

# A Perspective on Strat Planning in the Age of Covid-19

Question:

From a business planning perspective (or personal one), how do I plan around Covid-19 impact?

AKA: When will things return to normal?  
(or the new normal)

## Example:

Lets examine how major companies are doing it.

Note: they probably are not disclosing this, as it has real business and street implications.

BUT – they are probably using it to determine things like Investment, Cash Flow, Capitalization, Hiring/Reductions, etc.

AKA: how bad is this storm going to be,  
and how long is it going to last.

## Step 1:

Get smart on the issue.

Probably from those that are experts in the field.

You need to be able to frame things.

Leverage History, as things DO tend to repeat themselves,  
and Humans tend to under-appreciate this fact.

Step 2:

Using a very simple model, define the:

Best Case

Worst Case

Likely Mid Case

## Step 3:

Base each of these on PLAUSIBILITY

Not Likelihood

(easier for us to define and agree)

Magnitudes, not Specifics

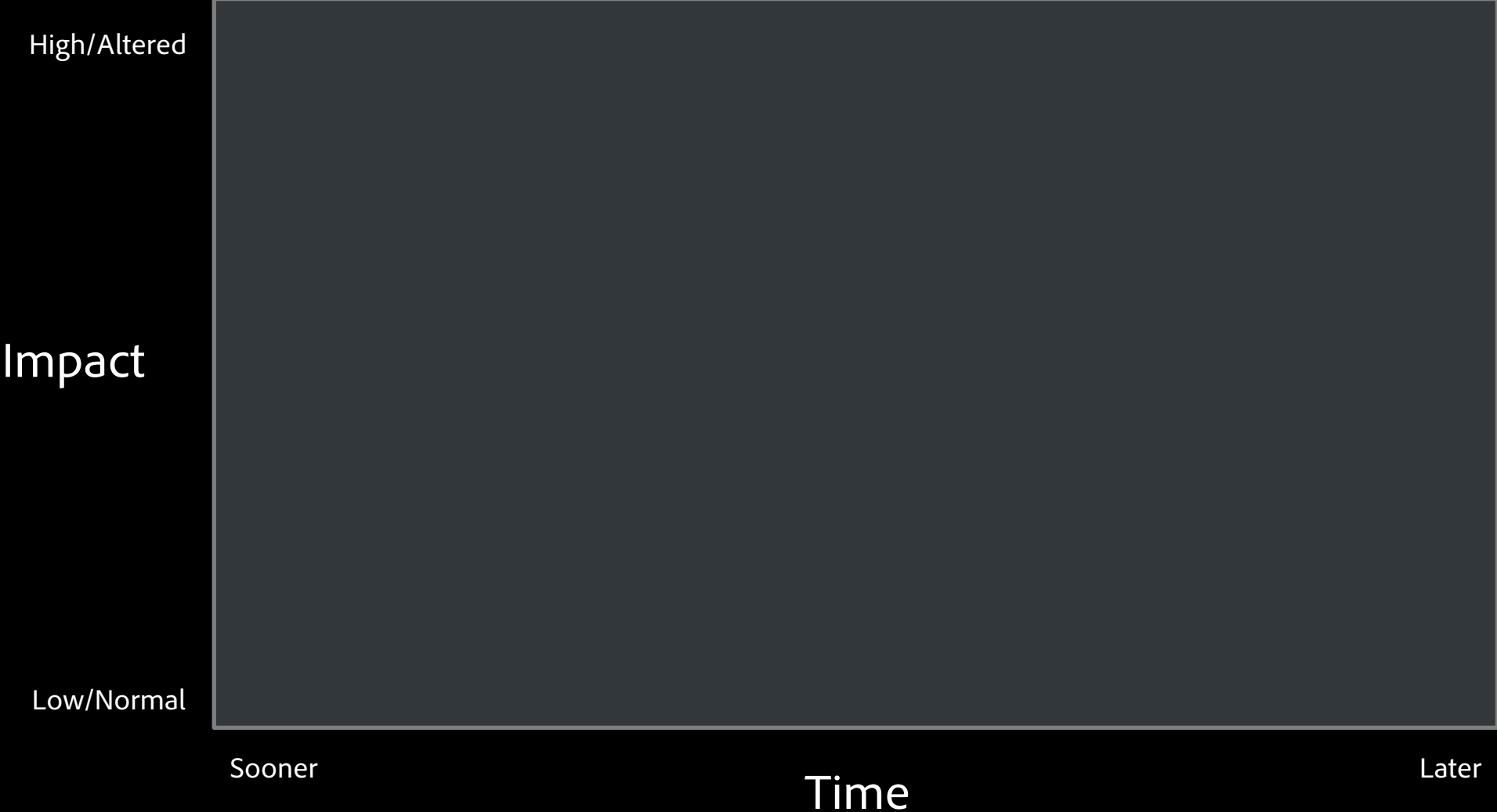
Step 4:

Shape of the Curve

Fast with Long Tail or Slow with Rapid End

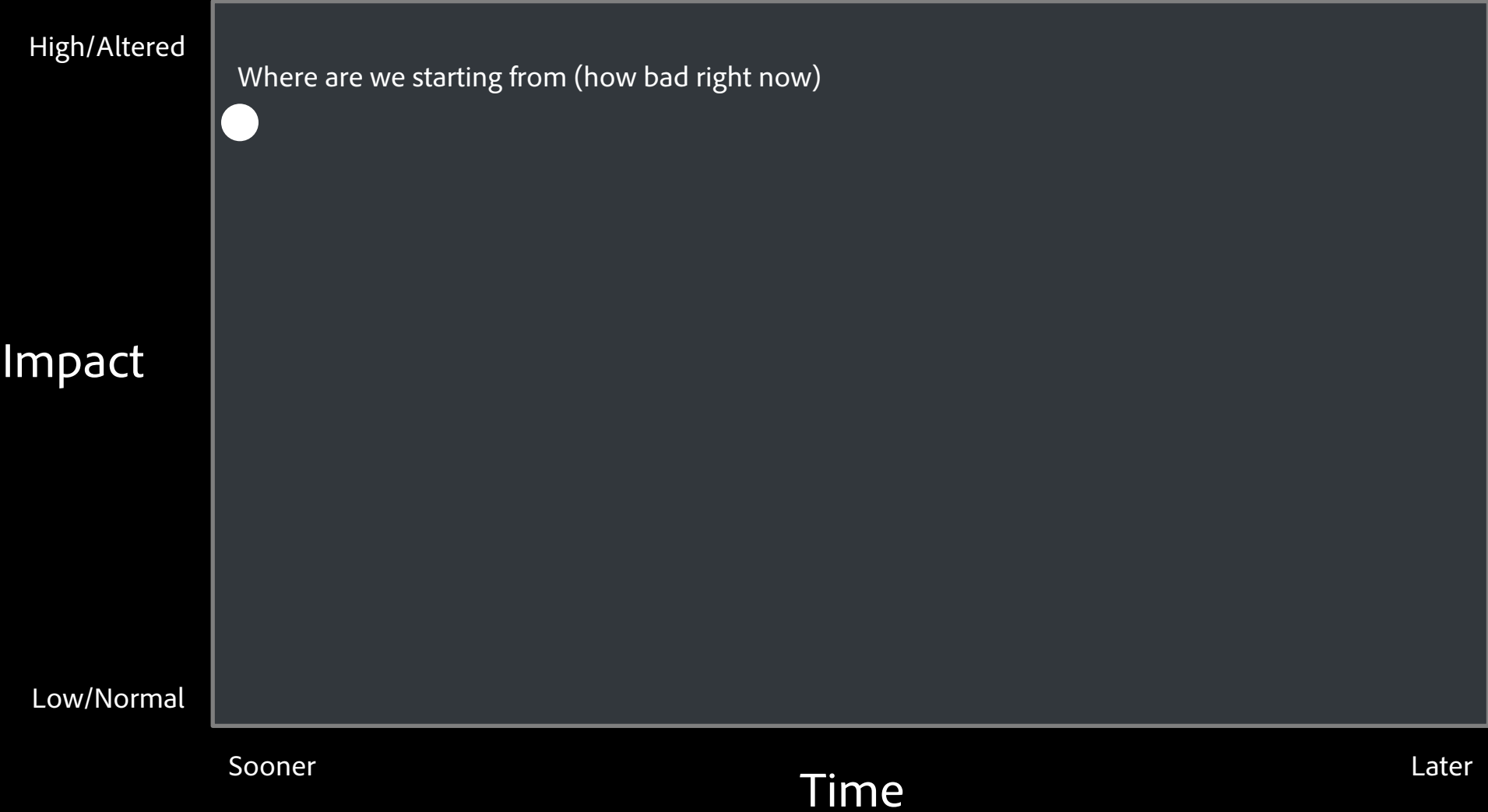
Remember, not what you WANT to happen, but what history and the experts are saying likely to happen

