



Emergency



Business Response & Recovery Plan to COVID-19

A process to lead your organization through uncertainty and down the road to recovery

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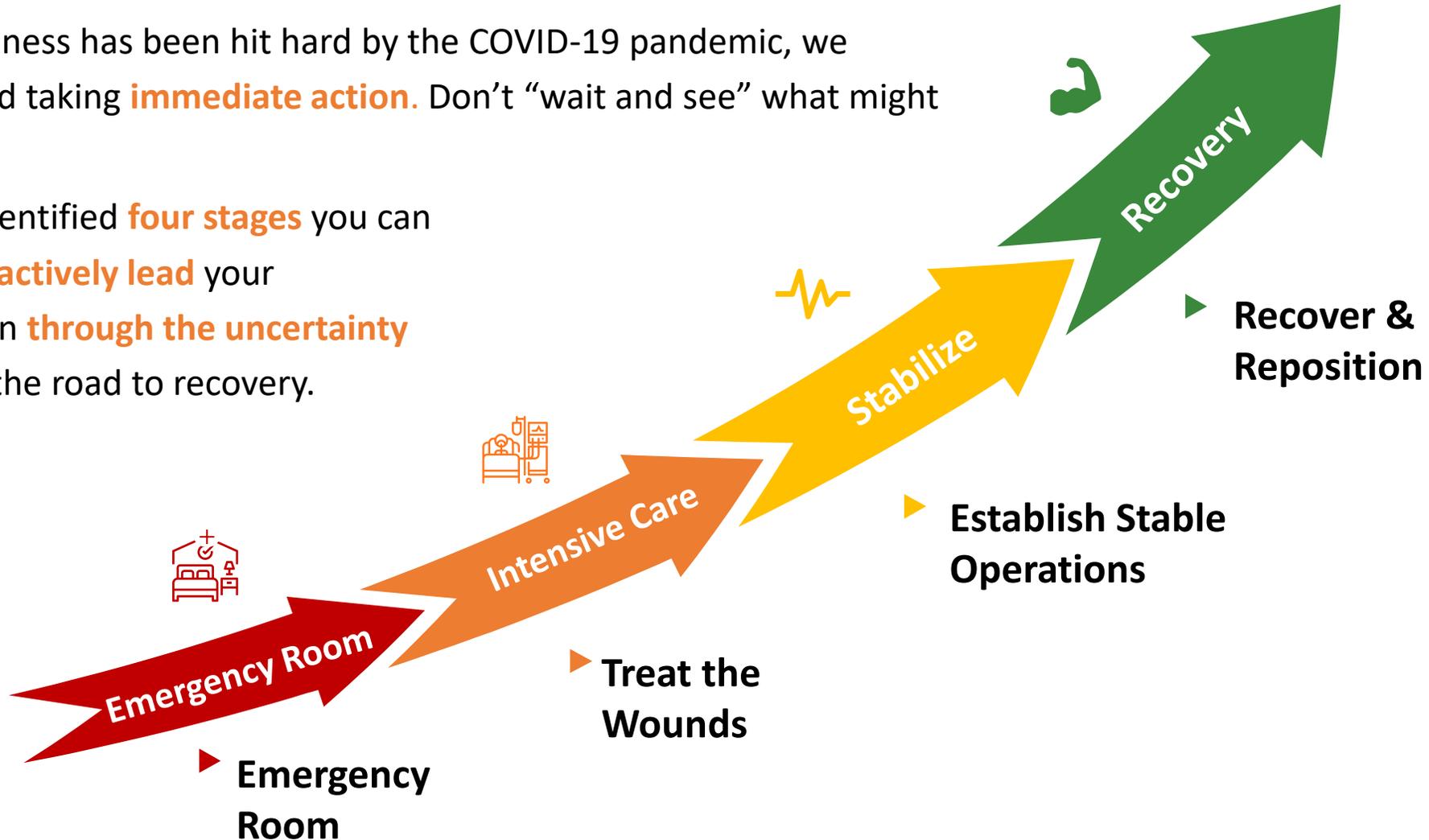
Our Core Assumptions

- The spread of this pandemic will lead to **major disruptions** in almost every industry.
- A “**wait and see**” approach could be destructive – **prepare for the worst** and **hope for the best**
- No one can predict the future. A **systematic and agile** approach is needed.
- Every customer and employee is experiencing some level of **stress, anxiety, or fear**. **Strong values based leadership** is needed
- No business will remain the same. The disruption will create **opportunities for retooling or repositioning** for those that are **proactive**.

Road to Recovery

If your business has been hit hard by the COVID-19 pandemic, we recommend taking **immediate action**. Don't "wait and see" what might transpire.

We have identified **four stages** you can take to **proactively lead** your organization **through the uncertainty** and down the road to recovery.



