



A ROADMAP TO  
**TRANSFORMATIVE  
GROWTH**

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**Strategies & solutions to regain momentum, improve leverage, and  
transform to realize a stronger future**



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## FOREWORD

# Where to Go From Here?

Despite the hard reality many have faced over the past several months, there are promising opportunities for businesses to come back from the disruption even better than before. A thoughtfully orchestrated approach to new tax strategies, analysis of workspace leases, identifying new debt placement opportunities, enhancing performance through outsourced resources, and rethinking how you execute major deals and transactions are just a few ways organizations can take advantage of the current environment to realize a stronger future.

This guide is meant to act as a roadmap, facilitating exploration and experimentation in new methods to address, what are likely, novel challenges that came out of the COVID-19 pandemic. Unique challenges demand creative solutions, and it will be vitally important to think outside the box when preparing for the future. The information that follows will help you take action to regain momentum and position your organization for transformative growth.

As your team considers what comes next, there are a number of approaches to improve business strategy. We have identified three core tracks to help you orient yourself in the new environment: Generate Cash, Improve Leverage, and Align & Transform. Within each track, several timely topics are addressed. Specific needs and circumstances will dictate where to focus. For instance, cost-recovery efforts like reviewing areas of spending and updating health care plans may improve liquidity. Additionally, many organizations will likely benefit from revisiting and updating existing service provider agreements. Still, others may seize this opportunity to modernize processes and technologies to thrive in a new business landscape. Regardless of your organization's position, the range of topics addressed offers promising solutions. We encourage you to identify and explore those most relevant to your needs.



Many organizations rely, at least in part, on debt to fund operations. Currently, you may be in a situation where you need to renegotiate an existing loan or agreement or initiate a new one. Here, we'll explore several options borrowers have to meet their specific needs and objectives.

## **EVALUATE DEBT PLACEMENT & COMMERCIAL LOAN OPTIONS**

The structure of a financing agreement is a key aspect of business strategy and can significantly affect the relationships between several components of the balance sheet, especially in today's uncertain business landscape. It should be carefully considered.

The financial repercussions of the pandemic are likely to have an impact on many organizations for some time. In the second quarter of 2020, lenders demonstrated noticeable leniency. Moving forward, that is likely to end. They will undoubtedly be overwhelmed with an increase in requests for payment modifications and deferments and are likely to adopt a more conservative approach.

Less willingness to fund new borrowing requests is to be expected. If your organization is struggling financially, your lender may ask you to seek financing elsewhere. Additionally, previously relaxed credit arrangements may become more structured and your lender may require additional collateral, a borrowing base certificate arrangement, and possibly, a collateral or some third-party financial review.

Finally, if your company violates a loan covenant, the bank may offer a forbearance agreement, which can be costly due to lending and legal fees.

Despite these changes, if your organization is trying to recover, there are steps it can take to solidify existing lending relationships or establish new ones.

### **Strengthen Existing Arrangements:**

If you are concerned about funding, it is important to take action now. Begin by determining whether you are in default with your lender, and if so, what you can do to ease their concerns. For instance, are there ways to improve liquidity?

Next, evaluate your most recent quarterly results to better understand what the upcoming quarter will look like. Be proactive in sharing this, and any other critical information, with your lender. If it becomes apparent that your organization will fail a covenant test, be ready to look for alternative options, such as a commercial loan with a different bank or a loan with a non-bank.

### **Establish New Arrangements:**

Securing a business loan has become an increasingly formulaic process. Even before recent events, credit officers evaluating applications based their decisions, which directly impact businesses, solely on the paperwork and evidence provided to them. That is why it is critical to take the necessary steps to accurately document and demonstrate your organization's creditworthiness.

Factors including payment history, collateral to help mitigate perceived risks, general economic and company-specific conditions, business net worth and the ability to service the requested loan are all critical to securing financial support.



## INVESTING IN PEOPLE & EMPLOYEE MANAGEMENT

Once you have a more accurate understanding of both short- and long-term finances, you will be better equipped to make decisions around future investment areas, such as people, technology, or if you can pursue opportunities to enhance your position in the market, through complex transactions. It may be useful to start with people.

Its staff, and the skills they provide, is the greatest investment management teams can make in a business. Identifying and retaining top talent, and designing smart and competitive compensation plans, are critical to business continuity and longevity. In this moment, organizations, and even entire industries, find themselves rethinking how they work. This is the time to refine staffing and compensation strategies to succeed in this new business landscape.

### Talent Mapping & Recruiting:

If your hiring process has been disrupted, it may not be all bad news. Despite feeling like a setback, this could be a chance to think strategically and retool for the future. With a flood of candidates, it will be important to separate the top performers from those who are merely available. As you plan and build your staff, keep these considerations in mind:

- **Recognize the post-COVID realities of your business:** Ask yourself, what are the new realities of your organization, and how does your strategy need to change to accommodate them? Identify prospects based on those roles which are still essential.
- **Know that the recovery will be unpredictable:** As a hiring manager, it can be tempting to “sit and wait” in a market like this. However, nothing is certain. If your company is in a position to capitalize on the talent pool before the best candidates are hired by competitors, it should

- **Acknowledge the “blender effect”:** Training programs and strong management will be critical to navigating a new reality wherein many employees are entering new jobs or industries. If you take care to mentor and develop your staff, you are likely to see significant future returns.

- **Talent & Compensation Mapping:** Once you have determined which roles to fill, a talent and compensation study is essential. It will illustrate what the talent pool looks like today and narrow a list of qualified talent to call when circumstances allow in the future.

### Compensation Consulting:

With all the changes in the job market, it could be time to perform a compensation review and verify that salaries align with market trends and company resources. This is important for both new hires, as well as existing employees because in the era of change, retention may become a more significant issue.

It may be wise to consider working with a compensation consultant. Doing so will provide you expert advice and industry insights to determine whether to take a holistic approach to compensation needs or choose specific focuses.

Taking care to design, implement and communicate employee and executive compensation and reward programs can help drive organizational success well into the future and ensure the best use of resources during times of change.

Once you have mapped out the ideal team, attention can shift to modernizing your workplace and processes to fit changing guidelines and expectations.

## MANAGING THE REMOTE EMPLOYEE LIFECYCLE

As you and your staff adjust to new working arrangements, whether they be in-person or remote, updating processes and communication channels with human capital management tools can provide remarkable benefits.