



# COVID-19 ORGANIZATIONAL SURVIVAL GUIDE

Featuring insights and strategies from APQC's 5 major research areas

## Introduction

It seems hard to imagine that even the sharpest scenario planners one year or even six months ago could have fully anticipated the situation in which we now collectively find ourselves: Businesses and borders shuttered throughout the US and around the world, economic uncertainty for many workers, and a global economy edging toward recession. Along with the rising humanitarian toll, COVID-19 and its myriad impacts are undeniably going to shape businesses and economies around the world for years and even decades to come.

APQC knows that in times of economic downturn and crisis, the need for best practices, insights, and strategies—forged in collaboration with some of the world’s most successful and resilient organizations—is greater than ever. To that end, APQC has compiled strategic guidance relevant to the COVID-19 crisis from each of its five major research areas:

- » Human Capital Management
- » Knowledge Management
- » Supply Chain Management
- » Process and Performance Management
- » Financial Management

In what is sure to be a turbulent period for many organizations, it is our hope that APQC’s members will read and leverage this document across functional boundaries and silos as organizational leaders collaborate on how best to keep the business strong and secure their organizations’ futures. Beyond the publication of this guide, our commitment to help our members work smarter, faster, and with greater confidence remains unbroken and unwavering. Stay tuned to APQC and each of its functional membership areas for continued insight and guidance through the COVID-19 crisis and beyond.



## Human Capital Management

Human Capital Management (HCM) is, in many ways, positioned at the front lines of the COVID-19 crisis. In a short amount of time, the pandemic has radically altered the nature of the workplace in organizations across the United States and around the world. Along with providing guidance to keep employees safe and healthy, HR now has a key role to play in helping an organization's employees adjust to a new reality: The home as a workplace. Below, we provide tips and guidance for employees who find themselves working from home, along with tips for managing remote employees. Further guidance and insights are available in APQC's [Navigating Remote Work collection](#).

### TIPS FOR WORKING FROM HOME

From navigating work hours to handling relationships to work wear, the following are some fundamental practices for finding success when working from home.

- » **Designate a consistent workspace.** Pick a place that will function as your primary home office—It could be a spare bedroom, a desk in your bedroom, or even the kitchen counter. Starting your workday in a consistent “home office” sends the message to yourself and others that you have “gone to work” for the day. In the same way, packing up sends the message that you are finished working and transitioning to personal life.
- » **Set ground rules with the people around you.** Communicate with those who live in your home about when you will and will not be available. Let them know when it's okay to interrupt and when they shouldn't interrupt unless it's an emergency (it can also be helpful to discuss what constitutes an emergency). Negotiate what kind of background noise is acceptable and what is not.
- » **Set ground rules for yourself.** When working from home, it's important to decide what your routine will be. When will you start and end work each day? When will you take breaks? To the extent that your job allows, designate specific times for checking email or social media—Working from home can be a lonely experience and it can be tempting (and detrimental to productivity) to check email or social media every time you hear a ping.
- » **Set ground rules with your team.** Agreeing on ground rules that will govern how a team works is especially important when one or more members are remote. Teams should discuss and decide on work schedules, preferred methods of communication, expectations for responsiveness, standards for dress and appearance, and how meetings will be led so that everyone has a chance to talk. It is also helpful to revisit the frequency with which team meetings should be held. Set aside some time in the meeting agenda to discuss and work through any challenges that remote work is posing for the team.
- » **Communicate your schedule.** When you work from home, your coworkers can't see if you are physically at your computer or not, and many coworkers will find it harder to interrupt you. Having your calendar and social network status up-to-date lets them know if/when you are available to connect. Resistance to interrupting people at home can be strong, so it's

also a good practice to regularly remind coworkers that you welcome interruptions—if you do.

- » **Get ready for each workday.** As tempting as it may be to work in pajamas every day, having a consistent “get ready for work” routine and a clean, put-together work appearance can take the place of the office in signaling to you—and others—that it’s time to work.
- » **Create a to-do list.** To-do lists can help you move through the workday without having to stop and think about what to do next. With no backdrop of busy coworkers and watchful managers, a to-do list can help you stay motivated. It feels good to check things off the list, and helps keep distractions and procrastination at bay.
- » **Check in with your manager regularly.** When you work from home, your manager generally has less visibility into what you are working on and how well it’s going. For that reason, it’s important to schedule regularly occurring check-in meetings with your manager. Check-in meetings should be a time to tell your manager what you have accomplished and discuss any challenges you’re having.

## TIPS FOR MANAGING REMOTE EMPLOYEES

Managing employees can be a difficult task already, and the challenge is doubled for remote work. Below are five tactics that any manager of remote employees can use to maintain good work relationships, whether ‘remote’ means across town or across time zones.

