



# What actions should we be taking to protect our businesses? These . . .

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**A**s the impact of the crisis intensifies, businesses are preparing for — and undergoing — extreme disruption. The Covid-19 threat is unprecedented and there is no single approach to managing successfully through this environment. So how do you weather this storm, create stability and protect value for the eventual recovery?

## **Act fast**

First and foremost, protect the physical and emotional health of employees and partners. We must take care of those who contract the virus and join the global community in taking steps to slow its spread.

Recognise the situation for what it is — a crisis. Leaders must communicate constantly to remind their organisations that they are doing whatever it takes to manage through these turbulent times, consistently and transparently.

Form an emergency response team of senior leaders to make all decisions and coordinate all communications. This is no time for confusion — clarity provides security. Once in place, this team must focus on short-term needs, from liquidity to operations to technology.

Liquidity positions must be adequate for the duration. If they are not, take swift action. A sudden crisis renders existing plans and models obsolete and priority must be given to near-term financial health.

Worst-case scenarios — in both magnitude and longevity — should be modelled and stress-tested. What structural changes might be implemented should the crisis deepen or linger? Can supply chains be made more resilient through duplicating or decoupling critical suppliers based on geographic or regional events? Kimberly Clark is adjusting production and inventory allocation to fill the supply chain gap in producing [toilet paper](#). Operational leadership must believe in and be willing to apply those changes before they become a necessity.

From a technology perspective, staff who can work remotely should be enabled to do so, while also minimising cyberrisks. Are security tools deployed on your network to protect remote working? In the longer term, accelerate your migration to a cloud and software-as-a-service-based operating model, which will enable scalable and flexible remote working, access to data and rapid development of new applications, regardless of location.

### **Be rational**

It is easy to get swept up in the adrenaline of crisis management. Once emergency plans are in place, work on protecting the franchise.

Stay close to clients. Invest in relationships. What issues are they facing? What best practices can be shared? What specific protocols can be established to support business continuity and safety?

Making changes to support customers today will help businesses longer-term. Zoom is offering free services for schools and has lifted its 40-minute meeting limit. Gyms are offering free online classes to connect with and retain members.

Supporting key commercial relationships and business partnerships in hard times is vital and can build long-lasting ties. In a crisis, customers and suppliers are not merely arm's-length partners.

## **Think ahead**

Once stability has been established, look to the future. Those that thrive will be the ones thinking about opportunities. Investments should continue. Capital expenditures may be extended, budgets adjusted. A message of “stop till further notice” is rarely rational and will crush morale and performance.

Evaluate all stakeholder relationships. If things worsen and difficult decisions must be made, do so with the benefit of careful analysis. These are not scenarios anyone likes to consider, but, as business leaders, we must keep the survival of the overall franchise at the forefront.

Changing competitive dynamics also may offer opportunities for those prepared to act quickly and adeptly. Opportunities for consolidation may present themselves.

Companies should be prepared to make operational changes, such as the elimination of unprofitable product or service lines that might have been more difficult in normal times. Prospective clients may be underserved during this time of stress. Be mindful of these and prepared to move quickly should opportunities emerge that will serve companies well when conditions stabilise.

There are few certainties in a time of crisis — except that they are all different and they all end. How a business fares in these times is partly down to the external environment — which is beyond management’s control — and the speed and quality of their crisis management — which isn’t.

Right now in the Covid-19 crisis, the decisions you make really matter to your business’s chance of survival.

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