

COVID-19

# RAPID RESPONSE

## CHECKLIST

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Treat this as a rapidly evolving document, current version as of 3/19

[MOST RECENT VERSION →](#)

Help us enhance this critically important checklist by sharing your perspective in our survey

[5 MIN BENCHMARKING SURVEY →](#)

Additional COVID-19 related thinking & material

[ADDITIONAL MATERIALS →](#)

## TEAM HEALTH & SAFETY

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- 4 Ensure compliance with regulatory requirements

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- 3 Adapt resources to meet business needs
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- 5 Prepare for “bounce back” scenarios

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- 3 Revise financial plan and perform scenario-based stress tests

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- 2 Engage the organization
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- 4 Lead with purpose & integrity

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PEOPLE PRIORITIES

REMOTE WORKING

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SUPPLY CHAIN

### Corporate Finance & Strategy

CASH OFFICE

### Marketing, Sales & Pricing

COMMERCIAL RESPONSE

SALES

# TEAM HEALTH & SAFETY

## 1 Reduce risk of transmission

### Hygiene and cleaning

- Adjust workplace cleaning protocol (e.g., increase in-office cleaning, reinforce station changeover SOPs)
- Conduct health/temperature check for employees/visitors at workplace where warranted
- Communicate personal hygiene good-practices; educate on social distancing measures
- Provide masks, wipes etc. for onsite employees

### Separate teams to ensure they work in different, satellite locations and/or non-overlapping time slots (e.g., every other week)

- Implement A-team / B-team splits for onsite operations
- Restrict use of office for certain groups (e.g. visitors, non-critical personnel) and reduce in-person meetings (e.g., trainings, daily operations stand-ups), face-to-face interaction, and social gatherings
- Establish work-from-home (WfH) policies where possible and ensure appropriate technological infrastructure support (e.g., IT solutions, VPNs, virtual meetings including video-conferences)
- Adjust travel policies (e.g., reduce non-essential travel—especially to highly impacted areas, reduce cross-facility travel and third party presence) and modify sick leave policies to align incentives and encourage precaution

## 2 Support those that are/may be infected

- Introduce employee self-quarantine policy based on travel history/health status
- Create a safe channel for employees to notify company about an infection
- Provide contact information for tele-docs for remote counselling (and expand availability if needed)
- Establish policies around forced time-off in case of infection/quarantine and refine paid time off policies – and return guarantees– to prevent sick employees from coming to work
- Identify, monitor, and protect critical personnel, roles, and activities

## 3 Manage stress and boost morale

- Communicate proactively about all aspects of the business and efforts undertaken
- Organize information sessions and calls to address employees' questions
- Prepare for changes in environment (e.g., policy changes in the case of a reduction in government services such as school closures)
- Start thinking about target-setting and implications for compensation in a time of uncertainty

## 4 Ensure compliance with regulatory requirements

- Ensure compliance with regulatory requirements (e.g., OSHA, FMLA, ADA in the US)
- Engage with work councils and unions as appropriate for respective region(s) of operation

# BUSINESS STRENGTH

[Continue to Part 2 →](#)

## 1 Preserve topline and build trust with customers

### Establish demand-side rapid response team to monitor marketing, sales and pricing implications

- Model topline revenue implications and adapt go-to-market (e.g., implications for salesforce effectiveness)
- Monitor key metrics to prevent capitalizing on the crisis for short-term gains (e.g., price gouging)

### Understand changing customer needs

- Reach out to customers to understand their situation and needs; communicate clear plan to mitigate risks and ensure business continuity
- Observe and respond to shifts in customer behaviors; use '01 and '08 shocks to predict likely shifts
- Define actions/messages to show confidence and ensure ability to deliver to customers (e.g., multichannel, people-light approaches)
- Build confidence with customers in small (e.g., sanitizer at POS) and big ways (e.g., mass outreach, adjust return policy)

