

## Reopening – Dollars In vs Dollars Out

# ClubCOLLECTIVE June

The news that clubs are now allowed to open their doors for the first time in many weeks, means for most clubs they have the opportunity to bring “dollars in” to the business for the first time in a while.

Meanwhile, cash outflows never stopped and the “dollars out” have required careful management to ensure cash reserves will last the distance.

The decision to reopen is a double-edged issue. Whilst desperately needing cash inflows to recommence, clubs need to have a good understanding of what the cashflow impacts are from setting up for reopening, and then trading with reduced capacity.

It may be that some clubs will reopen under the current circumstances, knowing that they may sustain cash losses initially in order for the club to re-engage with its customers and be up and running for when restrictions are further eased. Some clubs have the cash resources to absorb such losses for a period of time.

For those that have cash constraints, it is critical to put together a simple business case for reopening that is specific to their club, underpinned by future cashflow scenarios that show the bank balance stays positive for the foreseeable future.

For more information about how to financially plan for reopening, contact us for an obligation free discussion.

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