

### KEY CHALLENGES



#### LIQUIDITY

How do we get more cash?  
How do we better manage what we have?



#### FP&A

Better visibility; understanding ramifications of various scenarios



#### LENDERS

Negotiating; obtaining waivers, payment, and fee deferrals; rate assistance



#### GOVERNMENTAL ACTIONS

Do we qualify for CARES or other legislation?  
Should we apply? If so, how?



#### RECEIVABLES

How do we collect more?



#### PAYABLES

Whom can we stretch? What discounts or terms extensions can we get? Can we negotiate with landlords?



#### LABOR

Furloughs; absenteeism; remote working



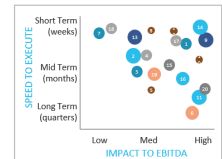
#### RECOVERY

How to best preserve value and position business for recovery

## STRUCTURING THE SOLUTION FOR SUCCESS

COLLECT ACTUALS AND ANALYZE RESULTS

TAKE CORRECTIVE ACTION; PULL NECESSARY LEVERS



DEVELOP CASH FORECAST

*Liquidity management is an iterative, continuous process*

DEVELOP DASHBOARDS AND EARLY WARNING INDICATOR TOOLS

ANALYZE TRENDS; INFORM DECISION-MAKING



Inform reforecast and dashboards

Link to performance targets

Identify focus areas

Pivot if necessary

# PULL LEVERS TO ENHANCE LIQUIDITY

## MANAGE LIQUIDITY AGGRESSIVELY

- Develop/update 13-week cash-flow model
- Appoint a "cash czar" using treasury, FP&A, or experienced consultant
- Hoard available cash
- Manage availability

## PROVIDE FINANCIAL VISIBILITY

- Establish command center with dashboards
- Conduct finance health check to identify gaps in people, process, technology
- Understand financial implications
- Model scenarios, including worst case, and stress test for amount and timing of impact
- Review insurance coverage; initiate claims recovery
- Consider assets to be monetized
- Reduce costs; eliminate nonessential spending
- Provide financial data to support payment deferrals

## WORK WITH LENDERS

- Provide visibility with forecasts
- Negotiate fee and/or payment deferrals, advance rate freezes, covenant relief, upfront waivers
- Identify opportunities to enhance borrowing base
- Evaluate pulling down lines of credit to capacity
- Identify alternative lending sources
- Consider strategic alternatives: refi, sale, etc.

## MANAGE LABOR/EMPLOYEES

- Develop plan to address absenteeism, remote workforce
- Leverage automation or outsourcing
- Identify staff to furlough or RIF; consider phased furlough plan or flexible staffing
- Ensure compliance with CBAs
- Defer/reduce payments to highly compensated employees

## COLLECT, COLLECT, COLLECT

- Analyze, segment, and prioritize customers to collect from (best/most profitable customers first, agings; left to right, top to bottom)
- Tighten credit limits and/or request early payments
- Understand which customers are being impacted
- Consider adding resources to collections team
- Prepare to cut deals

## STRETCH PAYABLES

- Stratify critical vs. non-critical suppliers/vendors
- Extend terms on non-critical vendors
- Negotiate with critical vendors for extended terms in return for on-time payment
- Consider what payments can be deferred or paid on a plan—including landlords/rent
- Delay social security payroll taxes

## CONSIDER/ITERATIVELY APPLY REGULATORY AND LEGISLATIVE ACTIONS

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Families First Coronavirus Response Act (FFCRA)
- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020
- SBA loans
- FEMA public assistance
- Treasury tax relief and credits
- Subsidies/loan forgiveness

## PLAN FOR RECOVERY

- Develop plan to chart emergence
- Identify improvement opportunities in O2C, P2P, R2R, FP&A, and Treasury
- Refocus products and services as necessary
- Understand "signs" of recovery
- Prepare for working capital needs when growth returns