### Refocus product and service offering

- Evaluate opportunities to ensure stronger linkages with key customers (e.g., via contracts, discounts, financial support)
- Resource less affected channels, products and services appropriately (e.g., focus on online vs. offline retail)

## 2 Reinforce ability to supply

### Establish supply chain rapid response team to monitor and update assessments and actions

- Prioritize public health and safety-critical products and services and ensure alignment and awareness upstream and downstream
- Mobilize central “war room” to evaluate and address supply vulnerabilities and monitor risk daily
- Actively communicate to minimize business disruption from supply constraints (review impact on manufacturing, suppliers-tier 1/2/3, logistics)
- Implement product/service allocation processes for constrained assets and/or supplies
- Plan for reductions in range of offerings to reduce complexity while maximizing stakeholder / customer benefit

### Understand liquidity and business position of key suppliers and associated risks

- Create “COVID-19 Supplier Audit”, assess critical vendors (also consider vendor risk given location, size, operational processes, etc.), and provide action oriented feedback
- Provide financial/non-financial support to value chain partners (if feasible)

### Identify and mitigate risks with both immediate and mid-term view

- Activate alternatives and contingencies for critical components, operations, and logistics routes
- Plan for near & long term impact in conjunction with lead times & value chain (critical S&OP focused on 3-12 mos., not just immediate term)
- Evaluate alternative demand/supply scenarios and their impact on capacity, and determine mitigation strategies (new local sourcing, etc.)
- Shift inventory position to manage impact of near & long term market/health scenarios (e.g., safety stock/forward buying, space constraints)
- Ensure proper safety precautions inbound from suppliers and outbound from facilities with consideration to lead times



# BUSINESS STRENGTH

← Return to Part 1

## 3 Adapt resources to meet business needs


- ❑ Identify and prioritize critical products/services needed for rapid response
- ❑ Focus on critical constraints in internal as well as external value chain elements
- ❑ Assess and manage Shared Service Center risks to ensure business continuity, in particular when off-shored/outsourced
- ❑ Where possible, explore opportunities to partner with other companies to optimize resources (e.g., delivery companies borrowed staff from physical restaurant chains in China)

## 4 Monitor & respond to market and competitive dynamics

- ❑ Leverage lessons learned from other countries where the crisis has progressed further (e.g., China)
- ❑ Track competitors’ situations and actions to inform strategic, operational, and financial decision-making
- ❑ Examine sector-viability: Identify collaboration opportunities to accelerate resolution (e.g., collaboration to develop COVID-19-vaccine)
- ❑ Re-define budgets and targets as frequently as possible and necessarily (e.g., daily, weekly, monthly) by geography/ market/segment
- ❑ Leverage intelligence (e.g., activate your salesforce for customer/distributor outreach surveys) to identify “inflection point” (when the situation gets stabilized and consumption confidence returns) & ramp up/redirect sales activities, inventory, trade support, and marketing

## 5 Prepare for “bounce back” scenarios

- ❑ Identify company-specific scenarios informed by potential macroeconomic scenarios (e.g., “W”, “U”, “L”, “V”)

 **SEE SCENARIOS**
- ❑ Ensure appropriate capacity (internal or external) to respond to potential shifts in demand
- ❑ Actively assess acquisition opportunities (e.g., distressed assets, countercyclical investments)
- ❑ Explore opportunities to configure “comeback marketing campaign” in advance, quickly pick up ad spending post-epidemic (craft new product and service story and create new selling points)
- ❑ Prepare for bold moves and implement learnings with regards to business model modifications

# FINANCIAL RESILIENCE

## 1 Manage cash and liquidity

### Establish liquidity office to forecast cash flows and manage/mitigate risks

- Ensure rigorous, prudent cash management and governance and reduce non-critical uses of cash
- Prepare for significant changes to cash conversion cycle (e.g., cash terms with key suppliers and customers)
- Adjust working capital (inventory management and payment terms) to ensure ongoing delivery of high-priority products / services
- Review debt retirement schedule and covenants

