

NAVIGATING UNCHARTED WATERS IN UNCERTAIN TIMES

Pragmatic governance during the COVID-19 Pandemic

By John Wallace, Jay Millen & Dave Winston

THE CURRENT ENVIRONMENT AND HISTORICAL PRECEDENTS

As COVID-19 continues to spread disruption to the cadence of daily life around the globe, “the new normal” is a fast-evolving concept.

While these times feel unprecedented, there are lessons we can learn about mobilizing and galvanizing societies from a communication planning, resource management and incident response perspective by studying the Spanish Influenza epidemic of 1917-1918 and World War II.

We are already seeing both public and private sector mobilization for testing, countermeasures and treatments, and increased production and distribution of essential supplies and equipment. This will be accelerated further with the U.S. government’s declaration of a national emergency on March 13th, which will provide added resources and expedited frameworks for development and deployment at the local, state, national and global levels.

With this in mind, CEOs and boards should consider convening a special session to assess and inventory what human resources and material support your organization may offer or be called to provide at whatever level is necessary. Everything from such mundane infrastructure capabilities as multi-site video conferencing capability to logistics/warehousing support should be catalogued with named subject matter experts.

WHAT ABOUT OUR BUSINESS AND OUR PEOPLE?

Health and Safety First

If you have not already mobilized a planning team or created an emergency operations center; do it now. This can be as simple as accelerated and focused planning with the leadership team for smaller enterprises, or the formation of a special committee of the board and a cross-functional team from the business to specifically mobilize and steer through the COVID-19 crisis as the timeline dictates.

Dust off any existing emergency planning documents or crisis communication frameworks if they exist, evaluate them quickly, and update them for the current situation as you consider the following:

- **Have you issued a corporate guideline or directive on how the business is responding to the current situation?** If you have, make sure you have also pushed out an update process and timeline for ongoing communication. If not, get moving now and use this as a guide:
 - Healthcare and insurance contact information reminders for employees
 - Reporting processes
 - Perceived business impact and support
 - Assessment timelines and intervals at which the business will continue to take snapshots of the situation
 - Any employee or family identified COVID-19 cases
 - Policy for avoiding exposure to include business travel, meeting protocols, social distancing, facility and building cleaning/closure
 - Self quarantine or isolation protocols for employees and daily workspace and workplace hygiene protocols
- **Who will communicate broadly across the organization and on what communication platforms?** Do not leave people in the dark or with a communication void – they will fill it in unpleasant ways, if history is any guide. Consider multi-channel efforts, including videos, video conferencing, conference calls, social media and intranet posts. Establish a multi-level feedback loop to verify messaging is being received and understood.
- **How will you manage risk assessment and incident reporting?** If you have a robust environment, health and safety (EHS) system, leverage it for flash reporting, incident tracking, and “observation” processes. Each facility, location, or operation should have some sort of daily and weekly flash reporting process that is transparent and available across the business. Additionally, you must develop a risk assessment protocol for all employees and guidelines for preventative health (see appendix) in a global marketplace.

CONDUCTING MANAGEMENT TEAM AND BOARD OPERATIONS

In any crisis, leader teams gather face-to-face to understand, adapt and respond. In this case, we **MUST** overcome our predisposition for face-to-face meetings and leverage technology to speed the response and mitigate transmission risk.

Given today's typical boardroom and leader team demographics, we believe a higher percentage will be in an increased risk group should they contract COVID-19. National borders and business travel are already significantly curtailed in most organizations, and the CDC advises acting early and aggressively to stop community spread; use video or the telephone – period. Smaller enterprises without current capabilities can easily employ a cloud-based solution to meet the need with minimal cost.

The cadence and length of COVID-19-specific meetings will depend on your particular business situation but at a minimum, a dedicated weekly meeting specifically focused on this situation should be held for the foreseeable future, unless your current team meetings are more frequent and you plan to incorporate this topic into those agendas.

You must also be prepared for directors or executives who get sidelined by COVID-19 and have a contingency plan for “interim substitution” or outside advisors should this occur.

CONTINUING OPERATIONS AND RUNNING THE BUSINESS

Your leader team is the expert on how and what you must do for business continuity as the situation evolves. While there are certainly differences in the needs of financial services, consumer, healthcare, lifestyle, and industrial companies, some key considerations for your business review are:

- **Supply chain capability and resource availability.** Are your raw material and service suppliers readily available today and in the foreseeable future, or are they concentrated in risky geographies? From a local or regional level to your global suppliers what do you need and what will you need? Review this on a product, service, bill of material, and geographic basis.

