COVID-19
BUSINESS ASSESSMENT CHECKLIST

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

Use this checklist to help you narrow down the most important questions you should be asking:

YOUR WORKFORCE			
CONSIDERATIONS	**IMMEDIATE**	**SHORT-TERM**	**LONG-TERM**
How do we deliver product and services - in person?	• Identify roles that are business critical to remain in person • Identify roles that can be temporarily suspended • Identify and convert other business necessary roles into remote capable • Overlay necessary employee safety modifications and additional IT infrastructure as needed	• Determine if business critical roles move to remote-capable over time • Identify additional support/training required for employees working in new processes • Identify new tools (IT and others) to assist and consider changes to performance review/coaching processes	• Consider delivery of products and services without significant in-person interaction • How does this positively or negatively impact employee experience? • Identify areas to maintain the new normal and not resort back to previous processes
How does our volume impact our headcount?	• Assess the FTE needs to deliver using multiple % of current volume (25%, 50%, 75%) • Identify if excess headcount can be redeployed in other parts of business • Consider alternate arrangements – furloughs, reduced work schedules • Evaluate emergency government support plans and impacts to employee benefits/welfare plans	• Develop an employee ramp-up plan for return to increased volumes • Identify additional support/training for employees in new or different roles • How do we support our employees on furlough or reduced work schedules?	• How can we change or create new roles to make employees more cross-functional? • How do we create an employee career path that is more diversified or has opportunities to advance into other parts of the business? • How do we empower employees to reimagine their role in the company?
Does our business require the mobility of our employees?	• Identify employee travel requirements and restrictions • Reassess business needs for travel and consider alternative arragements (Video/Conference calls) • Consider changes to employee compensation arrangements based on commissions which require covering large geographies	• Assess impact of lack of travel on performance metrics - positive/negative • Consider alternative performance metrics based on new processes and expectations • Assess impact of lack of travel on customer and employee satisfaction	• Consider broader changes to these highly mobile roles based on a non-mobile experience • Could staggered or other alternative travel schedules improve both employee engagement and retention and customer satisfaction?
How productive can our workforce be remotely?	• Identify process changes needed to work remotely • Clearly define roles and expectations • Ensure IT infrastructure and capacity exists to handle larger remote workforce • Establish new communication protocols/processes for managing remote teams	• Develop a plan to capture input from employees on how to improve experience and efficiency • Develop a plan to continue to have teams engage socially and with live interaction (video) • Increase frequency and diversity of touchpoints and feedback from team leaders	• Consider what your current metrics are for a high-performing productive employee – have there been myth-busting changes in those metrics/criteria? • Consider how this might change what your idea of an ideal workforce looks like – do you make changes in your recruiting process to be open to broader scope of candidates?

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YOUR CUSTOMERS			
CONSIDERATIONS	**IMMEDIATE**	**SHORT-TERM**	**LONG-TERM**
How do we meet customers' needs and get product or services to them?	• Review your supply chain and distribution channels. Identify likely disruption points • Identify potential solutions for broken or disrupted chain • Develop a communication strategy for impacted customers – re-level expectations on changes to delivery methods and timing	• Re-evaluate customer delivery approach • Consider how technology can be utilized to modify customer experience • Develop mechanisms to track "new" customer experience	• Review what your value proposition is to your customer – did your customers agree? • Reconsider where you say you differentiate yourself from competition – did that hold true during this adversity? • Are the customers you have, the customers you are targeting/should be targeting?
How does demand for our product change?	• Update material & demand planning, model multiple scenarios • Consider impact on current finished inventory or service capacity, consider options to create demand to move existing stock faster (discounting, other outlets) and/or stockpile inputs	• Consider ways to increase frequency and efficiency of production planning cycle to more quickly adapt to volitility • Consider ways to increase engagement with your customers and suppliers to facilitate greater partnership and transparency to mutual challenges • Consider alternative uses of existing products/services or unused capacity	• How nimble is your supply chain? How strong are your relationships? Could you adapt quickly to the volatility – what needs to change? • Is your data and the processes through which you see your data good enough to make timely decisions – where did it breakdown?
Where does our product get made, how centrally managed is it and what is our control over it?	• Review your contractual obligations or purchase commitments based upon your ability to control supply and output (how outsourced are you?) • Develop a plan for remote management – increase plant interaction & reporting • Consider how IT infrastructure and security and physical security measures need to change	• Consider contracts and potential opportunities to flex or renegotiate terms • Reassess business continuity plan – does it fit for COVID-19 challenges? • Consider development of dedicated operations response team	• Re-evaluate in-source vs. outsource choices. Are there ways to mitigate future risk of either choice? • Are you close enough to how, where, & when your products are made or services delivered to effectively manage it? How could technology close the gap?
How much volume can we produce or deliver?	• Identify new capacity targets given restraints based on disruptions up and downstream • Develop a communication plan to reset expectations on future production • Consider how you can assist or create alternatives to fill customer's new gaps	• Develop a plan to ramp-up for when volumes return • Review how you communicate with customer regarding current and future status • Consider how you continue to attract new customers with depressed volumes	• Are there new suppliers/customers we need to identify and add in order to reduce volatility? • How flexible is our production capacity to produce across our entire product/service portfolio? • How can I get better data to analyze/stress test these types of risks to my organization before they happen?

