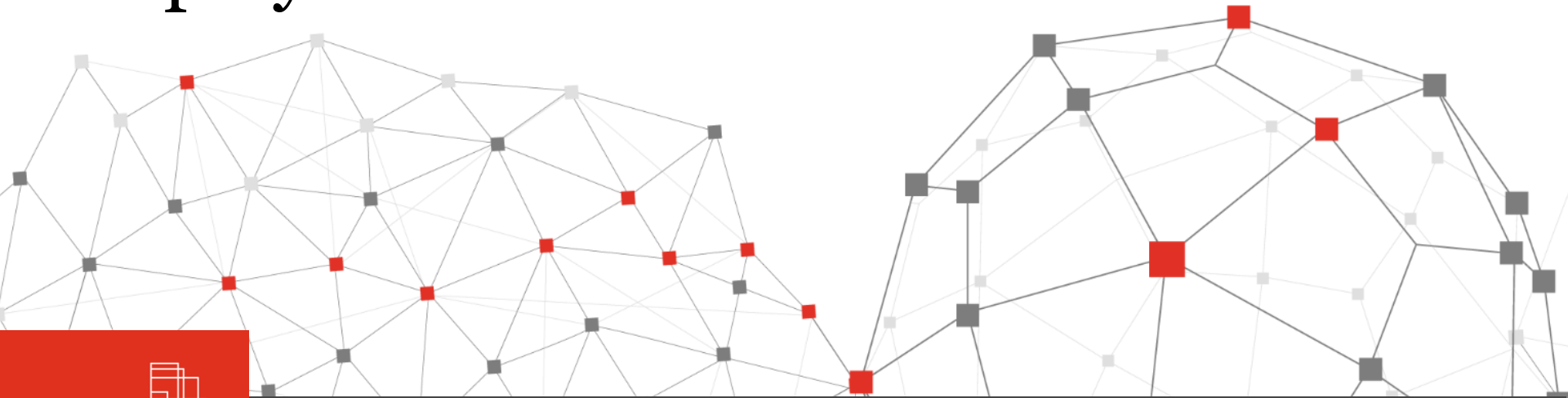


COVID-19

What you as a business leader and employer should know

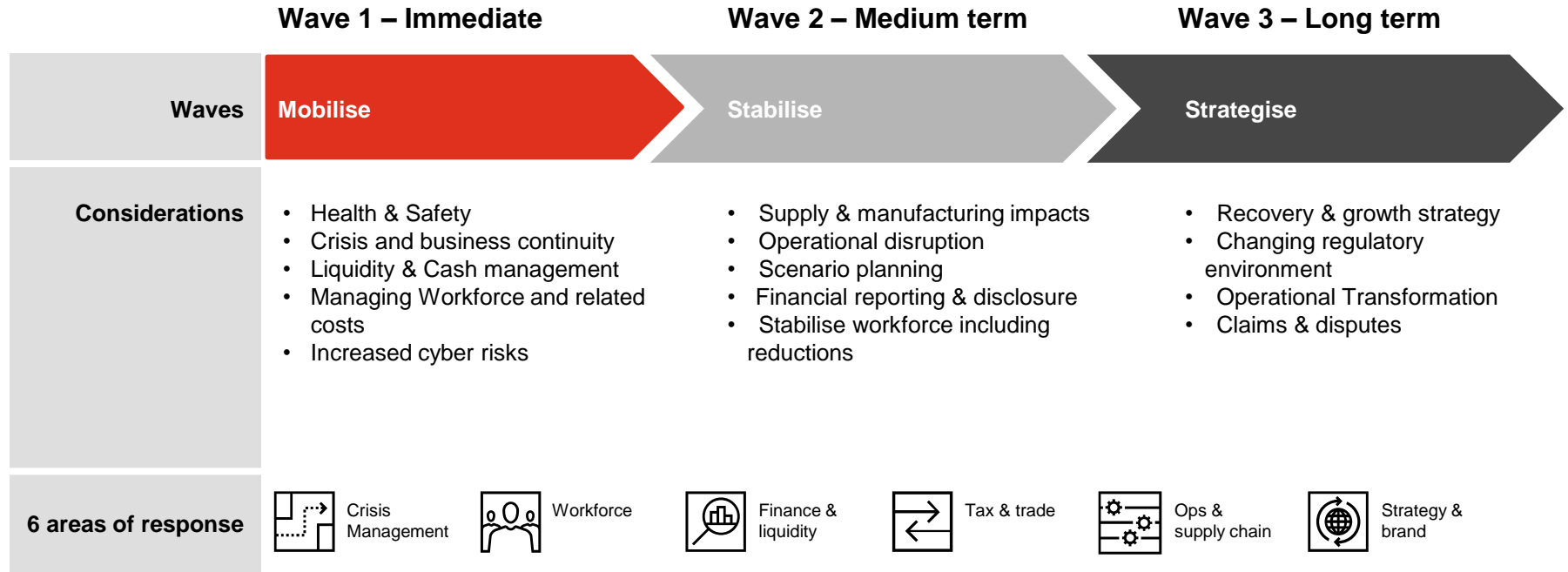


Topics we will cover today

1. **Market Situation – what we hear from the market**
2. **Key topics – what our experts are saying**
 - a. Liquidity / Business Continuity – **Reto Brunner**
 - b. Cash Management / Treasury – **Michiel Mannaerts**
 - c. Financing – Federal Funding process and guidance – **Moritz Oberli**
 - d. Short-time Work regulations and guidance – **Stephen Ammann**
 - e. Workforce Management – **José Marques**
3. **Summary**



COVID-19: Three waves of crisis response



Mobilise: Liquidity / BCM

Reto Brunner, Leader Business Recovery Services

Rapidly understand the current financial position:

- Establish 13-week rolling liquidity forecast
- Develop scenarios: base, pessimistic and worst case and derive potential shortfall

Take action

Protect the position and consider all means of help and funding:

- **Internally:** identify and work on every possible measure you can drive internally on your own
 - **Externally:** assess any ways of external help, including offered help by the public office / SECO
-

Manage stakeholders

Both internally and externally:

- Establish stakeholder-map
- Define and execute tailored messaging

Mobilise: Cash Management / Treasury

Michiel Mannaerts, Partner Treasury Management

Challenges and priorities

Market challenges and priorities:

- Funding is becoming very tight.
