

# WEATHERING THE COVID-19 STORM

CRITICAL STEPS FAMILY  
BUSINESS OWNERS CAN  
TAKE NOW TO ENSURE  
BUSINESS CONTINUITY

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# ESSENTIAL COVID-19 INFORMATION & PERSPECTIVE FOR YOU

THIS IS AN IMPORTANT UPDATE FOR ALL FAMILY WEALTH AND LEGACY CLIENTS TO PROVIDE YOU OUR PERSPECTIVE ON THE CORONAVIRUS AS OF TODAY, MARCH 18TH, 2020, WITH OBJECTIVE FACTS, DATA AND SUGGESTIONS. AS WE NOW KNOW IN THIS RAPIDLY CHANGING LANDSCAPE OF DEVELOPMENTS, EVERY DAY THAT PASSES DEMONSTRATES THAT THE GOAL POSTS ARE CHANGING RAPIDLY.

THE SOLE REASON WE PROVIDE THIS UPDATE IS TO PROVIDE SOME NUMBERS, RATHER THAN YOU ONLY HAVING BLACK CLOUDS OF UNCERTAINTY FORMING IN YOU OR YOUR TEAMS, AS EACH NEW DAY PROGRESSES AT ACCELERATING SPEED AND INTENSITY.

IT IS OUR HOPE AND EXPECTATION THAT THE NUMBERS, MOST CURRENT DATA AND IDEAS PROVIDED IN THIS MESSAGE GIVE YOU SOMETHING MORE OBJECTIVE TO UNDERSTAND AND PLAN AROUND. WE DON'T TRUST THESE NUMBERS TO COVER EVERY FACET OR ASPECT OF WHAT IS HAPPENING AROUND OUR PLANET, BUT WE TRUST THEM MORE THAN NOTHING - OR ANY LEVEL OF INACTION. AND UP TILL NOW, THERE HAS BEEN A LOT OF CONFUSION, FEAR AND MIS-INFORMATION BEING SPEWED FROM MANY CORNERS OF OUR AVAILABLE INFORMATION SOURCES.

