BUSINESS TRIAGE & STABILIZATION
Mitigating Coronavirus Disruption

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CohnReznick LLP
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BEFORE WE BEGIN

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GOALS FOR TODAY

- Acknowledge the business and community stressors being caused by the pandemic
- Provide a framework for evaluating the business impact caused by COVID-19
- Offer actions to begin to mitigate the financial stressors for your businesses
- Understand the impact our decisions have on the communities in which we live and work
- Start a conversation on how we can be better prepared for the next disruption
RESPONDING TO DISRUPTION
LESSONS LEARNED FROM PAST DISRUPTIONS

Near Term Disruption

- Drop in Demand
- Supply Chain Constraints
- Credit Tightening
- Labor Availability
- M&A Impact
- Government Stimuli
- D&O Duties & Liabilities
- Employee Mobility
- Available Relief from Courts
- Travel Restrictions
- Policy Changes
- FEAR

Business Response

Now (Triage)
- Things you should check-on or do in this moment that are mission critical to survival
  - Example: Evaluate your cash position

Next (Transition)
- Things you should do to steady the ship after you have solved for your immediate needs
  - Example: Assess remote collaboration capability

New (Transform)
- Things you could do to enhance your competitive position or respond to future market shocks
  - Example: Evaluate supply chain agility
POLLING QUESTION #1

How would you characterize the magnitude of COVID-19 disruption to your business:

a) I’m facing an immediate, temporary, or permanent closure of business operations
b) I am in a “triage” situation and managing my working capital to survive
c) Sales are negatively impacted, but my liquidity is strong enough to weather the storm
d) Little to no impact to business operations yet or some positive impact
BUSINESS CONTINUITY PLANNING

Now (Triage)
Program Initiation & Management
Risk Assessment
Business Impact Analysis
Business Continuity Strategies
Incident Response
Plan Development & Implementation

Next (Transition)
Awareness & Training Programs
Plan Exercise, Assessment, Maintenance
Crisis Communications
Coordination with External Agencies

New (Transform)
IDENTIFY YOUR FINANCIAL STRESSORS

Operational Stressors

Supply Driven
- Labor / Employees
- Raw Materials / Inventory
- Capital

Demand Driven
- Customers
- Channels
- Consumption Changes

Financial Stressors
- Decreased Sales
- Lengthened Receivables
- Tightened Credit
- Tightened Liquidity
- Covenant Breaches
- Vendor Pressure
- Consumer Debt
- Inventory Build

Demand Driven
- Supply Driven

Consumption Changes
- Demand Driven
ACT NOW TO MANAGE UNCERTAINTY

Triage Tools Require Focus

Cash
- Assess Runway
- Project Scenarios
- Determine Plan
- Conserve/Extend Payments
- Credit Collections
- Claims

Communicate
- Key Stakeholders
- Uniform Message
- Frequency
- Transparency
- Compassion
- Walk the Talk

Control
- Know Cash Position
- Track KPIs
- Customer/Supplier Collaboration
- Remove Waste
- Technology
- Regulatory Awareness

Now (Triage)

Next (Transition)

New (Transform)
ASSESS THE IMPACT OF STRESSORS ON THE BUSINESS

PULL THE RIGHT LEVERS TO EXTEND LIQUIDITY
WORK TOGETHER WITH YOUR COMMUNITY

FLATTEN THE CURVE

NUMBER OF CASES

HEALTHCARE SYSTEM CAPACITY

TIME SINCE FIRST CASE

without protective measures

with protective measures

Creditors/Lenders

Customers

Company Leadership

Trusted Advisors

Labor

Suppliers

Local Community
POLLING QUESTION

Which of the following levers has been the most challenging for your organization to manage?

a) Liquidity
b) Supply
c) Demand
d) Credit
e) Labor
f) Tax relief
g) All of the above
WE’RE HERE FOR YOU
Business Triage & Stabilization

CohnReznick’s Coronavirus Resource Center
  – Cohnreznick.com/covid19

CohnReznick’s Business Stabilization Solutions
  – Cohnreznick.com/xxxxxx
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BEFORE WE GO

We care deeply about the CohnReznick Community and that includes all of you. We wish you, your teams, and your families the best and are here for you.

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