



OPERATION “RESTART”: EYES ON 2021

Global executives believe that the recovery will be bumpy and slow. As your business sets its sights on 2021, here's how to survive the downturn and drive your organization's rebound:

It's Been a Year, Hasn't It?

Everyone can agree that 2020 has been quite a year. It seems like the initial “Fourteen Days to Slow the Spread” was announced a good two decades ago.

So, first, congratulate yourself on getting this far. Unless you are Jeff Bezos, you deserve a pat on the back for hanging tough. You've had to make some hard choices, and you've probably experienced sleepless nights.

And now you're ready to look towards 2021.

But when the calendar turns, we won't miraculously be free of the pandemic or the resulting economic hardships it brought with it. We are still facing massive uncertainty,

and the economy isn't close to being in the clear.

According to the Bureau of Economic Analysis, real gross domestic product (GDP) decreased in all 50 states and decreased nationally by 31.7% in the second quarter of 2020.

Along with that:

- Personal income increased by just 0.4%.
- Consumer spending increased less than 2%.
- The U.S. deficit widened by \$59 billion.

...and we have no idea what the rate of infection will be next week, let alone next year.



The Road to Recovery Will Continue to Be Rocky

The COVID-19 pandemic pushed economies into a Great Lockdown to help contain the virus and save lives, but it also triggered the worst recession since the Great Depression.

And while several countries, including the U.S., have started to recover, growth is slow.

On the upside, developments in vaccines, treatments, and policy can lead to a quicker resumption of economic activity. However, that resumption can and will be interrupted by:

- Further waves of infection
- New lockdowns that trigger debt distress
- Geopolitical tensions that impact trade
- The 2020 U.S. election

A full economic recovery will happen, but no one can predict how long it will take to get there or just how rocky the road will be.



Create a Restart Roadmap

While you have zero control over a pandemic, national economic conditions, or your market, you do have 100% control over the way you and your business respond to those outside forces.

Winging it through a crisis is never a good idea. Companies that survive recessions and other crises develop strategic plans for surviving and emerging in a position to thrive.

Remember, your roadmap isn't set in stone, nor should it be. You'll want to build in some flexibility and agility because it is impossible to predict where things will go.



What Should Your Restart Roadmap Include?

In short, it should include every aspect of your business.

Global consulting leader McKinsey & Company suggests that business leaders go site by site, segment by segment, customer by customer, and product/service by product/service to prioritize recovery opportunities.

Their experts say this approach will guide production, supply chain, and marketing and sales efforts, and help determine a recovery timeline. It also allows leaders to get in front of potential issues and provides the

flexibility to get ahead of any resource allocations or freezes required in response to changing conditions.

Your roadmap should include:

- A baseline reopening scenario.
- Alternative scenarios that incorporate high-impact variables —in particular, the risk of renewed contagion.
- Room for regular testing and reassessment.



Focus on Flexible Leadership to Achieve Residency

Because the road to full recovery will be met with fits and starts, flexibility will be the key to business success.

Remember, even the most robust roadmap will need to be adjusted as circumstances shift, so you're going to need to make flexibility a priority.

To achieve flexibility, you must commit to leading with flexibility. What does flexible leadership look like?

- **Transparency.**

People fear the unknown and tend to fill in the blanks with worst-case scenarios. Be as honest as you can with your employees and encourage them to be open with you.

- **Humility.**

This is uncharted territory for everyone. It's OK to admit that you don't have all the answers.

- **Understanding.**

Exude empathy in everything you do. Yes, the pandemic is happening to all of us, but everyone's experience and circumstances are different.

- **Adaptability.**

In evolution, the species that can change with the environment are the ones that survive and make the species stronger. Business is the same.



Get Flexible With Decision-Making

Remember the “good old days” when you had all the information you needed to make confident decisions?

In such a rapidly changing environment, everyone is forced to make decisions without all the necessary information.

You’ll need to make tough decisions – with limited information. You may not know if your vendors can remain solvent. You never know which products will suddenly experience a shortage or massive delays in delivery. You don’t even know whether your staff will remain healthy.

How will you adapt? Cut back on deliverables or find alternate sources? Give customers adjusted delivery dates or partial orders?

Keep your workforce flexible.

Employees will look to you for reassurance if you need to change course as things evolve.

Doing things a certain way because “that’s the way it’s always been done” isn’t a viable plan anymore.



Avoid the Analysis Paralysis Trap

It is easy to get caught up in analysis paralysis when trying to make strategic decisions – especially when you don't have all the data you need. But in this critical time, you don't have the luxury of sitting on decisions.

No one likes to be wrong, but as a leader, you must act.

If you think your decisions are high stakes, think about the U.S. military.

Their mantra is keep moving or die. When under attack, it doesn't matter which direction you move, as long as you move. You can regroup and retarget yourself, but only if you stay alive, and that means moving.

As a leader, you too can regroup and retarget, but only if you act. If you don't act, you could find yourself in a worse situation, and the decision could be made for you.