PRESENTED BY MICHAEL PALUMBOS



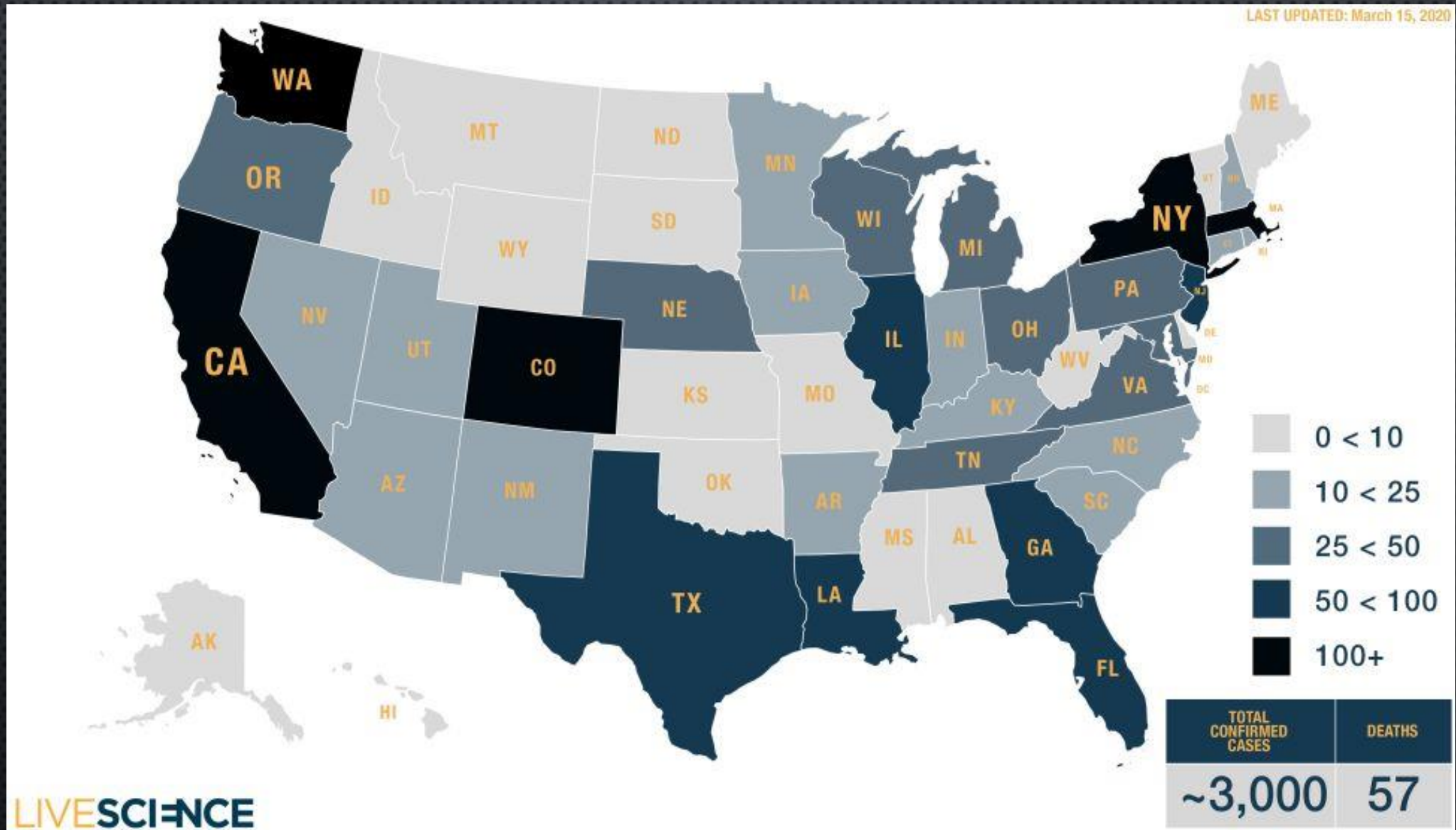


# THE STOCKDALE PARADOX

THE ART OF AVOIDING BOTH  
OPTIMISM, AND PESSIMISM.

