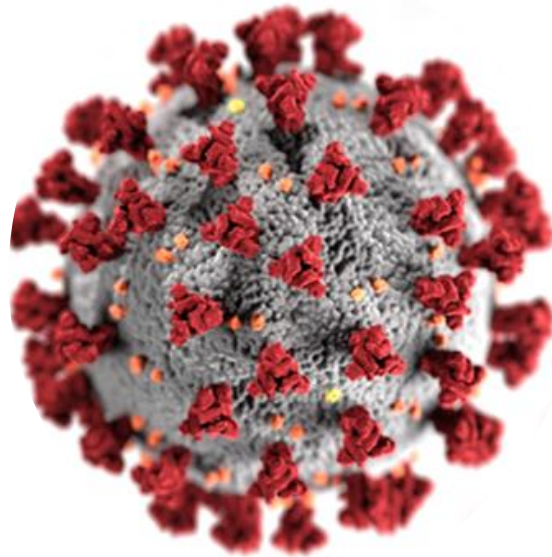


# BRIGHTWOLVES<sup>®</sup>

*Impacting Transformation*



**COVID-19**  
**Planning for recovery**

*Empowered by*  **Quanteus**  
**Group**

April 2020

# Why should you use this tool?

**One hundred days ago the Covid Virus first made headlines, one month ago Europe went into lockdown. The last weeks most companies were occupied with putting out fires to ensure a level of business continuity.**

**Now comes the time to plan for recovery and think beyond traditional boundaries of organization. In this tool we lay out a straightforward framework to plan your recovery.**



# Recovery - During which a company learns and emerges stronger

Measures to be taken throughout the organization, operation and finance

## Organization



- Set-up cross-functional **recovery leadership team** to enable quick **decision-making** capabilities
- Put in place open, transparent and two-way **communication** systems to retain **employee engagement**
- Facilitate easy **knowledge/skill transfer** to enable flexible **resource reallocation** to value adding services

## Operation



- **Mitigate risk in supply chain:** e.g. diversifying suppliers, re-examining 'just-in-time' strategies
- Focus on clear and frequent **communication** with key **stakeholders** (up- and downstream)
- Implement **dynamic sales and operations planning (S&OP)** processes to enable flexibility in operations

## Finance



- Outline different **scenarios** – during and after recovery – translated into **cash flow simulations**
- **Deleverage** financial position to resolve any potential **solvency issues**
- Install **cost conscious mindset** to sustain cash flows in turbulent period



# Organization - Shift from peace-time to wartime mode

Set-up recovery leadership team, ensure open communication and facilitate resource reallocation

## Set-up recovery leadership team



- **Fully dedicated cross-functional** team to enable quick decision-making capabilities
- **Visible** throughout the whole organization with open communication channels
- **Double mindset:** defending, protecting and reacting on the one hand and creating, innovating and imagining on the other

## Ensure open communication



- **Transparent** communication by sharing a clear plan and showing how decisions are made
- **Two-way** communication to be able to proactively respond rather than react, anticipating people's changing needs
- **Maintain trust** by demonstrating care for individuals as well as the wider workforce and community, retaining employee engagement

## Facilitate resource reallocation



- **Knowledge/skill transfer** to adapt and prepare for retooling period during and after recovery
- **Focus** on current value adding services, but anticipate shift when recovery commences
- **People** as first and most important resource, but also consider potential required capital and asset reallocation

Every leader will need to shift from a peace-time to a wartime mode as soon and effectively as possible to have the greatest impact



# Operations - Think beyond traditional boundaries of organization

Mitigate risks, engage with stakeholders and install dynamic S&OP processes

## Mitigate risk



- **Supply chain risk** must be limited by e.g. diversifying suppliers, re-examining 'just-in-time' strategies and introduce near(er) shoring
- **Proactively assess customer and supplier financial health** to identify challenges and potential solvency risks within the supply network
- Reassess what's **inside vs outside**, form new alliances within your network

## Engage with stakeholders



- **Turn to stakeholders** as this could be an opportunity to create collective solutions, meet new needs and build trust as everyone is affected equally
- **Best intelligence** comes from the crisis itself and you need frequent, fresh and first-hand information to adapt and respond effectively

## Install dynamic S&OP processes



- Facilitate **organizational alignment** between business goals and plans
- "New normal" will require a more **integrated and iterative approach** to S&OP processes and key meetings will need to occur more frequent, weekly instead of monthly
- Commercial dep. will play critical role in **communicating customer priorities** to supply chain organization

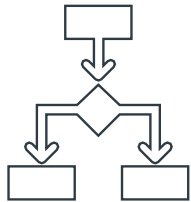
Reconsider your ecosystem and think beyond traditional boundaries of your organization



# Finance - Preparedness is an iterative process

Outline scenarios, deleverage financial position and install cost conscious mindset

## Outline scenarios



- Plan for **multiple quarters of lower revenue** as the recovery may not be a quick bounce-back
- Assess **three cases per scenario**: pessimistic, realistic and optimistic
- Define how to **outperform competitors** and expand market share through and beyond the crisis; M&A roadmap, product or service investments, etc.

## Deleverage financial position



- **Ensure sufficient solvency** to retain an as healthy financial position as possible throughout the crisis
- Ensure that **proper financing** is in place to support growth aspirations in the rebound period
- **Prepare for bounce-back** and recovery via amongst others marketing investments, etc.

## Install cost conscious mindset



- **Spending hand brakes**: immediate actions could include hiring freeze, OPEX and CAPEX
- Focus cost reduction programs on **efficiencies and operational improvements**, not on layoffs as (i) this will decrease employee engagement and productivity and (ii) rehiring and training would cost a lot when the economy picks up again

Keep scenarios actively under constant review as preparedness is an iterative process