

# EMERGE STRONGER AFTER A CRISIS

How resilient businesses adapt



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## Triggering events




### EXTERNAL

- *Natural/environmental disaster*
- *Recession/downward markets*
- *Cyber attack*
- *Terrorism*
- *Supply chain failure*
- *Pandemic disease/virus*
- *Legislation changes*



### INTERNAL

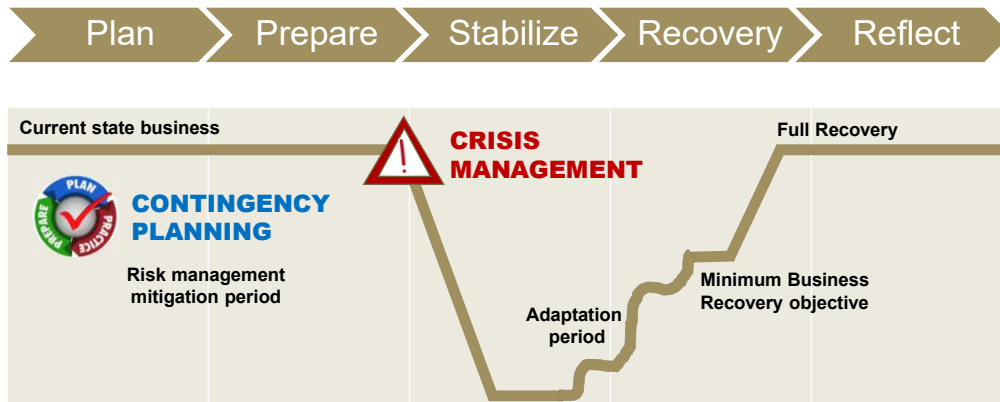
- *Owner/key person unavailable (death, mental incapacity, severe illness)*
- *Workplace accident/violence*
- *Financial solvency*
- *Privacy breach*
- *Shareholder removal*
- *Defective product/service*



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# Emergency cycle



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## Contingency planning goals

Create	Save	Reduce
<b>Alignment</b>	<b>Time</b>	<b>Risk</b>
<p>Connect actions to your purpose &amp; values</p> <p>Align people at all levels</p>	<p>Stabilize the business more quickly</p> <p>Transition from coping to adaptive strategies</p>	<p>Mitigate vulnerabilities:</p> <ul style="list-style-type: none"> <li>○ Reputation</li> <li>○ Financial</li> <li>○ Operational</li> <li>○ People</li> <li>○ Market</li> <li>○ Legal</li> </ul>



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# Three brains

**HUMAN BRAIN**  
Neocortex  
Language, Abstract Thought, Imagination, Consciousness  
Reasons, Rationalizes

**MAMMAL BRAIN**  
Limbic System  
Emotions, Memories, Habits  
Decisions

**REPTILIAN BRAIN**  
Brain Stem and Cerebellum  
Survive - Fight or Flight  
Autopilot

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# 3 phases of crisis management

**Stabilize**

**Recovery**

**Reflection**

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## Stabilize

- 01 Impact analysis**  
Essential functions, people, obligations, vulnerabilities
- 02 Alternative strategies**  
Pivot & challenge assumptions, align to long-term strategy
- 03 Communication**  
Cut through distraction, all audiences, coherent messages
- 04 Monitor & adapt**  
Short term & long-term perspective

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## Pitfalls of superhero leadership



**SHARED LEADERSHIP**

**VULNERABILITY**

**TRANSPARENCY**

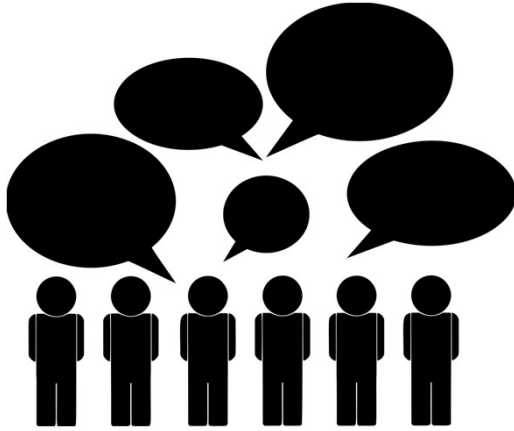
**AVAILABILITY**

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## Communication



### Stay on purpose

True to your culture & values



### Demonstrate empathy

Connect, approach, tone & nonverbal cues



### Consistency

Different audiences with connected underlying message



### Feedback loop

Concerns, questions, ideas



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## Living your values

- Crisis: 1982 Tylenol laced with cyanide
- Decision: recall 31 million bottles nation wide – loss of \$100 million not covered by insurance.
- Risk: recall damages brand & 37% market share
- Result:
  - Initially market share plummets to less than 8%
  - Sparked innovation and tamper proof packaging
  - Brand value rose due to how the issue was handled
  - 90 days after re-launch market share rose to 38%



*Johnson & Johnson*

“We aim to make the world a better and healthier place through everything we do. We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services.”



