



# Benchmarking Responses to COVID-19

Business leaders around the world are under huge pressure as they respond to COVID-19. **Marc Barber** examines how organisations are dealing with this unprecedented crisis



We've all no doubt had that "is this for real?" moment over the last few weeks (in the UK). Seeing bare white shelves in the supermarkets on the news is one thing, but then seeing it with your own eyes is another as you push an empty trolley from aisle to aisle and debate with yourself whether you do really want to buy that last remaining potato.

For those on the frontline of public services, especially in healthcare, the surrealness has been replaced by the brutal reality of this virus. In the world of business too, many are faced with an emergency that few Boards would have envisaged as trade in some sectors simply grinds to a halt and remote working takes on a whole new meaning.

Criticaleye hosted a Conference Call with guest speakers **Roger Bayly**, Managing Director of Alvarez & Marsal and **John Shelley**, Independent NED at Standard Chartered (China) and a Criticaleye Board Mentor, to find out how our members are responding to this unprecedented global crisis. These are the key points that came from the discussion.

### Leadership and People

- A good culture will prevail in a crisis. The companies that focus on their customers and their own people, who collaborate with a common purpose, will win out.
- Stay positive: a crisis can break down silos, empires and egos. Businesses that survive this may come out stronger.
- You cannot just 'manage' through crisis. You need to lead through it as we are dealing with people who are fearful. This is a time for the average leader to be encouraged and coached to become an outstanding leader.

*« Businesses that survive this may come out stronger »*

- Some people are better in a crisis than others. You may have to consider reorganising your leadership team to shorten the chain of command to the frontline.
- People in key roles will get burned out if the situation continues for a long time, so work out how you can support those in areas such as Treasury, Finance, Human Resources and Operations.
- If you're in a sector where demand remains high but you're experiencing staff shortages, think about how you can recruit from sectors that are in shutdown (such as hospitality)

### The Short, Medium and Long-Term View

- Your first two priorities should be your staff and business continuity, once those are in place it's about pivoting to cash. Take action to reduce your burn rate – the cash you get around you now will give you more options later.
- The budget and monthly management reporting are now irrelevant – you need the forward visibility of a thirteen week, rolling cashflow to aid your decision making.
- Use scenario planning. Plan for the worst and then overlay that with upside responses.
- Don't wait for a fuller picture before making decisions. Work quickly with the data you have.

- You need to provide the Board and other directors with regular and sufficient information to show that the business should continue to trade. If you can't then you need to instigate formal contingency planning quickly.
- Think about how you're going to emerge from the crisis. If you cut too hard and too deep now, your business may fall over in the recovery phase.

### The Rules Have Changed

- Change the way you are operating across the whole of the business and avoid having different areas with different priorities and governance practices. Fragmentation is a particular risk with the switch to remote working.
- Consider having someone in your business tracking sources of government support across the globe. Maximise the use of these schemes to get cash into your business as soon as you can.
- Apply unconstrained thinking to how you run your business. For example, the normal rules around contracts and agreements may 'no longer apply'. Discuss rent holidays and temporary agreements with suppliers – it is in your mutual interest to survive (this proved controversial for some as the counterpoint is that we need to behave ethically as businesses – ignoring contracts could leave others horribly in the lurch) ■

This article is based on a Criticaleye Conference Call with guest speakers:



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