

## Resilience

As the coronavirus pandemic strains, the most significant risk facing industries amid COVID-19 is genuine economic deterioration. This is an unsettling development, and it would be easier to continue 'business as usual.' However, we are not hopeless bystanders in the fight; we don't have the luxury of sticking our heads in the sand and waiting out the storm. Let's take an aggressive position to tackle this challenge together by implementing scenario and contingency planning. Empowering you and your team to think through consequences and outcomes.

## Scenario and Contingency Planning

Scenario Planning permits executives to explore and proactively prepare for alternative events. Working capital and cash preservation are vital under multiple scenarios. Understanding and preparing for various potential outcomes is prudent in these times.

Contingency Planning assesses what effect sudden market changes or business disruptions may have on a company and develops strategies to deal with them successfully. Strategic alternatives and contingency plans avoid the pitfalls of linear thinking. By thoughtfully thinking through and 'stress testing' various "what if" alternatives, executives and managers can collaborate and brainstorm their assumptions before determining a specific course of action. Scenario and contingency planning allow your team to work together to pressure-test plans, forecasts and prepare alternative plans of action that the organization can use to handle the unexpected.

We are assisting our clients with contingency planning, as well as, real-time implementation of working capital management and cash preservation strategies. Difficult times often dictate a need to perform scenario planning to assist with informed decision making. Stay focused on your core business by identifying the key levers that influence your company's future.

## How Scenario and Contingency Planning Works

Critical steps in the process are:

1. Choose a timeframe to explore - horizons of 6 months to a year are ideal
2. Identify current trends and conditions
3. Create varied, yet, realistic scenarios of the future – toggles associated with sales (particular customers, trends, patterns, etc.) costs and markets.
4. Test the impact of key variables in each scenario and understand the impact of such variables overtime on cash/working capital, etc.
5. Develop detailed action plans based on the various scenarios
6. Monitor events as they unfold
7. Be prepared to update or modify plans and assumptions as conditions change

## We are Here to Assist You

Our mission remains to help our clients succeed and meet their strategic goals and assisting them regardless of disruptions, events, and economic conditions.

Should you need assistance in navigating the impact COVID-19 on your business and workforce, please contact **Stacy Wanamaker** directly at **315.250.2969** or **swanamaker@springerlawson.com**.

We wish you and your families the best as we work together to help ensure a safe and secure outcome to a most unusual time for all of us.

## Pre-Mitigation Scenarios | Impact On Cash/Working Capital