Tips for Overcoming Analysis Paralysis

- **Set a deadline:** You do not work in a vacuum. Your decisions impact other parts of the organization, so slow movement can have a ripple effect. Set a drop-dead date: The last possible time by which a decision must be made or removed from the table.
- **Shut out the past:** A prior bad decision can often cause hesitancy. But getting hung up on past decisions does not serve your immediate need. Let go of the past and focus on today.
- **Eliminate bad options:** Too many choices almost always lead to analysis paralysis. Immediately remove all bad options from the table to get rid of the clutter.
- **Invite others in:** Talk to one or two people you trust – a mentor, your boss, etc. Ask for their input and opinion. However, do not go overboard inviting people in. Too many cooks in the kitchen will lead to more paralysis.
- **Pick something and go:** Even if your best possible option isn't perfect, choose it. The moons will never be perfectly aligned.



Optimize Your Personnel Budget

Before you choose to make sweeping layoffs, consider other ways to free up cash immediately.

- **Target immediate impact items:**

These are things that you pay weekly, monthly or quarterly rather than annually. The key is to free up as much cash as you can right now.

- **Reduce spend; don't eliminate:**

Don't cut out major functions. Try to reduce them to save money, instead.

- **Negotiate prices:**

Keep negotiating cost reductions with vendors, even if it's just for a few more months. Most companies want to keep your business and will work with you to lower costs if it means maintaining your long-term business.

- **Look at both fixed and variable costs:**

It's easy to focus on one or the other, but make sure to account for both fixed costs, like payroll, and variable costs, like contractors, when making decisions.



Measure Twice, Cut Once

Cutting a budget should not be a knee-jerk reaction. Gather as much data as you can and, if possible, model the results of the decisions you are facing.

You want to measure twice and cut once. This is especially true if you must cut back on hours or staff members. Continually coming back to the well and eliminating people or reducing hours can profoundly impact morale and greatly undermine productivity.



Focus on Efficiency

Whether you choose to make budget cuts or not, you'll want to head into recovery as an optimized business that values efficiency.

- **Examine cost structures.**
Examine the cost structures for each of your business lines and analyze the potential for increasing profitability. Then, focus on those that give you the best opportunity to succeed.
- **Eliminate unprofitable services.**
Analyze variable and fixed costs for each product or service you offer to make better decisions regarding capital and resource investment. Focus on your high-margin offerings, and don't be afraid to let go of the low-margin offerings that are hurting your bottom line.
- **Take strategic hits that provide long-term benefits.**
If you have to take a hit to keep an order from a great customer, consider it. You might lose some money up front, but by showing flexibility and a willingness to work with customers, you can solidify your long-term relationship.
- **Cut dead weight.**
Don't take a hit for just any customer, however. Analyze their lifetime profitability with you before damaging your bottom line. Letting an unprofitable customer go can improve margins overall.
- **Improve performance.**
Poor performance cuts into your bottom line. Use this time to analyze performance and make improvements so you can cut down on hidden costs and increase overall profitability.
- **Leverage contingent workers.**
If you have to let some staff go, you can leverage temporary employees as a cost-effective way to maintain productivity without cutting too much into the bottom line.

Get Flexible With Decision-Making

The lockdowns have likely shone a spotlight on the strengths and the weaknesses of your company's technology. You had to orchestrate a switch to remote work, leverage effective collaborative tools, provide or shore up digital channels for customers, and keep all your systems and data safe.

The first few months of the pandemic were all about staying afloat but restarting will mean examining your tech investments and developing strategic plans.

- **Realign your digital transformation plans.**

If you were in the process of digital transformation prior to the pandemic, you'll want to revisit that plan. Ensure your infrastructure is relevant, secure, and meets the emerging needs and expectations of your staff and your customers.

- **Improve data-driven decision making.**

You may want to take this time to incorporate more robust modeling so your team can see how a decision could impact future profitability.

- **Optimize IT spend.**

You will probably have to make new investments. Have your IT team conduct a thorough audit of all tools, hardware, software, vendors, etc. Cut costs where you can and reinvest that money into tools that fit in with your updated transformation plans and needs.

Keep Your Eye on the Ball

When you are so focused on maintaining your position and just staying afloat, new business generation can fall by the wayside.

Don't let your sales team get discouraged if it's harder to uncover and land new business right now. You may need to adjust your support levels for them or readjust their goals based on market data but give them the encouragement they need to keep pressing forward.

It's also important to free up your core staff to support revenue-generating activities.

Give your staff more time to focus on tasks that make money. You can offload administrative activities to temporary employees or outsource non-critical departments to a company specializing in that function.

The extra time your employees gain can be spent on activities that bring more business in the door.



Now Is the Time to Test New Ideas

If diversifying during tough times sounds like a bad idea, think again. Companies in many industries have added new services to help fill the demand. For example, many local and craft alcoholic beverage companies now make hand sanitizer for their communities; they also offer home delivery or curbside pickup for their core beverage products.

Many organizations diversify to survive a recession. There are opportunities in our “new normal” to expand into new lines of business, modify services or move into new markets.