- For many there is a shortage of cash.
- Foreign exchange rates and commodity prices are very volatile.
- Credit risk is increasing, both on client and banks.

Key actions right now

Cash flow forecasting

- Rapid deployment of a cash flow forecasting process (using data analytics)

Board reporting

- Daily/weekly reporting to the board on cash, funding and exposures

Financial risk management

- Revisit FX and commodity hedging strategy (incl. financial reporting / hedge accounting)
 - Revisit credit risk measurement and strategy
-

Mobilise: Federal funding and short-time work

Moritz Oberli, Public Sector Leader

Federal funding update

- **Liquidity support for companies**

- Emergency aid with guaranteed loans (PwC is involved in the process)
- Deferred payment of social security contributions
- Possibility of extending payment deadlines for direct federal tax, VAT and other taxes
- Legal standstill for debt collection (currently from 18 of March until 4 of April)

- **Extension and simplification of short-time work (Kurzarbeit / chômage partiel)**

- New also for employees with fixed-term contracts, temporary workers, apprentices, employees similar to employers (e.g. GmbH shareholders)
- Cancellation of the waiting period for short-time work compensation
- Employees no longer have to reduce their overtime before they can benefit from short time work compensation

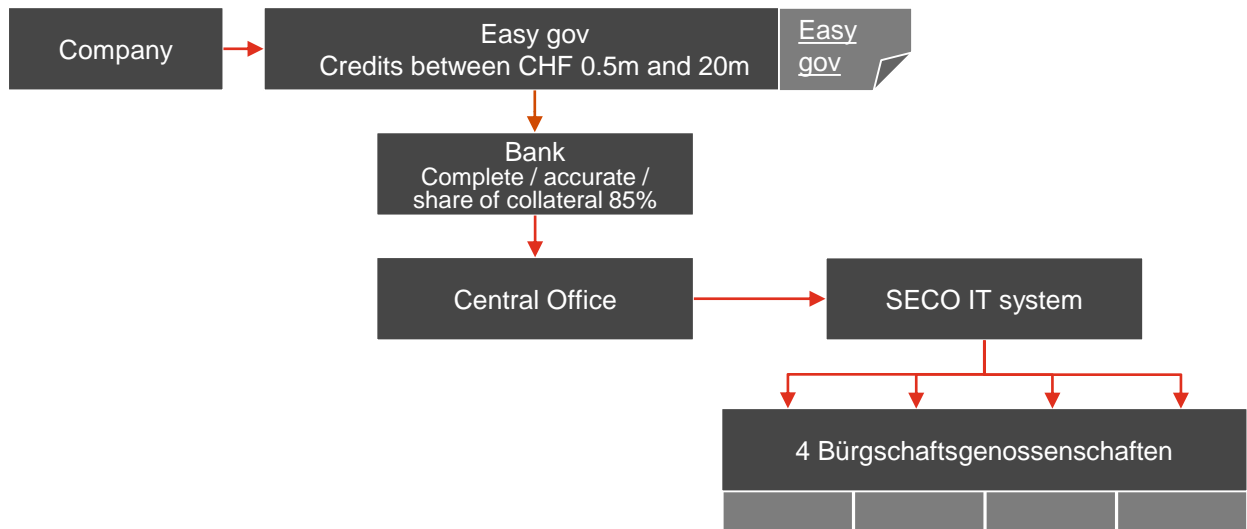
- **Other instruments (in discussion and might change over the next few days)**