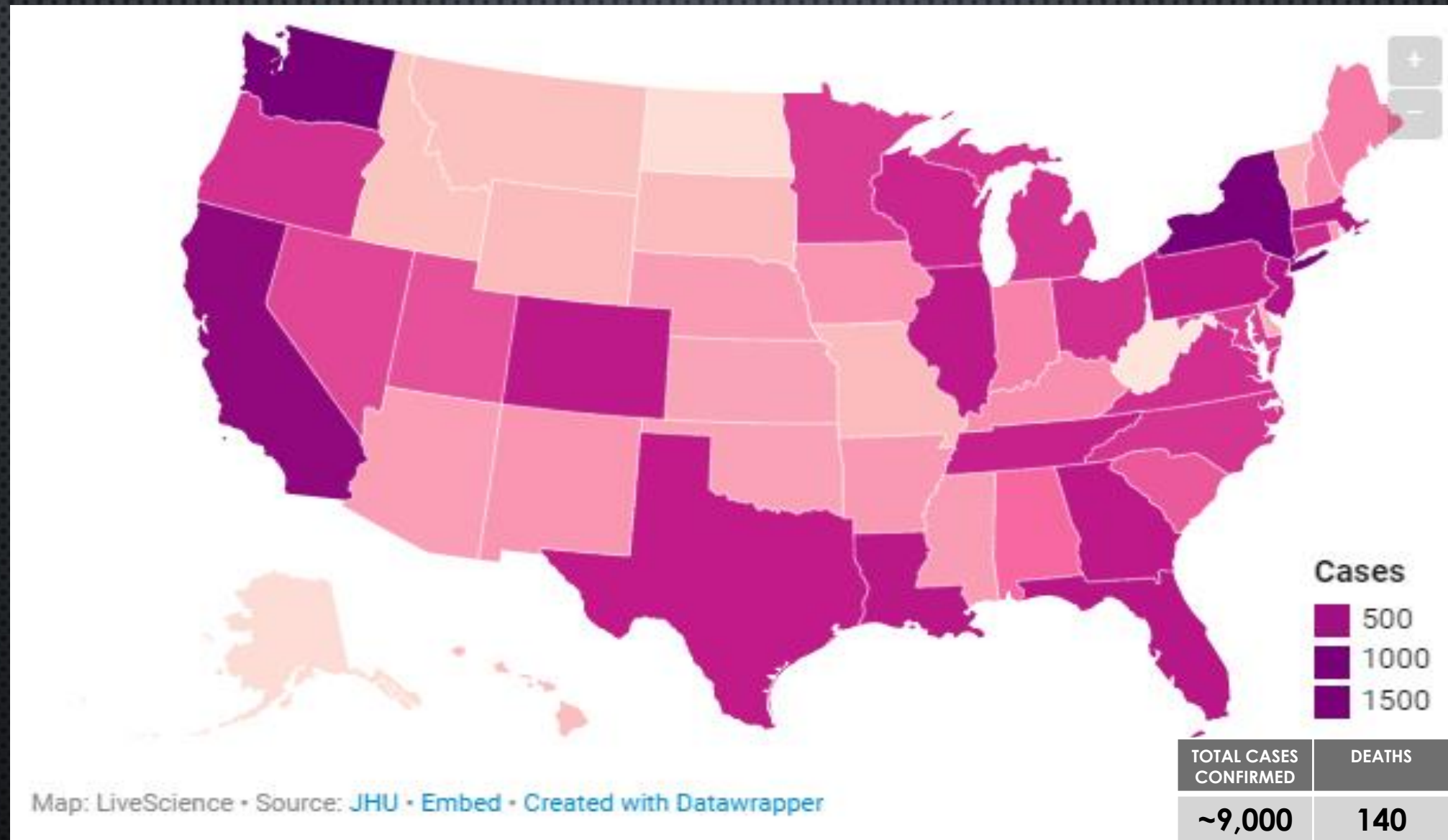


# CORONAVIRUS IN THE US: MARCH 15, 2020