- » **Have a virtual open-door policy.** If a remote employee sends a message asking for a few minutes to talk, put everything else aside and use video conferencing or the phone to talk with him or her. Using voice or video allows both individuals to show that each is giving the other their undivided attention.
- » **Make time for regular meetings.** Schedule weekly check-ins via phone or video with each remote employee. Block this time out on the calendar and use it to catch up even if there isn’t something pressing to discuss. When working on a project, schedule quick weekly meetings in a consistent channel to check in, assess progress, and plan tactical moves as needed.
- » **Take emotion off the table.** When communicating remotely, it can sometimes be difficult not to read emotion into an email. Regular communications help managers and remote employees recognize each other’s tone in written messages.
- » **Enable easy file sharing and information flow.** Work with your IT and/or KM function to ensure that collaboration and knowledge-sharing platforms are configured for your team’s needs. Tools like Microsoft Office 365 and G Suite make it easy to share, collaborate, and track projects while keeping everyone on the same page.

## Knowledge Management

The ability to access needed documents, collaborate with coworkers, and conduct virtual meetings has become a critical need as many organizations make an abrupt shift to remote work. Knowledge management (KM) has tools and approaches to help organizations cope with these challenges, and KM teams are well-positioned to demonstrate their value in the current crisis. [KM training for employees](#) is especially critical in this “teachable moment” as newly remote employees are likely to struggle not only with focus and productivity, but also with accessing information and connecting with one another. Below, we discuss five strategies that can help KM teams provide the support that organizations and employees need right now.

### ALIGN WITH THE CURRENT REALITY

In times of crisis, a critical first step for KM is to align with the current reality. KM teams need to evaluate their current initiatives, potentially pause certain routine activities, and refocus on what needs to happen *now* to meet the needs of the organization. For example:

- » Do you need to centralize access to key resources on a more accessible platform?
- » Can KM offer support to teams that suddenly need to collaborate online and/or conduct virtual meetings?
- » Do you need to remind people how to use KM tools to find the answers they need?
- » Should you temporarily “loan” a KM team member with in-demand skills to another business area?

A KM team’s strategy and direction in this moment will depend on the organization and its knowledge needs. For example, KM may need to focus on one particular area of the business that is especially vulnerable, or take on projects that fall outside of KM’s typical scope.

### REMIND EMPLOYEES WHAT’S AVAILABLE AND HOW TO USE IT

Smart KM teams continually reinforce *what* knowledge to share as well as *when, where, why,* and *how* to share it. Point people to the resources you have or create new training targeted to the current environment. Any content should be user-friendly and easy to consume.

While email and social are good for quick reminders, employees now working from home may be particularly receptive to high-touch virtual support. Host live trainings or informal Q&A sessions to answer questions and help employees troubleshoot. For example, the KM team at one [software and technology consulting firm](#) hosts regular office-hours sessions. The first half focuses on a specific topic (like how to use a certain tool), while the second half is an open-ended Q&A where participants can pose any question they want. These office hours make KM more visible and accessible to employees, help identify who is struggling (and with what), and help employees build trusted relationships with KM.

## COACH EMPLOYEES ON “RULES OF THE ROAD” FOR VIRTUAL KNOWLEDGE SHARING

With so many newly remote employees, organizations are likely to experience a flurry of digital interaction in email, community sites, and enterprise social channels. These digital updates and conversations can quickly become overwhelming, especially if the information is off-topic or “nice to have” rather than critical.

To [encourage the right contributions](#), employees need clear guidelines on what to share (and not share) as well as guidance on the best channels to use. In collaboration with KM champions or super-users out in the business, KM can convey simple rules of thumb on what’s worth communicating and where it’s best to post a particular update or question. When employees are posting too much or in the wrong place, thank them for their contributions and redirect that enthusiasm to the right areas.

You may also want to designate certain outlets for social conversations so these don’t get mixed up with—and distract from—the critical work of the business. Establish some fun threads in your collaboration platform or host a virtual coffee break or happy hour for your team or department. Events like these help replicate the sense of community that many employees are likely missing right now, and they are a great place to redirect off-topic contributions.

## PROVIDE EXTRA SUPPORT FOR LEADERS, EXPERTS, AND KEY PERSONNEL

While KM should help everyone, certain personnel—such as [executives](#) and subject matter experts—may need specialized support right now. Many senior leaders have experience leading and communicating virtually, but others may be unfamiliar with the tools or skeptical of the benefits of using open channels like communities and enterprise social, instead of emailing or calling people directly. Encourage these key personnel to role-model good communication habits by using the same “rules of the road” as other employees.