- Compensation for loss of earnings for employees, Compensation for loss of earnings and emergency aid for self-employed people and further measures for specific industries
-

Mobilise: Federal funding process (Bürgschaften / forme de liquidités)

Moritz Oberli, Public Sector Leader

Overview of the process



Note:

For credits below CHF 500'000 the process is simpler, 100% are guaranteed by the government.

Process for funding above CHF 20m is still in discussion.

These instruments are currently discussed and are subject to change over the next few days.

Additional instruments could be introduced by government (for updates, see [SECO](#)).

Mobilise: Legal aspects of short-time work (Kurzarbeit/ chômage partiel)

Stephen Ammann, Legal Advisory

Short-time Work / Requirements

- Loss of work likely to be temporary
- Reduction of working hours > 10% of total hours normally worked
- Adequate causal relationship between reduction of the working hours and COVID-19
- Company has to keep time record
- Employee's consent to short-time work

Short-time Work / Adjustments due to crisis

- Registration period reduced from 10 to 3 days
- Summary answers in the registration form possible
- Waiting period completely abolished
- Employees no longer have to reduce overtime first
- Short-time work extended to employees with fixed term contracts, apprentices, temporary workers, employees similar to employers (e.g. GmbH shareholders) as well as their spouses

Employment law questions on a case-by-case basis

- Relevant topics related to COVID-19:
 - Employees at high risk
 - Home office
 - Holidays
 - Overtime
 - etc.
- Seek discussion with employees

Mobilise: Workforce Management

José Marques, Partner People & Organisation

Challenges

- Contingency plans for critical roles

- Managing virtually / remote working

- Workforce cost management

Key actions right now

- Identify roles, skills needed, who can replace them, skills gaps and upskilling

- Review company needs and policies, processes, behaviours and tools needed to support virtual working and collaboration
- Review communication and training required to support productivity and mental/physical health

- Proactively review workforce costs and the possibilities to reduce them
- Develop mid-term workforce cost reduction scenarios: downsizing or targeted workforce reduction

What companies are doing

- Skills gap analysis, accelerated training of candidates, external search of suitable replacement candidates

- Assessment of the best tools and training, virtual team management training, coaching teams on Do's and Don'ts of staying productive, fit and healthy while working from home

- Mandatory reduction of overtime or annual leave, short-time work for certain departments and roles, unpaid leave, freeze on non-critical recruitment
- Planning for wider workforce downsizing

Summary

First priority is to mobilise your organisation

Assess your situation

- Where is your organisation now, focus on critical points (cash flow as well as workforce)
- Use our assessment tools, they are there to help you get an overview and set up your communication

What you can do now

- Use all available measures to support your business
- Additional instruments could be introduced by government

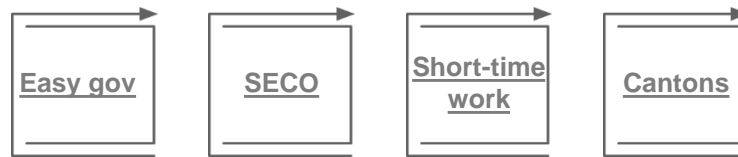
Other things to consider

- Stay informed: situation is constantly changing
- Other areas may have to be considered, such as cyber risks
- Once you are mobilised, move to the next wave

PwC tools & links that can help you:



Publicly available information:



Thank you

One Point of Contact:

Via [our crisis helpline](#) and **PwC Switzerland website** ([EN](#) | [DE](#) | [FR](#))

Our experts:



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Restructuring Services
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Treasury Management
[Email](#)



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Thank you

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