



Managing Your Business
Through the Covid-19 Crisis
Get Ready for the “New Normal”

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Welcome



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Today's Agenda

- Perspective – where are we at?
- What might “re-opening” look like?
- What will the “new normal” be and what is influencing adoption of changes?
- Considerations post-COVID-19:
 - Customer
 - People
 - Supply Chain
 - M&A
 - Funding & Finance
- What can you do now?



Today's Presenter



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Perspective – where are we at?

- Over the next few weeks, COVID-19 will be sufficiently contained and the country will “re-open” for business – influenced by:
 - More testing
 - Contact tracing
 - Vaccines/treatment availability
- While timing is “uncertain,” wise business leaders are starting to think and plan now – “strategic and opportunistic”
- Business leaders must
 - Be proactive and remarkably responsive
 - Demonstrate “emotional intelligence”

What might “re-opening” look like?

- Likely “soft”
- May vary by:
 - Location – not all parts of the country will be on the same timetable
 - Type of business or activity
 - [White House Guidelines for Opening Up America](#)
- People will behave differently
 - Tentative and hesitant in certain ways
 - Eager in other ways
 - Many of the behavior changes made during COVID-19 will remain – at least for some time



What has driven adoption of changes?

- Necessity – based upon advice and restrictions
- Safety - personal and public
- Convenience
- Digital access
- Video has gone mainstream – school children to seniors
- Information security – less focus on buying decision-making process
- Media/social media influence
- Role of governments
 - Executive Orders / Closures
 - Fast-track when deemed necessary – “Defense Production Act,” FDA, National Guard, etc.

So, what might the “new normal” be like?

- Does “normal” mean returning to the way we lived and did business before COVID-19?
- Will many things stay the way they are now as a result of COVID-19, even when the health threat is reduced?



Customer considerations post-COVID-19



- Flexibility – how do your customers want to do business?
 - Distinction between “shopping” and “buying”
 - Digital/technology access
 - Online sales presentations
 - Online (and phone) ordering with “curbside” pick-up or delivery
 - Are your premises, fleet, etc. in place to properly handle this?
- Pricing
 - Fewer buying options
 - Focus on service
 - Reduced price sensitivity?
 - Recognition of changing use patterns (e.g. proactive auto insurance “rebates”)

Customer considerations post-COVID-19

- Communications
 - Acknowledge hesitations and offer re-assurances/solutions
 - *e.g. car service and purchasing – terms, delivery, cleaning, etc.*
- Importance of Speed to Market
 - *e.g. Battelle N95 cleaning, Pharma R&D for vaccine, Kraft plane to China – partnerships*
- Importance of “Scale”
 - *e.g. Amazon, Zoom vs. “Local”*
- Dis-intermediation
 - *e.g. Scotts Fertilizer “My Lawn” App/Service vs. in-person garden center or hardware store*
- Do you understand the financial condition of your customer if you are extending credit – or should you explore other options?

People considerations post-COVID-19

- If your people have become accustomed to working from home, how might they respond to “re-opening”?
 - Who gets to work from home?
 - not all can
 - What flexibility will be provided by employers and will be expected by employees – skills, roles, time, and location?
 - Productivity – is it higher with no commute?
 - Isolation – will employees be glad about being physically back with their team
 - Camaraderie/community/relationships and teamwork
 - Training – on-the-job
 - Meetings and events – live vs. audio/video conference



People considerations post-COVID-19

- Do you need to evaluate enabling technology and related security – did it function well?
- If you have People on layoff/furlough - who and when will you re-hire, and what will their new roles be? Communicate – still available?
- Hesitations – Reassurances
 - Personal protection for employees – perception of employer concern
 - Safe, clean workplaces – building design to enable better access control, social distancing, air quality, etc.
- Identify and hire top talent now that may have been laid off/furloughed by others - “counter-intuitive” but great opportunity

Supply chain considerations post-COVID-19

- Reliability of current suppliers
 - Assess current ability to deliver and post-COVID-19 financial condition
 - Ability to timely deliver
 - Price/terms negotiation opportunities
- Resilience of supply chain
 - Geographic diversification domestically (*e.g. various states' views on essential/non-essential*)
 - Evaluate dependence on offshore suppliers
- Selection of warehousing locations and logistics providers, etc.

M&A considerations post-COVID-19

- What do you need to be able to better meet customer (and people) expectations and can an M&A solution provide better/faster/cheaper?
- Can you be opportunistic with M&A, given that acquisition costs may be low (as some competitors are financially vulnerable or ready to “retire”)?
- Do you have the financial and people resources to pursue M&A?
- Are you a buyer or a seller?



Funding & Finance considerations post-COVID-19

- What is your current cash position – are you financially healthy to sustain re-opening?
- Did you take advantage of all relevant government programs that were made available during COVID-19? Are there any follow up actions you need to take - including maximizing debt forgiveness?
- Communicate re-opening plans with lenders and investors, and evaluate whether you should re-negotiate existing debt and/or add credit facilities given current low rates?
- Do you have a good cash forecast model and working capital management approach?

What can you do NOW?

- Talk to your customers, people, supply chain – understand how they are thinking about the future
- Develop and document your strategy –
 - A simple plan you can aggressively pursue as you move from “defense” to “offense”
 - *“A vision without a plan is a dream”*
- Use any remaining downtime to address deferred maintenance, etc. to be “ready to go”
- Secure additional funding if needed to execute on strategy



What can you do NOW?

- Build a re-launch communications plan and have ready to go
 - Customer, people/team, community, supply chain, lenders, investors
 - Acknowledge hesitations – provide reassurances and solutions
- Monitor your industry association lobbying and government announcements/timelines closely

Questions



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