

Ten Things You Should Do Now In a Covid-19 World

- 1. As a leader, you set the example.** At a minimum, follow local protocols, such as Safe at Home. Take any additional steps to make sure your people are safe. And that means you. Work from home. Make sure your leadership team is also leading by example (e.g., forcing employees to come to the office in violation of official executive orders or if they need to care for family). And, follow through with the entire organization.
- 2. Stay in touch with your employees and workforce.** Ask how they are faring in this time of uncertainty. Encourage them to reach out to you, the leadership team and to stay in touch with one another. Let them know what is happening. Be honest with them. Share your thoughts on what they can do from home to support the business. You also need to get an understanding of resource needs should your work force be impacted if people can't return to work.
- 3. Reach out to your customers.** Get an assessment of the disruption caused to their business. You are their business partner. You need to know what level of sales or services you will need to provide when work restrictions are lifted. You also need to know when they will be able to pay their accounts receivable.
- 4. Call your vendors.** Without cash receipts being collected and a potential inability to access capital, you won't be able to pay your vendors for the time being. They know this. But instead of ignoring the issue, reach out to them. Dialog is important.
- 5. Preserve cash.** You need to put together a cash forecast for the next 3 months (often called a 13-week cash forecast) so you can identify cash needs.
- 6. Review your insurance policies.** Do you have business interruption insurance? Contact your insurance broker to review your policies. Whether you are protected is subject to the type of coverage you have and the precise language of your policies. You may also have trade disruption insurance or other coverage. Again, your insurance broker should be well-versed in the various types of coverage and their applicability due to Covid-19.
- 7. Assess your business.** Will you try to return to business as usual? What does your future book look like? Did any of your competitors go out of business? This is an opportune time to evaluate changes, such as shifting away from unprofitable products and services and evaluating new products and services.
- 8. Update or prepare a business plan and forecast.** You need to chart the path ahead and can start doing this now. The business plan will guide your thoughts and be a central repository for your ideas. The business plan will also highlight areas needing your attention and help you prioritize your actions now and when this episode is over. It will also give your leadership team a unifying task and, if anything, a diversion from the constant news about Covid-19.
- 9. Open a dialog with your bank.** It is vital that an open line of communication be established and maintained. Your bank is well aware of the liquidity problems caused by Covid-19. They are also well aware that asset values likely have fallen. But don't let that deter you from discussing what is happening to your business and what you will do once your company reopens.
- 10. Be proactive.** Stay abreast of government programs that may provide assistance, such as grants and loans. Communicate and then communicate again. You are the leader and the company needs to hear from you.