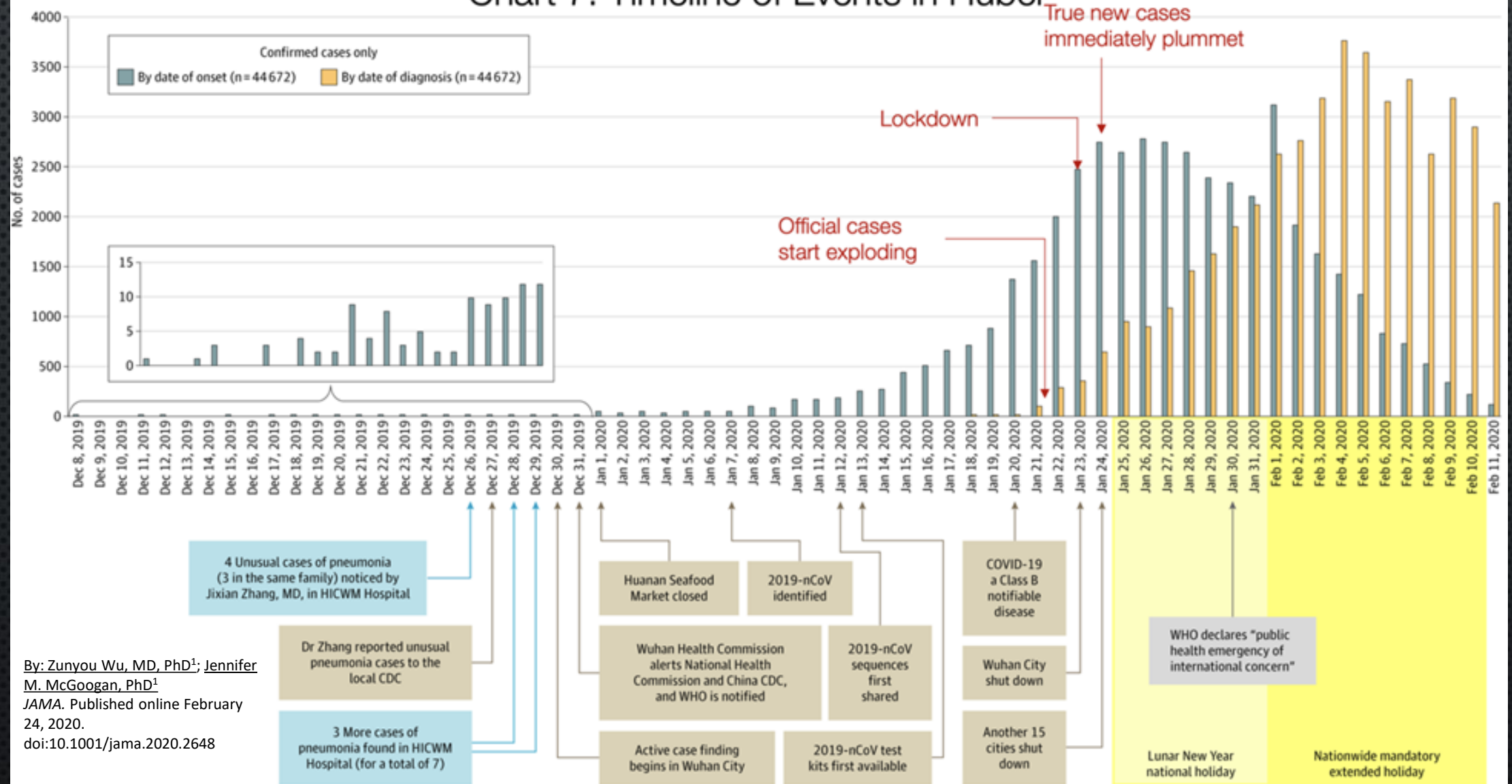


# CORONAVIRUS IN THE US: MARCH 18, 2020



