

# Finance & Liquidity: Impact Prediction & Simulation



## Common challenges + worries

- The COVID 19 pandemic affects all areas of business and presents companies with complex challenges in decision making given the significance of the disruption and the uncertainty involved.
- Adequate crisis management requires board level to gain thorough understanding of potential impacts on business operations as well as financial KPIs.
- Impact assessment is very difficult due to complex root-causes and globalized markets / supply chains. It also requires to define and apply different scenarios to business data / plans.
- Coherent scenarios need to cover epidemiologic, macroeconomic and microeconomic aspects on an regional level. Moreover, there is a need for industry specific analysis of the supply chain.
- Key business questions are:
  - Effect on sales, earnings, liquidity and working capital?
  - Impact on supply chain and production capacity?
  - Impact on financing as well as covenants?
  - Behavior of key stakeholders such as banks and investors?

## Suggested next steps

- Identify key drivers and risks for your business operations on an regional level.
- Analyse client structure and demand on sensitivity as well as recovery time.
- Assess supply chain on an industry and regional level to identify bottle necks in delivery capacity.
- Retrieve and prepare appropriate data as a baseline for the prediction and simulation.
- Build a coherent driver-based simulation model as a planning integrated solution or a delta assessment.
- Define and apply multi-nodal scenarios to your driver based model.
- Define and test strategic interventions / measures for stabilization with your simulation model.

## How we've helped others

The PwC "Crisis Impact Prediction & Simulation Engine" enables an informed evaluation, prediction and simulation of your business development over the next months.

Perspectives provided:

- Prediction of key KPIs like sales, liquidity, earnings and WC by region, legal entity or product
- Supplier segmentation by region and industry
- View on stakeholders, such as banks and capital providers.

Assumptions such as regional infection growth rates and accompanying regulatory as well as medical measures can be defined and applied to measure impact on business operations. The ability to define and test effectiveness of countermeasures provides management with fact-based decision support.

## You are not alone. We are here to help.

- Tool-assisted impact assessment and simulation
- Implementation of planning solutions based on BI, CPM and Analytics technologies
- Technology selection + architecture design for planning, dashboarding and analytics
- Statistics / ML / AI based prediction
- Simulation and optimization models
- Financial modelling expertise
- Sourcing of Data Scientists & Planning experts
- Industry experts for supply chain analysis and impact diagnosis
- Treasury experts for cash & liquidity optimization
- Corp. Finance experts for financing restructuring
- Healthcare & Medical experts for disease scenarios



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# Finance & Liquidity: Impact Prediction & Simulation



## 1. Define scenarios



## 2. Review impact & test measures

