



MAY 21, 2020

What Now?

Agility is the key to growth both during and after the COVID crisis.



How has your organization fared in the current COVID disruption? What changes has your organization made to adapt quickly to new challenges and opportunities? In his book, *Antifragile*, Nassim Taleb challenges his readers to create businesses that progress in the face of market uncertainty and chaos. The opportunity to thrive in chaos has arrived, big time.

Safety First

The priority for any business is protecting its employees and customers. Continue to work at a social distance, track any emergence of the virus in your teams, work remotely as much as possible, evaluate reopening with a smaller number of physically present staff, and build remote training programs for ongoing training and on-boarding of new employees.

Use Scenario Planning.

Planning for a wide range of potential possibilities allows for rapid decision making in response to unexpected

changes. Managers should plan for a wide variety of scenarios that may play out as the crisis continues to unfold. How would your business be impacted by a smooth versus bumpy recovery? What additional fiscal stimulus could be arriving that might benefit your activities? What markets and channels might be most affected? How could a second wave of the virus impact your plans? As a part of the scenario planning process, smart companies should also anticipate how their competitors are likely to respond. Business leaders can use competitor profiling to understand their approach to likely scenarios.

Create Channel and Market Optionality.

Businesses with multiple ways to interact with customers are in the best position to ride out the COVID storm. Brick-and-mortar retail stores and restaurants were most impacted by the shutdowns. Quick



pivots to online channels have been rewarded—and the best operational execution will extend these rewards. Many of these new or expanded channels will remain and even expand post-crisis.

Evaluate M&A.

Change and uncertainty have shifted many business valuations since the crisis started. Businesses will be forced to consider strategic options, including exits and dispositions. Smart businesses that are weathering the crisis should build risk tolerance for M&A focused on attractively priced assets. Building out investment criteria and creating a list of potential targets will help smart leaders take action. Financial and market due diligence will require special considerations: how does this shock impact the long-term value of the target? Are customers likely to

return? What near-term upsides might be overlooked?

Strengthen Supply Chains.

Lean manufacturing processes implemented over the past 20 years have led to increased productivity, higher margins, and improved product quality. Supply chains have been streamlined with aggressive outsourcing and off-shoring. Just-in-time delivery of component parts has lowered costs. All of these approaches need to be re-evaluated during and after the crisis. Where are the most critical supply points that require redundancy or safety supplies? What is the best management strategy of off-shore risks? How can we identify and rebuild “overly lean” activities? Business leaders should

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look for geographic and size diversity in supply chains and consider vertical integrations as well.

Make Business Process Improvements.

Business process improvements are important to drive productivity during good times. The investments you make today will be critical to surviving in times of market disruption. Measure the impact of these changes on an on-going basis and create an organizational culture focused around ongoing improvement

and accountability to these changes. This culture of constant improvement will create an agile organization well positioned to generate rewards in good times and bad.

We can help.

BroadBranch has deep experience in addressing new markets and opportunities. [Contact us](#) to discuss [scenario planning](#), [market and channel development](#), [M&A pipeline options and due diligence](#), supply chain enhancements, or process improvement evaluations.



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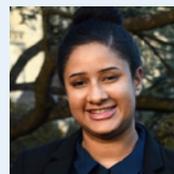
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