



Crisis Management: Planning a Response to the Covid-19 Pandemic

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Until recently, most business managers and owners did not have crisis management experience. However, the Covid-19 pandemic has thrust crisis management to the forefront. The critical question for stakeholders today is, "How does our business survive the Covid-19 crisis?" While the answer to this question is unique to each business, there are key questions for managers and owners to ask themselves in order to plan a response in these unprecedented times.

As in any crisis management situation, start with a focus on the core business to ensure its viability as a going concern. To help managers develop plans to work through this crisis, we present a structured list of critical questions to evaluate the situation. The answers to these questions form the basis of disciplined analysis to address critical issues.

Outline of Key Questions for Covid-19 Crisis Management

- I. Revenue
 - a. What are our core products and services?
 - i. How do we continue to product / provide the service with social distancing measures in place?
 - ii. How do we continue to deliver to customers and ensure they are comfortable with the manner in which we do so?
 - iii. Is there a market opportunity due to the Covid-19 pandemic and can we take advantage of it?
 - b. Are we addressing secondary products and services in the same manner?
- II. People
 - a. How do we ensure that the people we rely on (both employees and contractors) are safely following guidelines for social distancing?
 - i. In our offices/factory?
 - ii. At customer sites?
 - b. How are we communicating with our people?
 - i. Is it effective and comprehensive?
 - ii. Are we communicating enough?



- c. Are we embracing our employees?
 - i. Are they engaged with change process?
 - ii. Are we listening to their concerns and suggestions?
 - d. How are we engaging our contractors to ensure that we are on the same page?
- III. Process
- a. How do we redesign processes to support the safety of our people and support our core business?
 - i. Is remote work possible?
 - ii. Do we have to redesign service or manufacturing processes to provide for social distancing?
 - b. What changes do we need to make to financial and operational controls under the new business processes?
 - c. What changes need to be made to our business support functions (HR, IT, Legal, etc.) in order for them to continue to support the business?
 - d. How do contractor involved processes need to be updated?
 - i. Social distancing changes?
 - ii. Changes to support updated business processes?
- IV. Systems
- a. Do our current software/systems support the proposed changes in how we do business during the crisis?
 - i. What changes/upgrades do we need to make to existing software/systems to facilitate the changes to business processes?
 - ii. Do we need additional systems or software to support new business processes?
 - 1. What is the timeline to implement new systems?
 - 2. What process/system will be used prior to the new implementation to keep the business functioning?
 - 3. Will we use it once the current crisis is past?
 - 4. What are the alternatives? Can we use manual processes during the crisis instead of a new software/system?
 - b. Are there outsourced solutions that we can use to support the changes in the business?
- V. Costs
- a. Based on the information from items I-IV above, what are the cost implications?
 - b. Can the business support the new cost structure?
 - i. Do we need to restructure the business?
 - ii. Are furloughs or layoffs required?
 - c. Can we improve cash flow?
 - i. Are there ways to reduce operating costs?
 - 1. Can we renegotiate payments for leased equipment or facilities?
 - 2. Can we renegotiate debt instrument / payments?
 - ii. Are there opportunities to reduce operating capital?
 - 1. Have we discussed payment options with vendors?
 - 2. Have we discussed terms with customers?
 - iii. Can we obtain additional financing for the costs of incurred due to the pandemic?



1. Have we reached out to our bank to discuss loan options?
2. Do we have investors that can contribute additional capital?
3. Does our business qualify for any U.S. Federal Government loan programs?

When working through crisis a management planning exercise we encourage managers to think outside the box. Also, engage multiple layers of the business to develop plans. Ideas come from unexpected places and it is a best practice to consider all ideas regardless of their source.

Once management has developed a plan, we encourage frequent review of that plan. New developments and changes in assumptions may require numerous revisions. With a structured approach and a well-developed plan, even inexperienced managers can help their businesses survive the Covid-19 crisis.

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