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YOUR SHAREHOLDERS/CREDITORS			
CONSIDERATIONS	**IMMEDIATE**	**SHORT-TERM**	**LONG-TERM**
What was our cash need to handle our current operations?	• Identify current sources of cash in the very near term • Understand current run rate to meet current business commitments • Prioritize all sources and uses of cash	• Develop robust short-term cash flow projections – 30, 60, 90 days. Develop new processes to increase discipline where needed • Create action plan within the organization around maintaining/increasing cash	• Do you regularly update your cash flow needs? How good is your model? • Can you quickly evaluate multiple scenarios? • Do you know what your mission critical spending is?
How much cash do I expect to generate based on expected volume changes?	• Adjust your current forecasting models • Determine volume levels which trigger defined financing/cash saving/other decision-time actions	• Work with ops/sales to identify opportunities to move product/services faster-promotions/discounts/rebates • Develop a strategy with suppliers and other vendors to change payment terms or defer payments	• How closely linked are financial forecasting and production planning? • Do you know what products/services generate the most profitability? • How long does it take you to determine profitability? Is it fast enough to quickly adapt?
How much flexibility do you have to access new sources of financing?	• Review your current bank agreements – examine covenants • Determine current capacity in existing financing arrangements • Talk to your existing financing partners about expanded financing or alternative financing based upon updated forecasting	• Review all government funding programs and consider in combination with traditional and non-traditional financing options • Consider alternative ways to increase cash – delayed spending/tax planning/others • Schedule more frequent interactions with lenders, consider developing new short-term metrics	• How do you determine your financing arrangements and relationships? • How do you decide how much capacity you need? Is it just based on what someone will lend you? • Does it meet the demands of your strategic plan?
How can you change your investment resources allocation?	• Evaluate all current projects • Determine ability to expand working capital through delayed project/capex spending • Prioritze projects based on critical business framework	• Consider prioritizing projects/revenue programs that come with a quicker take-off and slowing longer-term projects as needed • Develop a clear alignment of projects and potential projects to strategy plan – ensure funding for only projects that are aligned	• Do you have a robust project approval/alignment plan? Is it strategically aligned? • Why are certain projects pursued and others declined? • What data are you using to make those decisions?

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YOUR COMMUNITY			
CONSIDERATIONS	**IMMEDIATE**	**SHORT-TERM**	**LONG-TERM**
What is our current positioning in the community?	• Identify your key community relationships (business, charitable, governmental) • Identify key areas where your business needs help or can provide help/guidance/input	• Evaluate ways to drive ethical/moral decision making in the business community • Consider ways to be a standard setter to protect community stakeholders	• How was your position in the community prior to the crisis, an asset or liability? • Did other businesses with a better position fare better? What needs to change to your brand in the community?
How do the business changes we have to make impact our community brand?	• Consider brand/community impact of business decisions • Develop a communication plan for setting expectations	• Consider new metrics for measuring company impact • Consider ways to increase frequency of communication with community to track their changing needs	• How are you measuring the impact your community has on your bottom line - could you? should you? • Do you think of your community as a key stakeholder of your business - where do you prioritize it? How does this crisis change that priority?
Where and how do we make our community investments - time, treasure, focus?	• Identify areas of significant investment in the community across the spectrum • Consider ongoing commitments to continue to fund, support, give time	• Consider ways to increase internal mobilization around impacting community • Consider developing community response teams and how employees unable to remote work can be utilized to assist in the community instead of the business	• Are you focused on the right things in the community? • How did you choose what to invest in the community? Is it consistent with your purpose as an organization? Does it matter?
How can we continue to positively impact our communities?	• Identify alternative ways to continue to impact the community given new restrictions and new business situation • Rebalance portfolio of investment across time, treasure, focus to fit current new normal	• Develop teams/structure to continue to provide volunteer opportunities during this time • Partner with organizations to co-develop solutions to rethink how you can be impactful	• Does your organization spend enough time impacting the community? How do you determine the right amount? • How are you making that decision? With what data and through what lens?