Subsidy is Taxable to the Corporation	Work-Share is not taxable to the Corporation

### The Strategic Competitive Advantage of Work-Share

During this turbulent period, it is time to think about the well being and financial security of the employees that drive this economy. It is time for employers to take a little bit of a hit on their own bottom line to focus on not only the retention of their employees but the attraction of new talent once this pandemic has run its course. When employers do right by their employees and provide this sense of security and stable work environment, business will be able to make a seamless transition back to normal capacity once work restrictions have been lifted.

#### Competitive Advantages:

- No layoffs
- Employees have piece of mind for a longer period of time
- Maintaining quality of work / products
- Partial work weeks, but paid a wage each day
- Retain quality employees
- Attract new talent
- Doing the right thing

Without this security, employees will be laid off, searching for work and left with a general feeling of distrust towards the employer. This is not what employers want and will impact your company's performance because of low employee engagement.

## A Call to Action

Be proactive and submit your Work-Share application now. The state of the world is putting pressure on businesses and individuals to survive and live in the present, but we need to plan in order to be effective as this pandemic continues to impact our lives.

Planning during crisis is essential. It is easy to get caught up in the present. But we can still plan for the duration of this crisis, this will lead to success for your business and the employees that work for you. Use this crisis as an opportunity to become the best leaders, best colleagues and best employees — we all need to do our part to defeat COVID-19 and the battle that it is waging on our lives.

Now is the time to act on this. MNP is here to guide Canadian businesses through these challenges so businesses and employees can come out on the other side of this crisis intact.

### FIND AN ADVISOR NEAR YOU

Our experienced professionals are here to help you make the best possible decisions. If you do not currently have an MNP advisor, [click here to find an advisor near you](#) and an appropriate MNP professional will be in touch within 24 hours.



**Yohaán Thommy, PMP, LSSBB, Partner & National Performance Improvement Leader**

*Yohaán has a unique understanding of what it takes to implement recommendations and turn them into measurable financial improvements. Yohaán also has a understanding of what grants may apply to companies that are struggling through the COVID-19 crisis and is closely following various programs. As a value added through this time, his team is providing strategic advice and scenario analysis to companies which are contemplating which grants to apply for.*

*[Click Here](#) to find out which grants you can apply to. He has used some of these grants through the 2008 / 2009 financial crisis and can properly structure the grants to work efficiently for your organization. Its not a one size fits all.*

**You can reach him at [yohaán.thommy@mnt.ca](mailto:yohaán.thommy@mnt.ca) or 905.220.3211**



**Stephen Chandler, Manager, Consulting & Advisory**

*With over fifteen years of Project Management and advisory experience in both the private and public sectors, Stephen has established himself as a trusted advisor to C-Suites of publicly traded companies to Flag Officers of Allied Militaries.*

**You can reach Stephen at [stephen.chandler@mnt.ca](mailto:stephen.chandler@mnt.ca) or 647.475.8371**

