

A BLUEPRINT FOR THE UNEXPECTED

This year it's the coronavirus. Next time, and there will certainly be a next time, it could be an earthquake, recession, or something else unforeseen. Our advice on preparation.



1. EMPLOYEE SAFETY

IMMEDIATE ACTIONS

- Adhere to local government and health officials' notices and directions
- Implement necessary restrictions on meetings, travel, etc.
- Identify remote-work options for individuals/teams
- Provide forums for Q&As with employees on safety measures

INTERMEDIATE ACTIONS

- Leverage surveys/polling to gauge employees' views of management's response to their health and safety concerns
- Contribute to medical/health efforts outside your organization
- Provide options for healthy employees to stay home to care for sick family members

LONG-TERM ACTIONS

- Evaluate the flexibility of sick leave policies and align them with public health guidance
- Create policies to empower local leaders to respond to crises based on health/safety guidelines in their area
- Involve employees in developing/updating crises response plans, and then test them intermittently



2. TALENT/LEADERSHIP DEVELOPMENT

IMMEDIATE ACTIONS	INTERMEDIATE ACTIONS	LONG-TERM ACTIONS
<ul style="list-style-type: none">• Pause group orientations and onboarding• Provide coaching to managers on crisis communications• Organize training (virtual or in-person) on digital tools for remote work	<ul style="list-style-type: none">• Develop structure and processes for virtual meetings• Assess for fit, potential, and agility aligned to evolving operating and strategy models	<ul style="list-style-type: none">• Identify managers/leaders for specific crisis-management roles• Enhance training programs for hard and soft skills• Ramp up recruiting as needed for critical roles• Compare data on engagement levels before, during, and after the crisis, and create strategies to address times of decline



3. PERFORMANCE MANAGEMENT

IMMEDIATE ACTIONS	INTERMEDIATE ACTIONS	LONG-TERM ACTIONS
<ul style="list-style-type: none">• Focus on purpose to keep employees engaged and motivated• Consider hiring freezes, especially for nonessential positions, until there is more clarity around the business impact• Ensure employees are clear on whether previous or new goals are in place	<ul style="list-style-type: none">• Assess whether and how to adjust goals/targets for the year• Solicit feedback more frequently to help address emerging issues/barriers• Consider implementing off-cycle reviews aligned to short-term incentives	<ul style="list-style-type: none">• Train managers to focus on outcomes instead of face/desk time• Evaluate the impact of grade/title inflation on performance• Determine if workforce levels need to be right-sized• Consider changes to recognition programs that employees don't value



4. COMPENSATION AND REWARDS

IMMEDIATE ACTIONS

- Create short-term, team-based incentive rewards
- Evaluate existing nonfinancial rewards that can be expanded to keep up engagement/morale

INTERMEDIATE ACTIONS

- Develop retention plans for key talent
- Adjust individual performance incentives as conditions normalize
- Consider crisis-related spot awards where applicable

LONG-TERM ACTIONS

- Maintain awards for high performers
- Enhance incentive designs based on learnings
- Align reward investments with employee preferences
- Consider tying bonuses and incentives to crisis-related health-and-safety metrics



5. BUSINESS CONTINUITY

IMMEDIATE ACTIONS

- Communicate with customers on impact and expectations
- Create C-suite-sponsored cross-functional teams for key areas (e.g., sales/marketing, supply chain)
- Preserve operating capacity in the event demand returns to normal sooner than expected
- Develop short-term performance benchmarks for operating teams and update them at least biweekly

INTERMEDIATE ACTIONS

- Evaluate inventory levels for potential shortages
- Identify supply chain alternatives; consider changes to distribution strategy
- Increase digital initiatives and channel presence

LONG-TERM ACTIONS

- Consider changes to demand-forecasting processes
- Create and secure contingency suppliers
- Evaluate the need for more sources of contingency/temporary workers to secure on-duty crisis coverage



6. CORPORATE AFFAIRS

IMMEDIATE ACTIONS

- Align messaging to avoid confusion/contradictions
- Plan for potential outcomes, from best- to worst-case scenarios
- Update digital communications tools
- Establish a regular and reliable cadence of communication from the CEO and senior team
- Ensure employees are aware of their rights/protections as related to things like sick pay and performance expectations during the crisis

INTERMEDIATE ACTIONS

- Reassess and adapt messaging based on the latest data
- Communicate moves to preserve profitability that are unrelated to head count
- Develop messaging around a post-crisis path forward plan
- Consider implementing reward measures for customers

LONG-TERM ACTIONS

- Leverage surveys/polling to get employees' reactions to management's transparency and response to the crisis
- Assess areas for improvements



7. ORGANIZATIONAL STRATEGY

IMMEDIATE ACTIONS	INTERMEDIATE ACTIONS	LONG-TERM ACTIONS
<ul style="list-style-type: none">• Provide support to help remote teams collaborate• Identify potential locations/offices where operations can be shifted• Create a crisis response team and reporting structure to key leaders	<ul style="list-style-type: none">• Assess industry trends developing as a result of the crisis and how to counter them with cost-effective alternatives• Alter team structures and operations to be more agile• Consider changes to approval processes to allow for quicker decision-making and course correcting	<ul style="list-style-type: none">• Determine what organizational changes can be permanently adopted• Consider adjusting management spans• Evaluate potential changes to operating model• Revisit office space requirements based on data around remote-work productivity and other performance metrics during the crisis



8. FINANCIAL MODELING

IMMEDIATE ACTIONS

- Cut travel and entertainment expenses in the short term
- Consider ways to cut spending on materials, if necessary

INTERMEDIATE ACTIONS

- Determine potential debt/credit breaches based on revenue projections
- Consider eliminating nonessential marketing programs
- Consider diverting money from bonus pools to offset revenue losses
- Consider adjusting payment terms for contract, freelance, and other outside vendors
- Evaluate the possibility of delaying product launches
- Evaluate the possibility of delaying office openings

LONG-TERM ACTIONS

- Fine-tune cost structure
- Consider cutting discount, insurance, and other programs employees rarely use
- Refocus investment strategy on main business goals and growth opportunities



THANK YOU