- **Demand change and forecast.** Do you have the ability to assess impact and forecast customer demand? In one direction, tissue, household cleaner and basic goods already have and will likely continue to spike in demand for a period of weeks or months. But, on the backend of this, the need to resupply will likely require a gap lasting several weeks to a few months. In the other direction, the hospitality and travel sector will have high volatility and low demand until the regulatory and governance situations improve. Stay focused on macro changes and think of alternative uses or potential demand for your business platform: i.e. hotel chains using facilities for quarantine or emergency patient treatment capabilities.
- **Understand your run or burn rate.** Have you evaluated changes in this due to demand drop off or spikes in the evolving environment? If you haven't already done so, develop sensitivity analyses to worst, best, and median demand and availability cases. Bad news only gets worse with age or as a complete surprise; avoid both while balancing the needs of your shareholders and your employees.
- **Staffing and leadership.** Do you have minimum staffing plans to be able to continue operations and curtailment/furlough policies to address variable workforce requirements? At both ends of the spectrum if significant portions of your workforce are affected and sidelined due to COVID-19, or you must curtail operations to maintain and preserve business viability, you need to have a plan and practice in place that will not alienate your team for the future.

The “how” may be much more important than the “what” in this case. Be thoughtful in how you communicate and execute on this plan. If working remotely is not an option, can you expand to a three-shift operation to maximize social distancing/avoid broader exposure while maintaining output?

- **New hires and staffing.** Are you psychologically prepared to make decisions in ways you never thought possible? Do you have modified hiring practices in place that consider social distancing, remote working, and substitution for in-person interviewing in place?
 - *An in the weeds example* – hiring a replacement driver for a customer delivery route. Interviews can be conducted by video, testing and background checks can be done online, and new hire orientation conducted by web-based modules. In this scenario, the new hire never “meets” or is exposed to an existing team member during the hiring process and has minimal physical interaction during on-boarding, as deliveries are prepackaged and move from the loading bay to the truck without the need for direct contact.
 - *Ongoing Needs* - have you altered or considered altering your hiring process (from entry level to executive level) to limit direct exposure for candidates and employees? Are you willing to make the decision to move to video interviews and meetings for the foreseeable future? Consider that your competitors may be willing to do this, which could put you at a hiring disadvantage in a war for talent.

- **Customer Interaction.** Have you maintained a presence with your customers, and are you proactively reaching out to understand their changed or evolving needs?
 - Evaluate routine or fulfillment and product/service delivery on a more frequent basis to understand changes.
 - Brainstorm other products or services you don't currently deliver, or adjacent products/services you could deliver for your customer base.
 - Revenue heals many wounds – before you have to scramble even further, think hard about what you can do to expand the revenue cycle or portfolio and get people mobilized on that effort.
 - Put together a framework for “rapid innovation,” evaluating this quickly and get it into the hands of your sales force or channel partners quickly.

LEADERSHIP, NOT JUST MANAGEMENT REQUIRED

As opposed to *“Damn the torpedoes, full speed ahead,”* our businesses, investors, teams and communities are likely better served by *“Batten down the hatches, variable speed ahead.”* We are in challenging times for sure, and stress is the biggest strain on our ability to cope with change. As we face complexity and uncertainty, we have an obligation to remain calm and ease the concerns of those in our charge by being transparent and timely in our communications and looking out for the personal and financial stability of all concerned.

We lead people and manage process. Think carefully about every member of your team from the C-suite to the board room to the shop floor. Is everyone ready, willing, and able to carry this burden for as long as it takes? If they are not, can they be coached and led through it, or will they need a strong partner to lean on or worse yet, replacement for the greater good? These are the contingency plans you must think through and discuss. Pilots practice emergency procedures so they don't have to think when faced with one; so should you.

When we emerge from this crisis, our employees, our customers, and our communities will remember those leaders who stayed the course and guided them through uncertainty. More importantly, they will remember how they did it...

ADDITIONAL READING AND REFERENCES

It is too soon to tell if this will be a short- or long-term problem, but preparing for both is an urgent necessity. As the virus spreads, it may be difficult to “stay ahead” of the local situation but to stay informed more broadly, the best resource is the US Center for Disease Control (CDC) and Prevention website.

