

10

Tactical Crisis Responses & Actions for AE Firm Leaders

Project pipelines and back-log projections are currently trending lower. These early actions focus on internal operations and cash-flow preservation.

Lead with courage & authenticity

- Tell the real story openly and communicate a future vision beyond the crisis.
- Make the tough decisions and be proactive.
- Be an inspiration to others with positive energy.

Focus on early one-time, near term expense savings

- Eliminate travel, cancel events and annual programming.
- Delay new hires, launches, office opening.
- Capture variable expense savings like bonuses, incentives, and materials.

Eliminate redundancy

- Find opportunities to further consolidate operational and other activities into shared service centers or centers of excellence.

Audit process for efficiencies

- Streamline costly or complex processes.
- Deploy new technologies and restructure roles involved in delivering process outcomes.

Targeted headcount reduction

- Consider early furloughs or lay-offs and re-assess should the crisis deepen and expected revenue becomes more predictable.

Seek concessions

- Renegotiate supplier agreements and other contracts.

Outsource

- Outsource existing functions that don't directly differentiate the firm from the client's perspective.

Targeted office closures

- Assess underperforming offices or service sectors and consider closures.

M&A Assessment

- Assess divesting divisions or service sectors that are a drain on cash flow.
- Conversely, as the economic picture gains clarity, seek opportunities to grow through well priced acquisitions.

Scenario plan

- Evaluate potential scenarios based on depth and duration of the crisis and likely impact on the economics of the firm's business.
- Include post crisis scenario planning and anticipate permanent changes to the firm's business model and client behaviors.