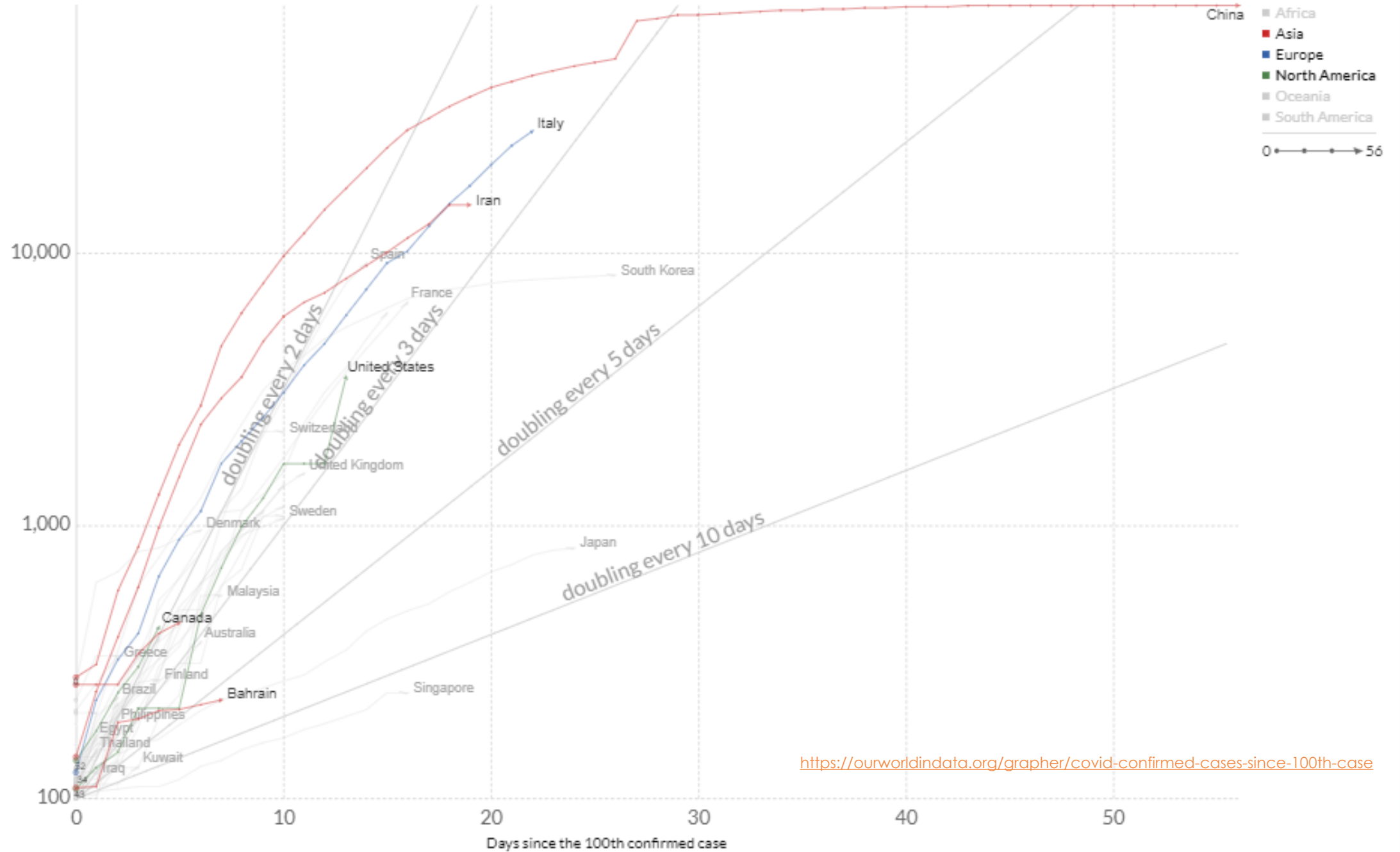
# LOOKING BACK: TIMELINE OF EVENTS IN HUBEI