The Industrial Resources Planning Board of U.S. Office of Price Administration during WWII can serve as a guide or case study, illuminating the “additional duties” we may be asked to perform or resources (leadership and manufacturing/services) to provide in the months ahead. (see Freedom’s Forge by Arthur L Herman for an in-depth discussion)

Freedom’s Forge by Arthur L. Hermann, 2013. Available through Amazon and the National WWII Museum.

Pale Rider: The Spanish Flu of 1918 and How It Changed the World by Laura Spinney, 2017

ABOUT THE AUTHORS



JOHN WALLACE is Caldwell’s president and CEO. A relentless results and client-focused leader, he draws on 20 years of successful executive search direction experience to drive exceptional results based on objective measures, market intelligence, strategic planning initiatives, and clear targets for growth.



JAY MILLEN is the managing partner of Caldwell’s CEO & Board Practice and leads our Charleston office team. Working with publicly-traded and privately-held companies, Jay assists clients in senior-level recruitment and in the development of board and CEO succession plans as well as industry specific leaders at all levels in the natural resources and manufacturing sectors.



DAVE WINSTON is the leader of Caldwell’s Industrial Practice and the leader of the Dallas office. With over 20 years of executive search experience, he has successfully completed searches for board directors, CEOs, presidents, COOs, CFOs, and a broad range of functional vice presidents, and has placed these executives in start-up firms, small and medium-sized public and private firms, and major corporations.



APPENDIX 1

COVID-19 RISK MITIGATION QUESTIONNAIRE FOR POTENTIAL NEW HIRES

1. Are you currently in good health with no symptoms of cold, flu, fever, congestion?
 2. Have you traveled to any COVID-19 hot spots in the past 90 days?
 - a. Have you undertaken any business or personal air travel?
 - b. Taken a cruise ship journey to any destination?
 3. Have you or any of your household family members been in direct contact with any person diagnosed with COVID-19?
 4. Have you or any of your household family members been required to be tested or quarantined for COVID-19?
 5. Do you have any current work or business mandated travel restrictions that would prevent you from meeting either locally or point-to-point destination or are there specific "NO GO" areas identified by your current employer?
 6. Do you have to report or document any and all interactions outside your current employer to your current employer?
 7. Are you comfortable participating in a video/social distancing interview process prior to the point of selection in lieu of face-to-face meetings with us and the client?
- 

APPENDIX 2

WORKPLACE HYGIENE PRACTICES

1. Provide ample soap and disinfecting supplies available for your employees at your office locations.
2. Have a deep clean of all offices conducted weekly, using Lysol and Clorox bleach agents.
3. Wipe down your workstation, phone and computer daily with Lysol or Clorox wipes in the office or at home office.
4. Have a daily discussion with your office and family members about potential contact points, social interaction, and public transit.
5. Avoid large gatherings with general crowds in which you do not know who is attending to limit potential exposure.
6. Wash your hands with soap and hot water before and after you eat, before and after making a location change, or after any physical activity.
7. Use Clorox and/or Lysol wipes to wipe down seats and or hand holds on public transit, Uber/taxi, or personal vehicles.
8. Cover all coughs. If you have any symptoms of cold or flu, do not go into your office. Call your personal physician and notify your immediate leader and teammates.
9. Be aware of your surroundings at all time, avoid choke points or tight enclosures with crowding, and steer clear of those routes even if it requires extra time.
10. Cover any scratches, open wounds or cuts, and disinfect them frequently.
11. Avoid touching your face, eyes, and mouth.



WE BELIEVE TALENT TRANSFORMS

At Caldwell we believe Talent Transforms. As a leading provider of executive talent, we enable our clients to thrive and succeed by helping them identify, recruit and retain their best people. Our reputation—50 years in the making—has been built on transformative searches across functions and geographies at the very highest levels of management and operations. With offices and partners across North America, Europe and Asia Pacific, we take pride in delivering an unmatched level of service and expertise to our clients.

Understanding that transformative talent is not limited to executive levels, our Caldwell Advance solution focuses on emerging leaders and advancing professionals who can also have a profound impact on a company's ability to turn potential into success. We also leverage our skills and networks to provide agile talent solutions in the form of flexible and on-demand advisory solutions for companies looking for support in strategy and operations. Our Caldwell Analytics division leverages an award-winning talent optimization platform with a suite of talent strategy and assessment tools that – when integrated with our search process – helps clients hire the right people, then manage and inspire them to achieve maximum business results as fast as possible.

caldwellpartners.com