



SAILING OVER THE CRISIS

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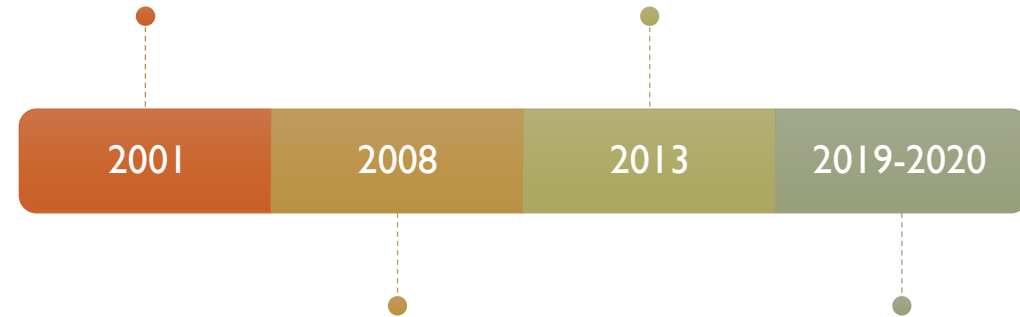
SERIES OF CRISIS OF DIFFERENT NATURE



Sep-11



Westgate Terrorist
Attack (Nairobi)



Financial Crisis

Covid19



A CRISIS CAN CONCLUDE WELL OR BADLY, BUT ITS
OUTCOME IS FUNDAMENTALLY UNCERTAIN

The term “crisis” derives
from the Greek “krisis”,
meaning decision or
judgment.



TAKE CARE OF YOUR PEOPLE

The job of the Leader (Company, Family, State..) is to do everything possible to make sure they're taken care of.

Do what's needed to build trust and loyalty with your employees and customers and that loyalty will survive beyond this crisis.

Remember, there will be a beyond

- That's everyone's first duty
- Caring directly for those who are exposed to the risk
 - Employees, Customers, Providers



ASSESS THE SITUATION AND PREPARE FOR THE WORST

People

- Employees and customers are probably experiencing **fear or panic**

Business

- Substantial revenue disruption
- **Potential liquidity crisis**
- Plan for **multiple quarters of lower revenue**



- **Await-and-see approach is a nonstarter**
- Appoint a senior fully dedicated **Crisis war room team** focused on this
 - All day,
 - Every day.



TAKE ACTION !

- Get the full team aligned with the true severity of the crisis situation and worst-case financial scenarios

PRIORITIZE

PRIORITY NO. I
SET SAFETY



PRIORITY NO. II
CASH CONSERVATION AND LIQUIDITY



PROTECT YOUR EMPLOYEES AND CUSTOMERS

Implement the best-known guidelines available
for both employees and customers

Overcommunicate (360) with full transparency



STRESS TEST P&L AND LIQUIDITY

Outline macro scenarios, translate into revenue-decline and P&L scenarios

- Units, revenue, costs
- Capex, working capital, cash/liquidity
- 13-week, four-quarter outlook

Build extreme downside scenarios

Do-now hand-brake actions vs. do-later break-the-glass initiatives



DEFEND AGAINST REVENUE DECLINES

Take a customer-centric view

How will you build trust, loyalty and market share through and beyond this crisis?

Build specific revenue-mitigation actions for declines in core revenue streams



STABILIZE OPERATIONS FOR THE NEW NORMAL

BUILD CONTINGENCY OPERATIONAL PLANS FOR ALL ASPECTS OF THE BUSINESS

- Stabilize supply chains of physical goods
 - Manufacturing, distribution, suppliers, suppliers to suppliers
- Build contingency operational plans for all aspects of the business
 - Frontline facilities, costs, variable labor staffing
 - Temporarily close locations or suspend operations

PLAN URGENT COST CUTS TO CONSERVE CASH

- Spending hand brakes
 - Immediate actions (e.g., hiring freeze, opex, capex..)
- Set aggressive break-the-glass cost actions triggered by more extreme revenue scenarios
 - This is (may be) about saving the company—no ideas are too extreme.
- Medium term, outline a plan to lean out the cost structure for the future—more automated, more variable, more shock-resistant



STRENGTH

doesn't come from what you can do. It comes from overcoming the things you once thought you couldn't.
Rikki Rogers