Business Response Plan

Emergency Room

Priority: Stop the bleeding

- Rally key leadership team
- Set the baseline
- Make swift & necessary no-regret decisions/actions
- Record key realities & memorialize decisions
- Assign responsibilities & meeting cadence

Timeline: 1-2 Days

Examples of Triggers

Intensive Care

Priority: Treat the wounds and address the unhealthy areas in your organization

- Establish & track metrics (key vitals)
- Identify & remove unhealthy people & processes
- Preserve key assets (brand, facilities, etc)
- Create a network of sub-teams

- Execute stakeholder communication plan (customers, employees, suppliers, investors)
- Develop & execute employee care and development plan

2 weeks

- Cash reaches "x"
- Government mandates operational shutdown

Stabilize

Priority: Establish new normal & strengthen core

- Ensure critical operations are stable and functioning
- Create recovery scenarios
- Consider retooling opportunities
- Keep eyes on offense & opportunity (research – global trends, market, supply chain, etc)
- Test ideas & assumptions (market, supply chain, investors)

Unknown

- Medical consensus on the end of COVID 19
- Domestic travel & border restrictions begin opening
- Customer demand increases

Recovery

Purpose: Recover and reposition to restore health

- Ramp up people & operations
- Increase spend to attract customers
- Continue to control costs
- Implement new processes, systems, standards, etc.
- Secure capital (if needed)

Unknown

1. Getting Started in the Emergency Room



Main Priority: Help your leaders and organization recognize the urgency of the times, align to secure the safety of stakeholders and stop the financial bleeding.

Rally Key Leaders



- ✓ Rally key leaders with a wake-up call and clear sense of urgency
- ✓ Avoid inaction and a “wait and see” approach

Key Questions to Answer:

What is a realistic picture that recognizes there is no certainty on when things will improve?

What will need to change with your communication and meeting cadence?

Set a Baseline



- ✓ Determine clear financial picture around cash flow, profit/loss, etc
- ✓ Identify cost cutting measures
- ✓ Determine worst case scenario for supply chain, project schedules, and other operational critical areas

Key Question to Answer:

How deep can your cuts go without inhibiting your ability to recover once stable?

Take Swift Decisions



- ✓ Take swift decision and action – don’t wait for perfect information
- ✓ Focus on areas of high impact and high priority
- ✓ Overcommunicate

Key Question to Answer:

What key priorities and “no regret” decisions / actions should you make quickly?

Establish Key Responsibilities



- ✓ Establish response teams to address critical functions
- ✓ Traditional job descriptions are put aside
- ✓ Outline daily responsibilities and reporting cycles

Key Question to Answer:

Who is the best person to take on each key responsibility?

2. Moving through Intensive Care



Main Priority: Address the unhealthy areas in your organization and enlist the larger organization in your response.

<p>Establish stakeholder communication plan</p>	<p>During times of uncertainty, increased communication is vital.</p>	<ul style="list-style-type: none"> • <i>Who are your key stakeholders?</i> • <i>How often should you be in contact?</i> • <i>What is the best media and approach?</i>
<p>Implement employee care & development plan</p>	<p>During times of crisis, more care and attention is needed, and development challenges are available.</p>	<ul style="list-style-type: none"> • <i>What current needs are your employees facing?</i> • <i>Who can you give development challenges to?</i> • <i>How can you build your culture during this time?</i>
<p>Establish and Track Metrics (Key Vitals)</p>	<p>Preserve Key Assets</p>	<p>Remove Unhealthy People and Processes</p>
<p>To ensure rapid responses to changing circumstances, it is essential to keep a pulse on key metrics.</p> <ul style="list-style-type: none"> • <i>What information do you need to inform your leadership decisions?</i> • <i>What can you measure that will give you close to real time feedback on progress?</i> 	<p>To ensure you can recover in a stronger position, it is important to ensure care of key assets, including:</p> <ul style="list-style-type: none"> • <i>Brand</i> • <i>Customer Relationships</i> • <i>Online Presence</i> • <i>Vendor Relationships</i> • <i>Physical Assets</i> • <i>High Potential Employees</i> 	<p>This can be a time to “prune” your organization so that you can come back stronger when the pandemic is over.</p> <ul style="list-style-type: none"> • <i>Who are the team members that are dragging back your team (Think performance and culture fit)?</i>