Senior leaders will be extremely busy right now, so make it as easy for them as possible. For example, a KM representative could speak with a leader for five minutes, translate her ideas into a blog post or message, and run it by her before posting it on her behalf. Without dictating to leaders, be ready with ideas and proposals where you can—There’s no better way to communicate the value of KM than by making an executive’s life a little easier during a stressful time.

## TAP INTO YOUR NETWORKS

Now more than ever, KM teams need their connections in the business to provide insight into urgent knowledge needs. Reach out to internal and external support networks, including your KM team members, KM champions in the business, partnering functions, executive advocates, and contacts at other organizations, all of whom can provide valuable guidance. There are already many organizations like [Shopify](#) with a primarily remote workforce, whose experiences offer important insights into effective collaboration among employees working from home.

# Supply Chain Management

In the COVID-19 crisis, supply chains are taking center stage and the stakes are higher than ever. What began as a supply-side disruption localized to China has morphed into a set of multiple disruptions with myriad impacts to supply, demand, and work processes. We discuss these areas of impact below and provide guidance in each area.

## SUPPLY IMPACTS

Given the global nature of this disruption, inventory issues will likely persist for some time. Most organizations only keep a few weeks of inventory on hand and have depleted that stock. The situation is exacerbated by panic buying that has driven shortages of household items like hand sanitizer, disinfecting wipes, and toilet paper. As the reach and impact of COVID-19 continues to grow, impacts to supply will grow as well. What steps should supply chain leaders be taking right now?

### Actions to Take

- » **Map your supply chain.** Where are your supply chain nodes, and where are your suppliers' suppliers and even their suppliers? This is a good practice to follow at any point, even when the pandemic eventually subsides.
- » **Monitor and measure your situation through close communication with vendors and suppliers.** The last thing you want to be doing in this moment is attempting to strong-arm suppliers with heavy-handed terms. Now is the time to focus on [collaboration and strong relationships](#) with your most critical suppliers. Your ultimate success is tied to their success.
- » **Create scenario plans.** Be prepared to answer a wide range of "what if..." questions now so that you have an action plan when they become reality. By now your organizations should have identified alternate suppliers and have a [supplier risk management](#) plan in place. If you haven't, start now to identify and qualify alternate sources of supply. Can they ramp up to the volume you need in the time you have?
- » **Check your contracts.** [How are they written](#)? What are your legal obligations? Can you give your suppliers room to innovate in the face of scarcity?

## DEMAND IMPACTS

While high demand is straining supply in some critical areas, unprecedented declines in demand are also driving widespread disruption right now. Travel cancellations and postponements of entire professional sports seasons (and countless other events) will have huge revenue impacts on the hospitality industry as well as small business vendors who make their living selling product at these events. The food and beverage industry is also reeling as bars and restaurants do their best to adjust to delivery and carry-out-only business models. In many ways, the ultimate impact on demand is difficult to predict because the reality is constantly changing.

### **Actions to take:**

- » **Identify key customers** and talk to them about their [anticipated demand](#).
- » **Consider demand shaping**. Can you shift customers' demand away from products where you may be in a sole source or backorder scenario to products that you can more reliably manufacture or distribute? This can also apply to services.
- » **Strive for an integrated view of all your inventory across channels and locations**. Know what you have and where it is. [Leverage analytics](#).
- » **Subscribe to a digital alert system to stay updated on global changes**. You don't want to be the last to know the latest.

### **WORK PROCESS IMPACTS**

COVID-19 has undeniably impacted the way that daily work gets done. To navigate the new reality of COVID-19 in your supply chain, ask these key questions of your organization and its leadership:

- » Can your supply chain handle 100% remote workers (in those roles that *can* be remote)? Have you been in touch with your IT and KM leaders to make sure that your systems and collaboration tools can handle the change? How will your organization handle integrating and managing roles like production that cannot be remote?
- » OSHA's [Guidance on Preparing Workplaces for COVID-19](#) estimates high rates of employee absenteeism as a result of this virus. What if your key approvers are out ill? Do you have cross-trained employees who can take over their responsibilities?
- » Do you have business continuity plans that can kick in to guide behaviors? Have you tested those plans?
- » Do you have documented process maps that identify the roles responsible for each activity in your critical business processes? Are those accessible by your now-remote employees?
- » Is your organization [prepared for the risk of knowledge loss](#)? If key personnel are ill, quarantined away from home, or worse, do you have the most important organizational knowledge captured? If not, do not delay in getting that information out of people's heads so it can be shared.

Do not stop measuring and communicating around performance right now—even if it is bad news. You will need and appreciate that data once things turn around.

In many ways, COVID-19 presents an opportunity to turn the spotlight on supply chains into a longer-term benefit and a seat at the strategic table. It's also an opportunity to build supply chains that are even more resilient than they already are. If you can do so, it not only benefits you and your organization but countless others who rely on strong supply chains for daily needs and critical supplies in times like these.



