

## CEO Insights: As of April 5th, 2020

### Crisis Management is Innovation on Steroids

- **Accounts Receivable:** For outstanding AR you want to gain agreement on some amount, no matter how small, over a regular, recurring timeframe. Better to have a regular payment of \$25 than \$0. *Donald Miller*
- **Decision Making:** What makes crisis decision making different right now than in the past?
  - This is a high stakes, life and death situation
  - Hard to see a way out for some industries
  - Global impact, not just local
  - Rapidly evolving and changing
  - Lack of factual information
  - No past situations to rely on guidance
  - Conflict between capitalism and humanism decisions
  - Failure to imagine – how bad can this get for how long
  - Therefore, this is Novel Risk management vs in the past Preventable, Strategic and External Risk management. Novel is first time situations we personally have not experienced. As a result, treat your decisions as ever evolving, test the outcomes and loop around again to access, test, access, test. *HBS Risk Management Webinar*
- **Messaging:** The socially acceptable way to refer to COVID-19 is to drop the crisis wording from it and transition to COVID-19 storm. Soon we will transition to COVID-19 season but we are not there yet. China is and is using this terminology. *Eileen Bauman, Un-Cork IT*
- *Two apps that help you **gauge the mental aspect** of your employees as well as productivity are: Geekbot.com and 15five.com*
- *How to change the **background image** while on video: From Elliot McAllister <https://www.pocket-lint.com/apps/news/151711-best-zoom-backgrounds-fun-virtual-backgrounds-for-zoom-meetings>*
- *Employee check ins- **replacing the Water Cooler Chat:** to make up for the water cooler socializing not happening at the office, do a brief coffee video or have a group lunch meeting. Conversation would be whatever you would talk about around the water cooler at work.*
- **Scary Skill Worksheet:** All of us personally have demonstrated dealing with scary situations in our past for our businesses or personally. You learned skills from each of those scenarios. Use those skills now to guide you through decisions you are facing now. *Dan Sullivan, Strategic Coach*
- Sometimes the right decision for a company is to **shut down completely** until this situation turns around. You might get the work/job from your client but is it worth putting your employees health at risk? If your client is not getting paid by their customers, how are they going to pay you? For these reasons we have chosen to lay off all 150 people except for seven people. *Ivana Rochac, Apartment Turnovers*
- Situations like the COVID-19 crisis require leaders to react quickly. It will not get better for a long while and in the meantime your business is going to bleed more and more cash. Cut your losses today. Make sure you communicate the truth to your employees; they will understand and back you up. This is a good time to rethink the future direction of your business. **What do you want your business to look like in a year and 3-5 years out and develop the strategies to get there.** *Mark Weston LXCouncil Moderator*

- Some ideas for managing expenses and cash flow during the COVID-19 Storm:
  - Reach out to your landlord and ask to not pay rent for next two months and resume paying the month after reopening adding the unpaid rent on a pro-rata basis to your remaining rent payments.
  - Reduce your workweek (and salaries/wages) now even if you don't have to. This can stretch out the work you have for your employees to do. You could offset some of the loss of pay by picking up a larger part of their health insurance premium.
  - Set up a separate bank account and pay into it all or a part of the expenses that you have decided not to pay right now like office rent, equipment leases and furloughed payroll. You can use this account to help catch up on unpaid expenses when you are ready to start paying again.
  - Focus on contribution margin (revenue minus variable expenses) right now. In other words, try to only incur expenses that generate enough revenue to cover the variable cost and provide a contribution to covering fixed costs like rent.

Brad Seamon LXCouncil Moderator

- **Guilty pleasures** to keep you sane as the CEO:
  - take frequent breaks by walking outside
  - frequent walks with family in the evening
  - cooking for the family
  - sleep
  - reading
  - playing with my kids at night before bedtime
  - glass of wine with my spouse with our favorite music
  - working out (more that I ever did)
  - meditation
  - virtual dinners with family and friends
  - eating ice cream!