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# Manage cash flow

<b>Additional financing</b> Lenders, government, community support	<b>Payables &amp; receivable analysis</b> What can be expedited, extended, cancelled
<b>Variable costs shifts</b> Inventory/ supply levels, labour, marketing	<b>Insurance coverage</b> Business interruption, disability, illness, death
<b>Capital investment &amp; fixed costs</b> Review commitments & priorities, opportunity for fixed costs converted to variable	<b>Crisis cash flow</b> Unexpected new expenses, alternative revenue streams, reduction in traditional costs

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## Plan A Plan B Plan C


# Recovery

- Signs of recovery**  
 Lead and Lag measures
- Readiness for full recovery**  
 Personal & mental health in aftermath  
 Availability of resources/infrastructure  
 Capacity levels (pent up demand, backlogs, projects on hold)
- Evaluate post crisis environment**  
 Operating adjustments  
 Shift in customer needs  
 Leverage new opportunities  
 Revisit commitments & contracts

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## Reflection areas

Verify	Review	Analyze
<b>Strategy</b>	<b>Internal readiness</b>	<b>External factors</b>
<p>Shift in value offering, long term priorities,</p> <p>Opportunities we can leverage</p>	<p>How did we fare during the crisis? What did we learn? How can we be more resilient?</p>	<p>Competitor failures, wins and adaptative strategies</p> <p>Changing consumer sentiment &amp; needs</p>

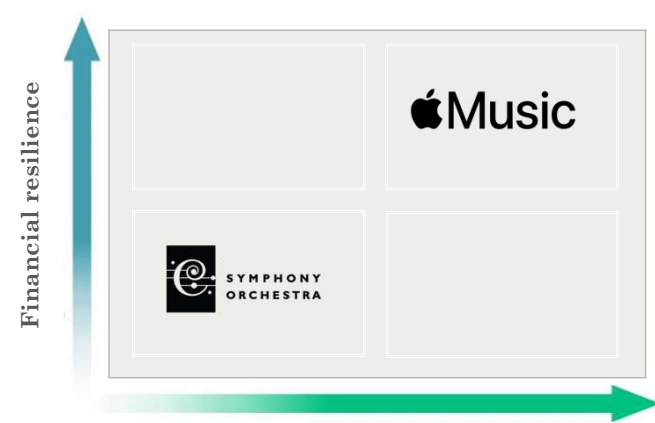
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## Post crisis reflection

*"The rising tide lifts all boats"*  
John F Kennedy



The diagram shows a 2x2 matrix with 'Financial resilience' on the vertical axis and 'Business model resilience' on the horizontal axis. The top-right quadrant contains the Apple Music logo, and the bottom-left quadrant contains the Symphony Orchestra logo.

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**My Business**

Crisis management

Supply chain

Financial recovery

Operations & infrastructure

Communication

Employees

Customers

## Reflection – self assessment

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# Explore your resiliency level

[www.parkplaceadvisory.ca/crisismanagement](http://www.parkplaceadvisory.ca/crisismanagement)

**PROMO CODE: PPA**

**PREPARE FOR RECOVERY - COVID 19**  
**ASSESSING THE RESILIENCY OF YOUR BUSINESS POST CRISIS**

LEARN MORE

The COVID-19 virus has brought both uncertainty and evolving challenges which has caused us to take steps to adapt our businesses to this new environment. As business owners, being resilient is part of our DNA – and yet this crisis is testing us all in new ways.

**CRISIS MANAGEMENT HAS 3 PHASES:**

1. **Stabilize** - assess impacts and determine how to best operate, rally our team to ensure financial stability.
2. **Recovery** - shift to transition back to a restored future in a post crisis environment.
3. **Reflection** - opportunity to evaluate how the crisis was handled and create greater resiliency against future crises.

**ASSESS THE RESILIENCY OF YOUR BUSINESS**

PARK PLACE ADVISORY POST CRISIS RECOVERY WORKSHEET

PURCHASE NOW

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