



COVID-DRIVEN URGENT PLANNING - A 2-STEP PROCESS TO ADDRESS UNCERTAINTIES

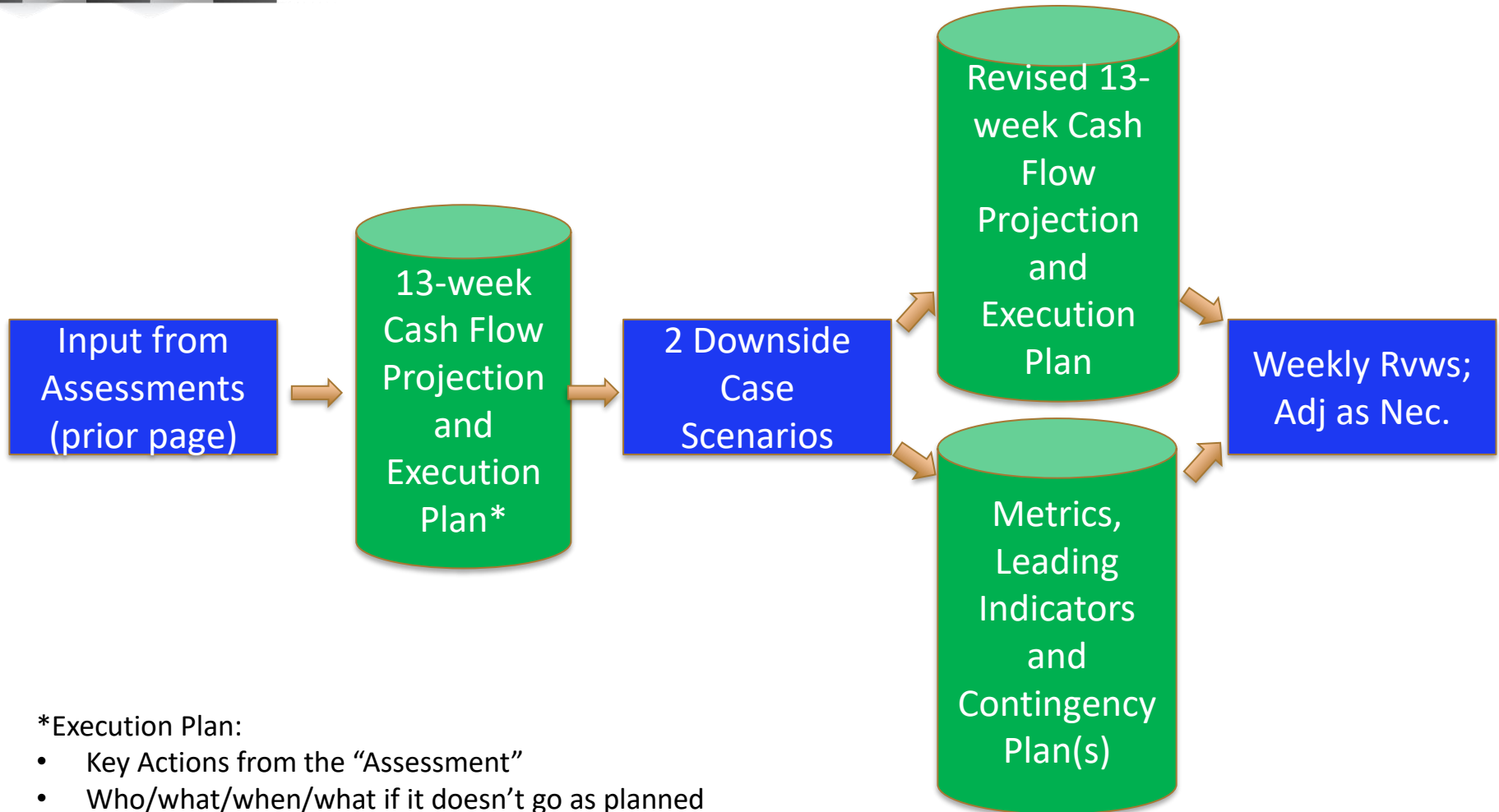
- Businesses are reeling from all the events and being inundated with programs, communications, requests, etc.
- Even those with a solid strategic plan, operating systems and balance sheet may find themselves facing significant uncertainty
- Even the largest and strongest should approach this situation like it is a turn-around
- Following are some simple steps to assess the uncertainties, develop tools to manage through the process and create contingency plans in the event of further downturns
- While the immediate need is to assess the shutdown situation in applicable states, the planning outlined in the following slides should follow immediately



STEP 1 - ASSESS THE FOLLOWING

- **Government-imposed Changes** – State Orders; Requests for Assistance
- **Industry-specific Implications** – Essential Businesses; Re-tooling/repurposing; Supply shortages
- **Top Customers** – financial stability and collectability of A/R; assurance requests; customer requests for different terms
- **Key Suppliers** – financial stability and ability to perform; possible re-directs; secondary sources; negotiate different terms
- **Operational Implications** – reactive to external changes (e.g., orders drop) proactive (e.g., reduce spending and stop projects); plan for possible second wave?
- **Labor Implications** – what should we do proactively? What are our mission critical positions? How do we handle mass sick days? Social distancing/safety; implement the infrastructure to administer government programs
- **Financial Implications** – Income statement; Balance sheet and cash flow; debt terms and availability; availability of government programs (e.g., pending Fed program for forgivable loans, SBA Disaster Recovery loans, tax deferrals, etc.)
- **Communications** – identify constituencies (e.g., customers, suppliers, employees, lenders, others); what are their needs?
- **Does this create any New Opportunities** – Risk? Cost? Distraction?

STEP 2 – PLAN, REVIEW AND EXECUTE LIKE YOU ARE IN A TURN-AROUND



*Execution Plan:

- Key Actions from the “Assessment”
- Who/what/when/what if it doesn’t go as planned



CSAS CONTACT INFORMATION

If you want to discuss this 2-Step planning process or tools for the cash flow projection and contingency planning, contact Coolidge Strategic Advisory Services:

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