### Stress test cash-flow from financing / investing based on market scenarios

- Secure and/or access financing options (e.g., credit lines, revolvers); engage with debt holders/banks to discuss potential for extended financing
- Assess credit risks to current accounts receivable
- Review of commitments, MAC clauses and Force Majeure options

### Assess viability of current investment roadmaps and dividend policy and share repurchase plans

- Postpone non-critical capital expenditure
- Rationalize short/medium-term capital spending unless it offers a clear longer-term competitive advantage
- However: Identify opportunities to bring forward asset enhancements if cash/liquidity is not an issue and asset not/only marginally utilized due to outbreak (e.g. store/hotel renovations, servicing of equipment)

## 2 Ensure cost discipline

- Ensure procurement control tower in place (e.g., PO authorization processes, active management of open POs and delivery schedules)
- Variabilize cost to as great an extent as possible (e.g., enabling voluntary LOAs, slowing or pausing discretionary hiring)
- Understand employee base (e.g., best attendance records, longest history with company) to prepare for uncertain future
- Avoid conducting business-as-usual under pre-crisis assumptions (e.g., signing lease agreements or renewals)
- Mitigate or redirect discretionary spend to build financial flexibility (such as marketing, however, avoid removing all ads and cautiously select marketing channels during epidemic)

## 3 Revise financial plan and perform scenario-based stress tests

- Conduct scenario planning and develop action plan accordingly
- Perform financial and liquidity stress test and conduct rollings forecasts
- Engage with shareholders and assess activism vulnerability
- Revise target-setting and objectives (e.g., sales targets, production plans, related KPIs)
- Communicate financial resilience to key stakeholders
- Explore alternative and deferred compensation models for high-earning colleagues

# EXECUTION CLARITY

## 1 Coordinate and scale response and planning

**Set up a central, cross-functional, rapid-response team (PMO) to make clear decisions, and monitor/take control of the situation (enabled with necessary decision authority and sufficient staffing to take a day-to-day agile approach to navigate changing environment)**

- Identify critical processes and key resources (HR, Finance, Procurement, IT, Legal, Real Estate etc.)
- Set up daily rapid response meetings to provide fact-based analysis to enable fast, high quality decision making



**LATEST SCENARIOS**



**RAPID RESPONSE  
PMO TEAM**

**Develop concrete action plans based on 3-5 medium term macro-economic scenarios (i.e., “W”, “U”, “L”, “V”) and clearly communicate action plans to key stakeholders**

- Macro: Vary scenarios by shape and severity of broad economic impact
- Internal / company-specific: Build view on potential impacts to team, P&L, cash flow, and balance sheet
- Identify, track, and mitigate existing and new risks

**Protect leadership continuity**

[← TEAM HEALTH & SAFETY](#)

## 2 Empower the team

- Tell your employees what they should be doing in order to prevent organizational paralysis, confusion and misinformation – Communicate, communicate, communicate!
- Provide clear direction on operational boundaries and principles (e.g., owned and shared accountabilities, decisiveness, entrepreneurial mindset, act rapid, flexible & engaged) to enable frontline leaders to execute
- Establish a two-way communication / Q&A channel

## 3 Engage the organization

- Gauge current sentiment within organization (e.g., via short online survey, dedicated communication channels, cascading team calls)
- Provide honest and frequent 360-communication through multiple channels
- Set up a digital information hub for all the latest policies and information
- Unlock discretionary effort beyond regular roles and responsibilities by suggesting “if you want to be involved in X, then contact Y

## 4 Lead with purpose and integrity

- Find ways to support your employees, community and society
- Reinforce your vision, mission & purpose and/or highlight critical elements of your company’s value to customers
- Leverage your resources/network to make a difference by providing products and services (beyond monetary donations) to affected people at your company and in your communities

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