



the coronavirus and your firm: a live ama

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putting this in
context





- lived through a civil war, 2001, and 2008
- and this might change political stance on institutional trust, immigration, freedom of press, urbanization, reshoring
- we must study the virus...and people's perception of the virus..





- WaPo: Spanish Flu 1918
- Exponential View: Coronavirus on the Latin Bridge
- NYT Times: Self-Quarantine
- Johns Hopkins Infographic page..





- as an industry we are a lagging indicator: at the onset & the recovery
- the industry will fully recover, but we'll leave many weaker firms behind...and new ones will grow from the mess
- lag = 3-5 months
- ones who never recover wait too long or borrow.



a look at the
specific impact
on your firm





- we lose 10-15% of all firms in any given year; we'll lose 2x that
- streets will have extra freelancers from indie firms, holding cos, client-side
- many will retain some work from their former employers, but lack of health insurance will curtail that spread..





- you'll have more flexible contractors at your disposal
- but downward pressure on pricing
- some industries will cut deeper than others, but expect your sales to drop 10-20% vs. grow
- you'll face less pressure to defend as incumbent as rfps are postponed..





- certain industries will be hit harder: travel, tourism, entertainment, field marketing, fast-growing vc-funded, experiential, tradeshow- and salesforce-dependent, complex supply chains, and anything that requires in-person meeting.





given this, how
might you
navigate this?



- resist the urge to chase cash vs. profit
- don't borrow money to mask pain and put off action, making recovery even more prolonged
- if you see things slipping, separate the corporate and the personally-guaranteed obligations
- careful about travel—esp. international..



- short-term sublease of space (\$/morale)
- be flexible w/ clients
- beef up deposits, work stoppage, terms
- yes...no...**yes**...no.



more on remote
work policy





- be open to it
- remote will be hard for some: kids at home, loneliness, spousal obligations, conducive area
- people can be lazy anywhere
- remote workers often get more done
- mutual flexibility..



- requires very intentional management
- try to run all meetings as if remote
- establish it on a test basis
- check out “Rethinking a Distributed Workforce”
- look for updated article, and a review of the tools.





deeper look at
the considerations
around staffing





- don't hire, except (maybe) to replace
- concentrate on keeping the role players and flex w/ the skill players
- reverse building: don't forget the middle layer
- don't protect the people who freed you up
- if culture is great, maybe companywide cut; otherwise whole people..





- dump interns
- don't cut legs off one inch at a time
- 45% unburdened of AGI
- maybe creep to 50%
- above that each % point comes from profit
- don't cut your pay below the highest ee
- consider request to accelerate pto..





- put “plan a” and “plan b” together in advance
- mental trick: cutoff date, where each week eats into severance
- be willing to struggle assembling a staff rather than paying the current one
- no one every said “i wish i’d waited longer” .



key financial
metrics to watch





- 20-60¢ of liability for every \$1.00 of asset
- \$155,000 fee billings/FTE watershed (-30% UK/CA, -20% AUS).
- client concentration <25%
- 2-4 months of cash.

your role as a
leader





- what's best for your firm and not any single individual
- note louder voices, but adjust volume controls
- transparency; admitting what's unknown; constant monitoring
- avoid bad optics
- lead w/ optimism and grace, fully aware..



- network w/ your peers to keep your head on straight
- hope is not a strategy; your role is to be clear-eyed and give your firm every chance of success
- we will absolutely get through this—use the constraints to push you..



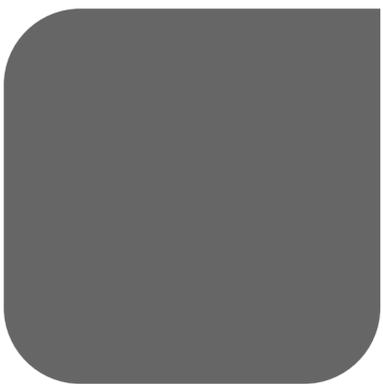
- how can you give to your audience w/ your excess capacity?
- have can you say “screw it” and forge ahead w/ tough decisions?
- remember the angst and get off your ass and prepare your business, permanently..



- concentrate on, in order
- financial decisions
 - managing middle layer
 - lead gen
 - (strategy for clients).



a few key
considerations





- some of the rise is coming from more testing
- china's slowing rate is hopeful **BUT**
- not symptomatic for 5-7 days
- italy's mortality rate higher than expected
- vaccine 18-24 months
- more mobility = bad **SO..**



- looking for an $R_0 < 1.0$
- is it seasonal?
- why not impacting children to same degree? **THEN**
- 2-4 months health
- 2-8 months business
- business...and the markets...will come roaring back, but when..



three articles coming

- revised remote work, w/ best tools
- staff reductions
- quick new biz wins w/o giving up your expert positioning..



sending you

- slide deck
- four sources

questions?

