

These slides are provided to you for your internal use only, within your company only. If you wish to share them outside of your company, please contact me before doing so.

Michael Synk, In-Synk  
[msynk@in-synk.com](mailto:msynk@in-synk.com)

“And now, for something completely different....”

# Sorting Out The COVID 19 Crisis

The Game has Changed

The Rules are Unknown and Evolving

# Where are the Experts?

- **Medical Professionals**—in how the virus spreads between individuals
  - Heed their advice and follow it
- **Public Health Experts**—in how it spreads and the curve of the spread
  - Pay attention, they have a good handle on how long the pandemic will last and to keep it from spreading
- **Government Officials???**—they haven't paid attention so far
  - They are starting to respond. Take advantage of what they offer
- **Economists?**—Yes and no. They understand traditional recessions.
  - But this is a pandemic. No one has lived this that is alive today

# You're the Expert!

- You know your business model and capabilities
- You know your customers and how and why they buy
- You know your team and their passions and talents
- You know how to lead

Leverage this expertise to sort out the  
“New Road Forward”

# The Situation in a Nutshell

- Two Issues at play
  - Hospitals are being overwhelmed around the world; and
  - Small to medium business revenue is dropping and cash is disappearing.
- This will lead to:
  - People unable to get care, as the virus spreads with potentially exponential speed within our respective communities; and
  - Revenue declines, cash drying up and debt not able to be serviced.
- A Lack of Trust in our institutions exists right now.
- Your staff trusts and expects you to objectively understand the science and use it to create objective Plans for our them, that will protect the Business, Their Jobs, Families, and Communities.

# Principles in play from Jim Collins

- “Confront the Brutal Facts” “The Stockdale Paradox” *Good To Great*
  - POWs in Vietnam—Admiral Stockdale was one of them.
    - Those who were optimistic (best case scenarios) perished (too much hope)
    - Those who were pessimistic (worst case scenarios) perished (no hope)
    - Those who accepted the brutal facts survived. (the middle road)
- “Twenty Mile March” *Great by Choice*
  - Two Teams going to the South Pole.
    - The one that survived—20 miles a day no matter what/and stopped.
  - Your “Twenty Mile March” is going to change

# The *Locus* of Focus to Find the “New Road Forward”





## Focus #2—Mindest—for the 2<sup>nd</sup> Quarter

- What do you believe to be the Worst Case Scenario?
- What do you believe to be the Best Case Scenario?
- What is the Middle Scenario (The Middle Road) between these two

## Focus #3—Do the Numbers

- 15% Drop in Revenue, and what needs to be done to break even
- 30% Drop in Revenue, and what needs to be done to break even
- 45% Drop in Revenue and what needs to be done to break even

You'll Find the Triggers to the Actions Needed

Enabling you to act with Certainty and Confidence.

## Focus #4—Communication & Leadership

Your team is worried and perhaps panicked about their health, job, and the bills they have to pay. You are fighting against large amounts of social media, staff or mentally overwhelmed.

- Your immediate objective is to get the business to the other side of the pandemic in good shape (life will go on, the pandemic will end)
- Your company's position on the virus when someone gets sick
- Your company's actions to protect itself and their jobs

# Focus # 5—Cash and Profitability

- Know how much **cash reserve** you have at all times
- Determine the Revenue Decline you can cope with and when to take the action
- Know what supply chains are going to impact your revenues and when
- Negotiate Now with creditors to preserve cash
- Separate COVID-19 Line item on Operating Statement

# Focus # 6--Opportunity

- Every downturn creates opportunity. Mitigate risk but devote time to analyzing opportunity
- This virus driven recession will end. What can you do now to...
  - Improve margins (COGS, Additional Offerings)
  - Increase customers (Marketing)
  - Shorten the Cash Conversion Cycle—*Process Improvements*
- Learn something, fix something, Gussie Up the business

# One Last Principle from Jim Collins

- “Return on Luck” *Great by Choice*
  - You have received the same amount of **BAD LUCK** as everyone else
  - How you respond to it, determines your road forward

“Confront your Brutal Facts”

Find your “Middle Road” — Find your Focus

Determine your “New Twenty Mile March”

Create your “Return on Luck”