# Strategic Planning Model

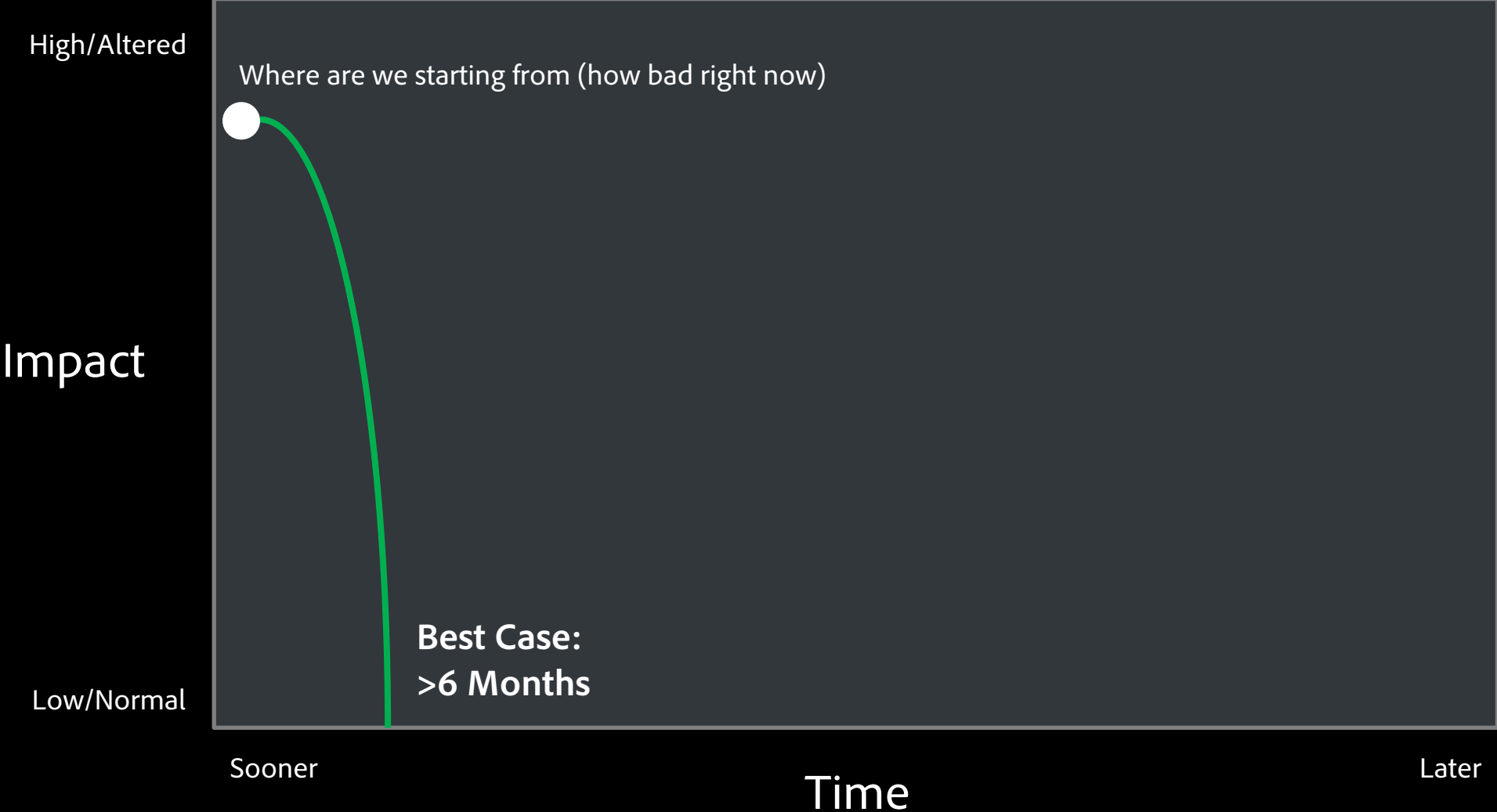




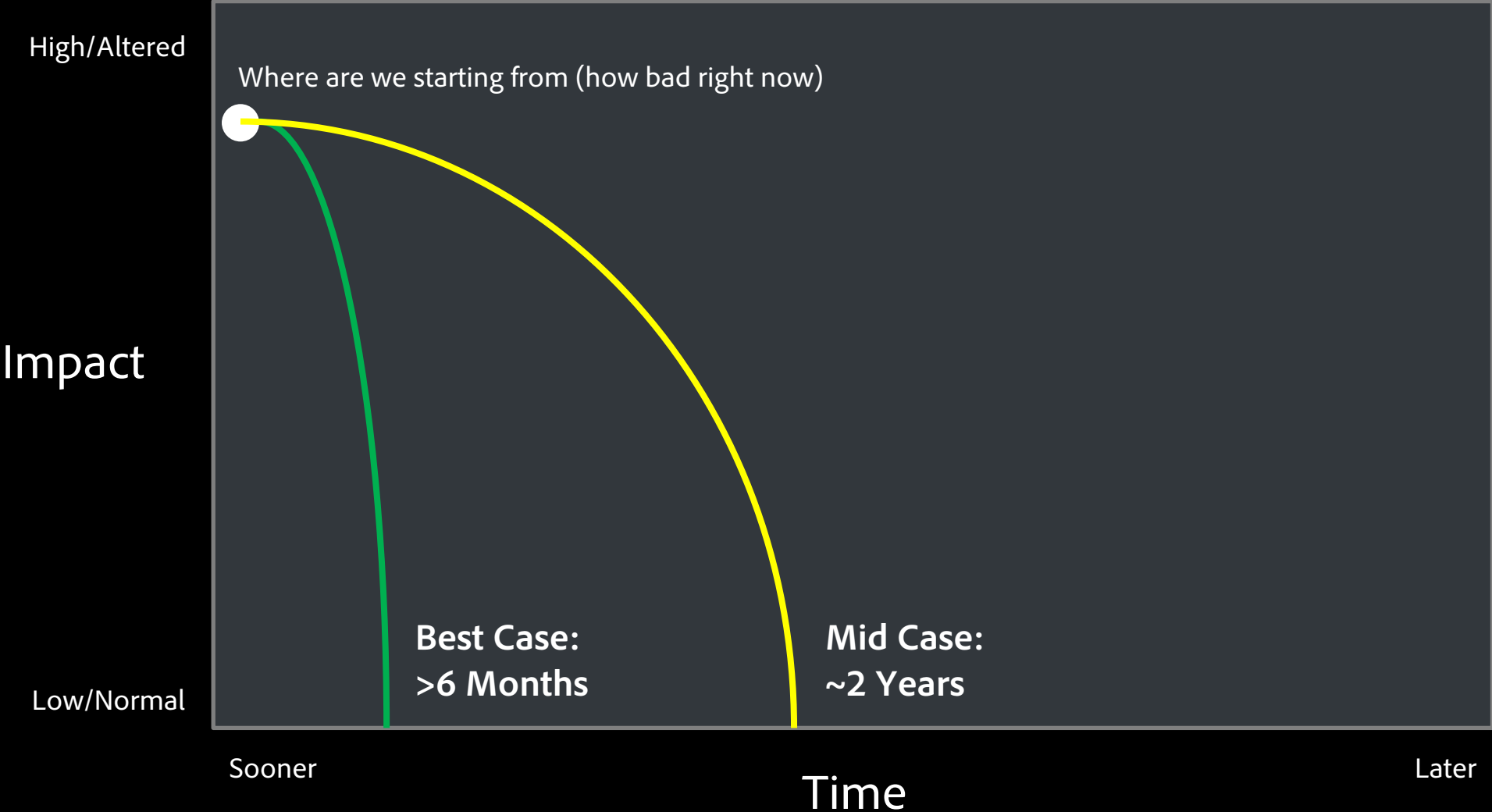
# Strategic Planning Model



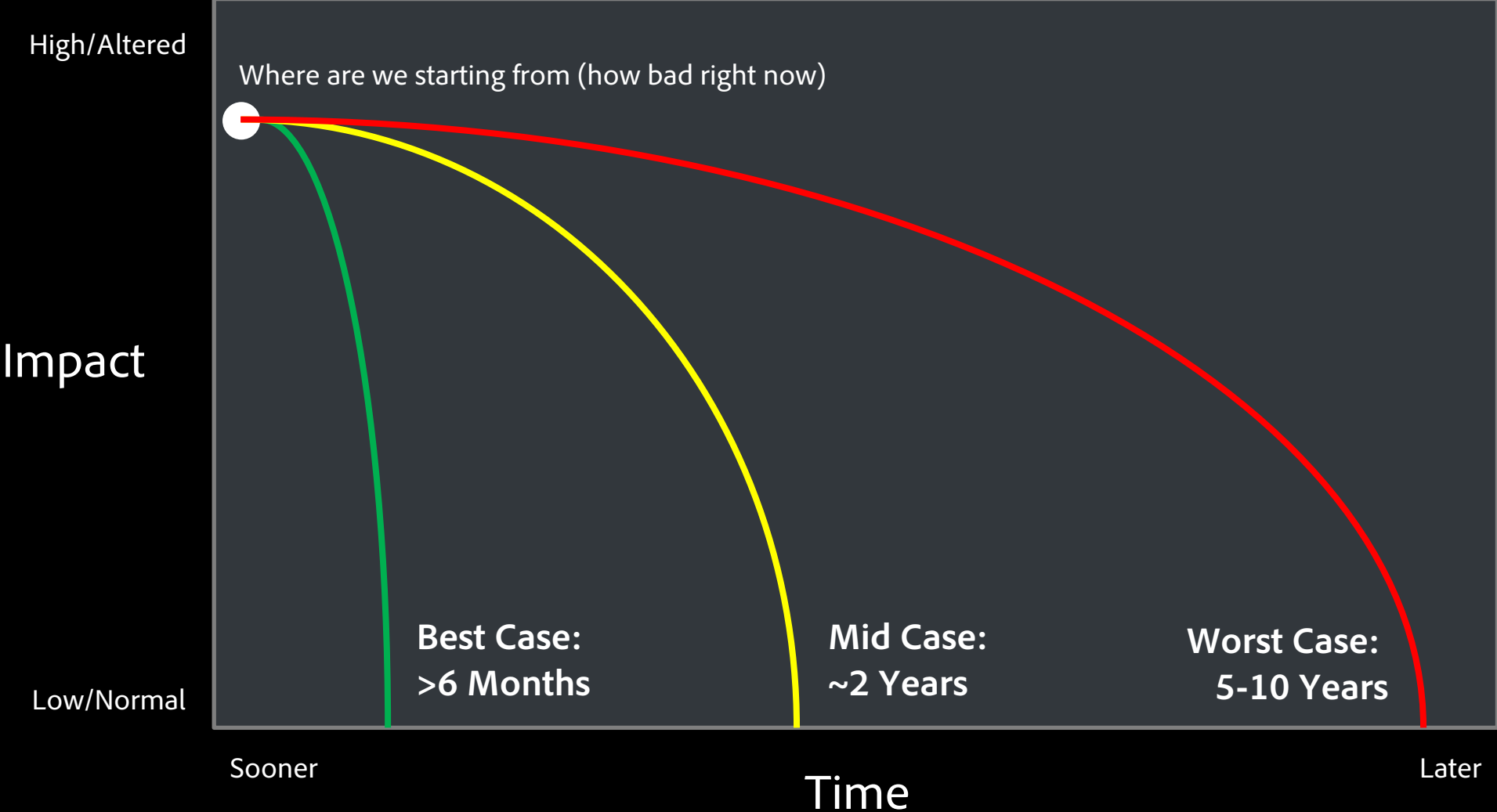
# Strategic Planning Model



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## What Does This Mean?

Best Case = >6 Months

Expect Little to Change Immediately

Mid Case: ~2 Years

Decisions that preserve the core business

Likely gets worse before gets better

Worst Case: 5-10 Years

Consider anything

Expect it to get much worse

## A Perspective

You might not like these outcomes (who would?),  
but that is not the point.

The question is whether they are PLAUSIBLE based on all we  
know, and what we DO in response.

As business people, we have a role into how our companies  
respond, and we need to be sensitive to the macro issues  
at play here. It is not business as usual.