Chart 7: Timeline of Events in Hubei



By: Zunyou Wu, MD, PhD<sup>1</sup>; Jennifer M. McGoogan, PhD<sup>1</sup>  
 JAMA. Published online February 24, 2020.  
 doi:10.1001/jama.2020.2648

Total confirmed cases of COVID-19



<https://ourworldindata.org/grapher/covid-confirmed-cases-since-100th-case>



**Projections suggest that the U.S. will reach 100,000 confirmed cases by March 30.**

That means that around 5,000 will need to be taken care of in the ICU.

**... and states across the country are already expected to suffer from ICU bed shortages.**

COVID-19 #CORONAVIRUS INFOGRAPHIC DATA PACK

## The Majority of Infections are Mild

Seriousness of symptoms

80.9%



**MILD**  
Like flu, stay at home

13.8%



**SEVERE**  
Hospitalization

4.7%



**CRITICAL**  
Intensive care

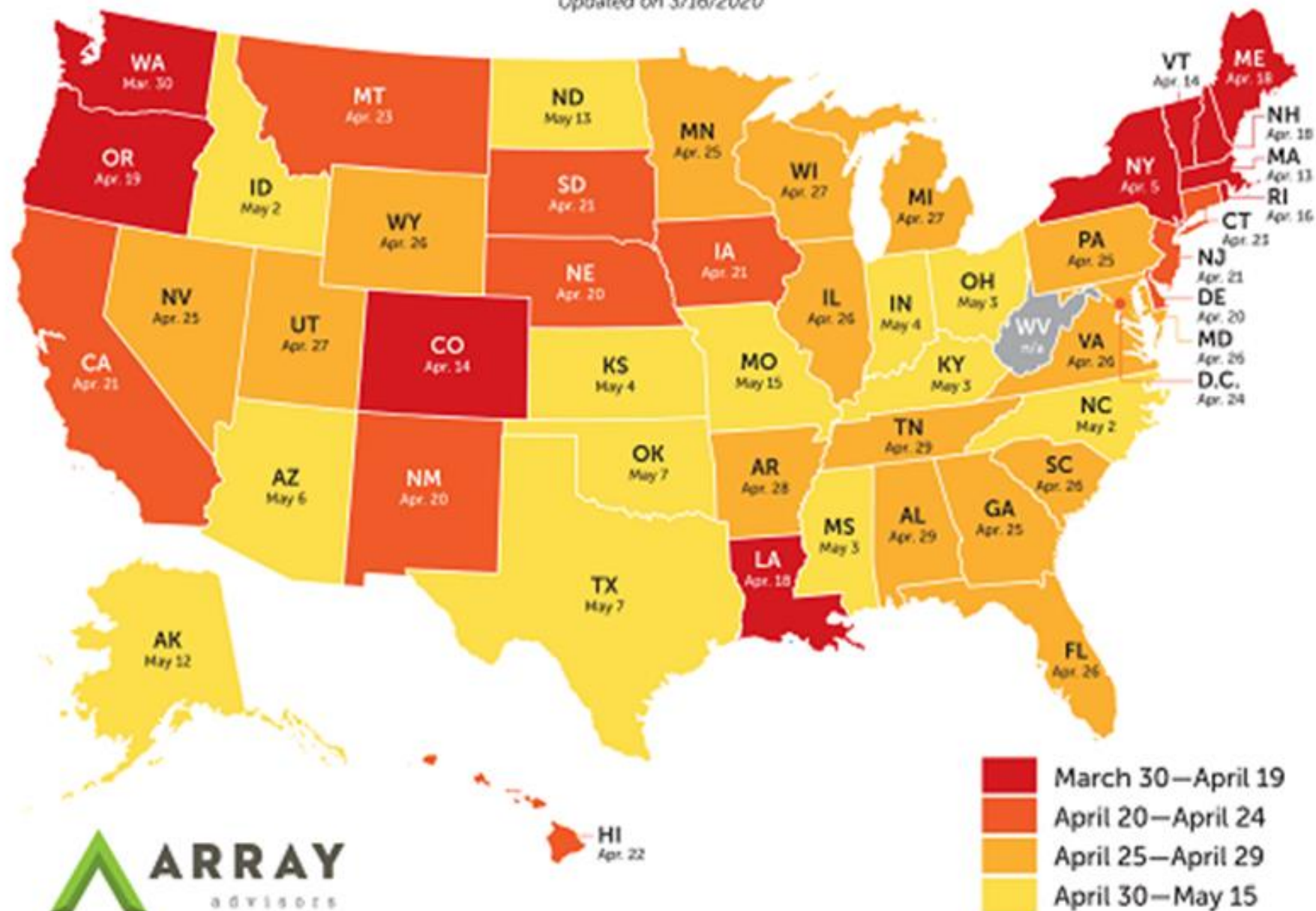
informationisbeautiful

study of 44,672 confirmed cases in Mainland China  
sources: China Centre for Disease Control & Prevention, Statista



# Projected Date of ICU Bed Shortage by State

Updated on 3/16/2020



SOURCE: Array Advisors. <https://array-ai.net/press-release/array-advisors-model-validates-fears-of-icu-bed-shortage-due-to-coronavirus-pandemic/>

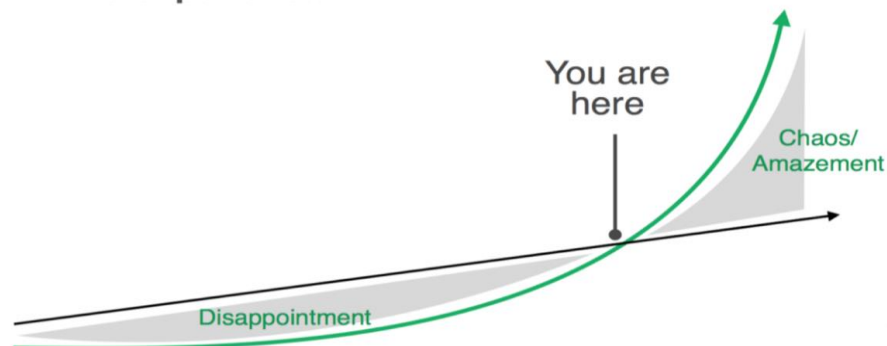


# WHEN DOES THE HOSPITAL SYSTEM GET OVERWHELMED?



- 25% DAILY GROWTH WITH HUMAN TO HUMAN TRANSMISSION IS EXPECTED TO CONTINUE.
- 924,107 HOSPITAL BEDS & 74,906 ICU BEDS EXPECTED TO BE FILLED BEFORE MAY 8<sup>TH</sup>.
- COUNTRY EXPECTED TO BE IN SOME LEVEL OF LOCKDOWN WITHIN THE NEXT 3-6 WEEKS.