If your company is implementing a new idea to take advantage of the economic downturn, consider bringing in temporary employees to test the concept first.

The temporaries may be directly involved in the test (remember, staffing services provide professionals and specialists of all types). Alternatively, you can use temporaries to fill in for your direct staff members working on the new concept.





Raise the Bar on Health and Safety

Responsible companies have always prioritized health and safety, but in our changing world, everyone needs to raise the bar.

Demonstrating that you care about the safety and well-being of your workers and your customers will boost confidence inside your four walls and out – and it will show in your bottom line.

- **Say thank you often.**

Every employee who must come to work is potentially exposing themselves to harm. Create a work environment that celebrates your team, shows appreciation and provides real support.

- **Make safety the #1 priority and never waver.**

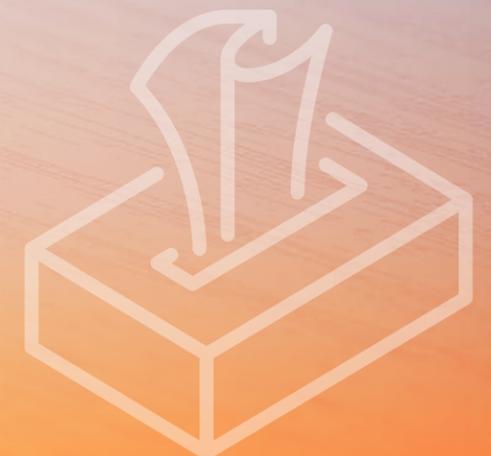
There can be no shortcuts to safety right now. Perhaps you were lax about PPE or certain protocols in the past, but now is not the time to cut corners.

- **Make employees feel comfortable reporting issues and violations.**

Employees are often hesitant to report violations for fear of blowback. Make it clear that reporting employees will be protected if a supervisor or peer asks them to do something that puts them in harm's way.

- **Send sick employees home.**

You may need a key employee on the job, but now is not the time to ask them to tough it out, even if you think it's just a cold. Make it easy for employees to stay home until they are well.





- **Incorporate cleaning into daily required tasks.**

Make cleanliness a non-negotiable part of every role. Provide access to handwashing stations, give out hand sanitizer and masks, disinfect shared surfaces and ensure that everyone can work six feet apart. When this is not possible, make sure employees in close contact are well protected and can wash their hands often.

- **Offer more breaks.**

Schedule workflow so you can offer more breaks than usual throughout the day.

- **Stagger start times.**

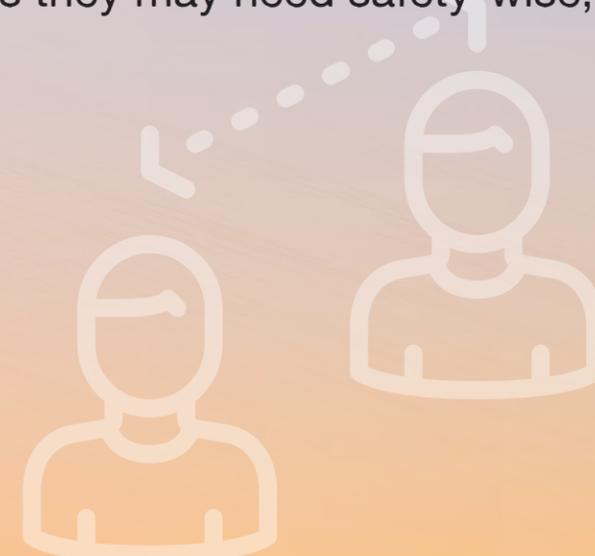
Don't schedule everyone for the same start time and end time. Reduce crowds by staggering start times by 15 minutes.

- **Encourage PTO.**

People need breaks. Don't penalize people for taking their earned PTO. If someone hasn't been using their PTO, encourage them to do so.

- **Communicate, communicate, communicate.**

Keep in constant communication with employees, so they understand the steps you are taking to keep them as safe as possible. It's also essential to give them time to ask questions, share things they may need safety-wise, and vent frustrations.



A Flexible, Adaptable Business Starts With a Flexible Workforce

As your business needs continue to evolve, your workforce needs will shift as well. If you had to let people go early on, you might find yourself in need of more staff as you start to gear back up, but you may not be able to invest in full-time employees right away.

Skilled temporary, contract and consulting workers can help you stay on track by providing you with on-demand access for immediate and short-term needs.

As demands on your business evolve, flexible staffing can help you adapt and thrive:

- Fill in for employees who are sick or caring for family members.
- Bring in uniquely skilled individuals as needed.
- Experiment with innovative new product lines.

- Catch up on backlogged work and remove bottlenecks.
- Stay nimble in an uncertain economy.
- Relieve stress for overworked essential employees.
- Keep up with accelerated growth or increased demand.
- Postpone full-time hires until you're confident you can keep them.

Strategic staffing provides you with the flexibility you need to not only survive the rocky road ahead but emerge stronger than ever.

Contact your staffing partner today for a brainstorming session or access to the skilled talent you need to achieve your immediate and long-term goals.





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