2. Moving through Intensive Care

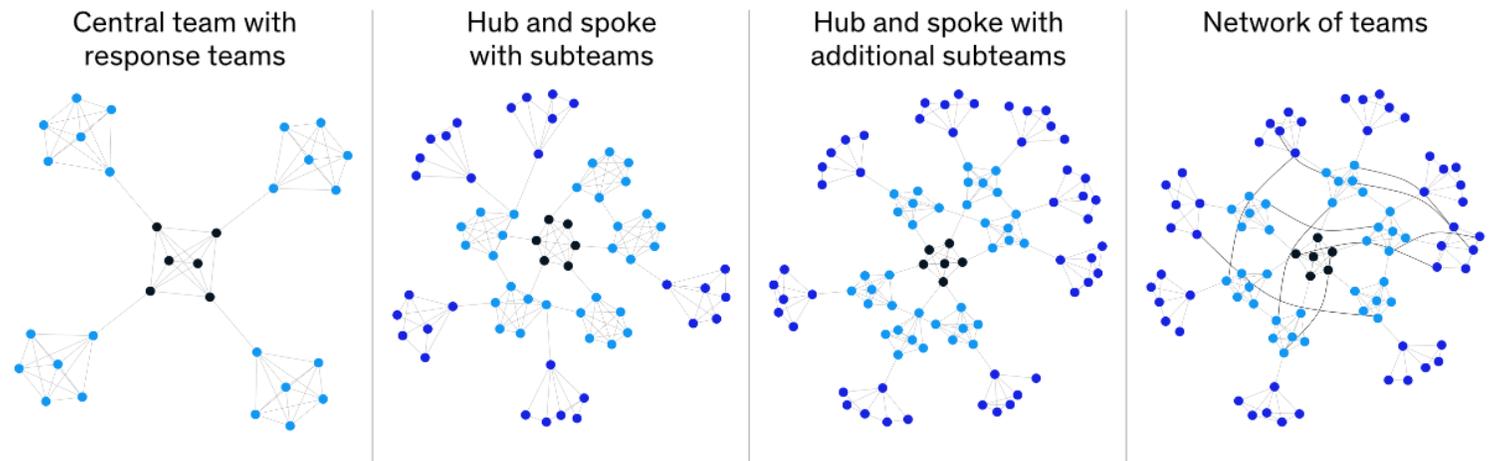


Establish a Network of Teams

In times of crisis, a different structure is needed to ensure rapid responses to issues that emerge while limiting organizational red tape and approvals. Keep the following in mind:

- *Cross-functional teams becomes dominant, the regular structure is secondary.*
- *The network of teams evolve and adapt. Teams form and disband as priorities and challenges change.*
- *This approach requires initiative and self organization.*
- *Stay out of the way, but ensure a high level of transparency and visibility*

The hub-and-spoke model evolves into a network of teams when peripheral teams start connecting and collaborating directly with one another.



[To weather a crisis, build a network of teams](#)

By Andrea Alexander , Aaron De Smet, Sarah Kleinman, and Marino Mugayar-Baldocchi

McKinsey
& Company

3. Stabilize & Strengthen



Main Priority: Establish a “new normal” that is productive and healthy, while strengthening your organization and core business so you are ready for recovery.

Establish a new cadence & operational routine

A new cadence and routine is needed during these times to ensure your team is productive and healthy. Consider the following:

- *What is an effective meeting cadence for your operations & network of teams to ensure quick responses & healthy relational connection?*
- *How can you ensure good visibility & accountability?*

Create recovery scenarios

Recovery scenarios will help ensure you are ready when your industry opens up. Consider short, medium, and long term timelines with different market responses (ie. V, U, W recovery scenarios). Key areas to consider include:

- *Financial projections, operations & staffing, supply chain management, marketing*

Consider retooling & repositioning opportunities

Depending on your situation, this may be the ideal time to consider repositioning your entire business, or just retooling aspects of your operations. Form sub-teams to lead your retooling efforts for each area to work through the following process:

- Evaluate -> Explore options -> Plan to adjust or pivot

Keep eyes on offense & opportunity

Anytime there is disruption, opportunities to meet needs and provide solutions also abound. Keep your eyes open. Set up a team or individuals to conduct research on things like global trends, market shifts, customer sentiment, and supply chain.

- *How ready are you to jump on opportunities that may come?*



Test ideas & assumptions that emerge

Triggers

While in the stabilize stage of your journey, watch for triggers that may signal you need to either head back to the emergency room or that you can prepare to move on to the recovery stage.



Back to the Emergency Room where you will need to:

- Rally the team again
- Re-establish a new base line
- Take swift, no-regret decisions



Examples of Triggers

- Cash reaches "x"
- Government mandates operational shutdown

- Medical consensus on the end of COVID 19
- Domestic travel & border restrictions begin opening
- Customer demand increases



On to the road to recovery where you will begin:

- Executing your plan based on the appropriate recovery scenario

What triggers are you looking for?

4. Recovery



Main Priority: Recover and reposition to restore business health.

Execute appropriate recovery plan. Adapt and pivot as needed.

As you implement your recovery plan, focus on:

- Ramping up people & operations
- Increase spending to attract customers (evaluate and adjust)
- Continue controlling costs (Your team will want to spend after months of holding back)
- Implement new processes, systems, standards, etc.
- Secure capital (if needed)

Keep the following things in mind:

- The environment will most likely still be volatile. You will need to adapt and adjust quickly.
- Ensure implementation of new systems and process from the beginning. It can be easy to slip back into old patterns.
- Customer sentiment may shift quickly. Stay close to your customers.

How We Can Help

Business Response Coaching

Help you create **clarity in the uncertainty** through the development of a **systematic plan** that ensures that you can lead your organization **through the most critical moments** toward a **healthy recovery**

Deep Dive

A facilitated **deep dive with your executive team** into your **most pressing problem areas** to help you develop a **clear action plan** to move you forward

Go on the Offense

Facilitated **ideation sessions** with your executive team to help you **reimagine** and **restructure** your business to emerge from this global crisis in a **position of strength**

[Reach out](#) to schedule a quick call to hear how we can help you lead with clarity in this uncertainty

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