Deception of linear  
vs exponential



<https://www.aha.org/statistics/fast-facts-us-hospitals> &  
<https://www.healthleadersmedia.com/clinical-care/see-when-states-will-face-hospital-bed-capacity-shortages-during-covid-19-outbreak>



# WHAT DOES THIS MEAN FOR YOUR BUSINESS?

## FOUR AREAS TO FOCUS ON DURING HEALTH CRISIS

- PROTECTING CASH FLOW
- PROTECTING JOBS
- PROTECTING HEALTH
- IDENTIFY OPPORTUNITIES, BOTH  
DURING AND AFTER THE CRISIS





# PROTECTING CASH FLOW

- HAVE YOUR ACCOUNTANT DRAW UP 3 MOCK BUDGETS:
  - A 15% REDUCTION IN SALES
  - A 30% REDUCTION IN SALES
  - A 45% REDUCTION IN SALES
- EVALUATE WHERE CUTS, OR ADDITIONS MAY NEED TO BE MADE OVER THE NEXT SIX MONTHS.
  - PAYROLL REDUCTIONS
  - NEW INCOME STREAMS
  - RENT REDUCTIONS
  - OTHER OUTSIDE-THE-BOX IDEAS
- KNOW THE DATE YOU MIGHT RUN OUT OF CASH. COMMUNICATE IT WITH YOUR VENDORS

☐ **DUE: 7 DAYS**



# PROTECTING CASH FLOW: INVESTIGATE YOUR SUPPLY CHAIN



# PROTECTING JOBS: COMMUNICATING YOUR CORE VALUES

What are we doing to protect the company?

What are we doing to protect your job?

What are we doing to ensure your safety?





# PROTECTING HEALTH

Make working from home the default

Implement a COVID-19 sick leave policy

- Offer “negative sick leave” policy, with ability to make up hours later.
- Continue pay during sick leave
- Shift to an insurance company, if possible





# IDENTIFY OPPORTUNITIES FOR GROWTH

## MARGIN GROWTH

- FOCUS ON IN-DEMAND PRODUCTS/SERVICES
- FOCUS ON EFFICIENCY
- NEGOTIATE BETTER SUPPLIER PRICES
- DROP UNPROFITABLE PRODUCTS
- BUNDLE PRODUCTS

## CUSTOMER GROWTH

- ACQUIRE A COLLAPSING COMPETITOR
- SOLVE NEW CUSTOMER PROBLEMS IN THE VIRUS ENVIRONMENT
- SPEND TIME ON YOUR CORE CUSTOMER'S FEELINGS & NEEDS
- BUY CUSTOMER CONTRACTS FROM COMPETITORS
- ONLINE, ONLINE, ONLINE



# KEY TAKEAWAYS

- FOCUS ALL BUDGETING EFFORTS TO ACHIEVE A BREAK-EVEN 90 DAYS FROM NOW.
- FOCUS ON THE FOUR KEY AREAS:
  - PROTECT CASHFLOW
  - PROTECT YOUR PEOPLE'S JOBS
  - PROTECT YOUR PEOPLE'S HEALTH
  - IDENTIFY AND SEIZE OPPORTUNITIES FOR MARGIN AND CUSTOMER GROWTH
- DON'T FORGET TO FOCUS ON **You**. SLEEP, EAT AND EXERCISE WELL. LOOK AFTER YOUR MENTAL HEALTH.





# WE'RE HERE TO HELP



**FAMILY WEALTH & LEGACY**  
LLC



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