## Process and Performance Management

As many employees transition to working remotely, one key piece of advice has been to establish a routine. However, Process and Performance Management (PPM) provides organizations and their employees with more than a routine to fall back on. PPM provides consistency in delivery and the ability to assess our processes to help answer questions like:

1. Which processes are absolutely vital for continuity?
2. What's the availability of inputs and resources to execute these critical processes?
3. Are there alternate ways to execute any at risk processes?

Resources are in a state of flux right now and many processes may not be the best fit for the current environment. That said, reliance on processes can not only help see us through these times, but also triage and adapt how work gets done in an organization.

### CREATING STABILITY THROUGH DOCUMENTATION

Process documentation is the codification of how an organization accomplishes its work. The types of documentation vary widely from simple checklists to complex [process maps](#) that also include business rules, roles, systems, and even inputs and outputs. However, documentation is more than the mere capture of how work gets done. It is invaluable in times like these because it helps:

1. **Continuity and consistency.** Process documentation provides step-by-step guidance on how to execute work. This means people can step into roles as needed because they have the information to do the job at their fingertips.
2. **Prioritization.** Process categorizations often happen during documentation and help us understand what processes are critical. This ensures an organization can prioritize the processes needed to deliver value and may want to assess to ensure they are still relevant for the current environment. For example, [Concentra](#) uses three process categories—strategic, operational, or transactional—to better categorize and classify the frequency of an activity and its contribution to the organization.
3. **Fast track automation.** Given the potential resource constraints and need to change an organization's processes to maintain social distancing, it is likely that organizations are going to fast track some of their [digital](#) and [automation](#) efforts. Process documentation helps an organization fast track these efforts because the current state is already captured. Although processes will need some rework to account for bots executing the task, organizations are able to skip through some of the early steps in their automation efforts.

### SOLVING THE RIGHT PROBLEMS THROUGH PROCESS ANALYSIS

The second big role for process at this time is an organization's ability to use process analysis and process risk assessments to help the organization understand which processes are at risk at this time so it can develop contingency plans or solutions.

[Risk analysis](#) usually focuses on two variables: likelihood and impact. An item that is unlikely to happen or wouldn't be terribly disruptive may not warrant much process improvement or contingency planning. With a list of processes, an organization can begin gauging whether each risk is significant or negligible. For each risk, the organization should determine:

- » **Frequency**—How often might this risk occur?
- » **Predictability**—Can the organization predict when it will occur (seasonal, peak sales, etc.)?
- » **Forewarning and onset**—How gradually or suddenly will the issue become critical? Can the organization react in time?
- » **Duration**—How long will the event last (finite or until an action is taken)?
- » **Consequence**—What is affected (product quality, schedule, equipment, customer satisfaction, etc.)?
- » **Potential dollar loss**—What's the monetary value at risk?

This information is then codified into a scale that helps the organization understand and respond to its risks, starting with the most critical; typically, through mitigation or contingency planning.

## Financial Management

No organization or finance professional can perfectly predict the future, including the scenario in which we now find ourselves. While many organizations are undoubtedly confronting a worst-case scenario in the COVID-19 crisis, this does not negate the importance of planning for the future—In fact, doing so even now is a critical step for organizational survival. Below, we discuss two tools in the FM toolbox that enable organizations to imagine and plan for situations like COVID-19: Scenario planning and business continuity planning. Further reading on these topics can be found in APQC's [Risk and the Finance Function collection](#).

### DEVELOPING EFFECTIVE SCENARIO PLANNING

In the midst of the COVID-19 crisis and in a world that was already uncertain and unpredictable before that, it is in every organization's best interest to be prepared for a wide range of different scenarios and have a plan in place for each. Effective scenario planning includes four key steps:

1. **Identify potential scenarios your organization might face.** Finance expert [Steve Player](#) recommends starting with 4-7 key scenarios, including one extremely bad scenario and one extremely good one.
2. **Think through issues and opportunities.** It may feel difficult to imagine an "extremely good" scenario right now, but crisis often brings opportunity. The exercise of thinking through what could cause different scenarios provides a foundation to begin developing action plans to respond should these scenarios occur.
3. **Look for leading indicators.** An organization that has spent time thinking through the issues and opportunities that cause a scenario to occur will be better able to identify leading indicators, track them, and use them to anticipate the scenario's occurrence. Even now, scenario planning can be a source of competitive advantage that helps an organization act more quickly in response in response to disruption or opportunity.

4. **Build your game plans.** The true value of scenario planning lies in the action plans that an organization develops in response. Player said that it is critical for organizations to develop a series of ‘playbooks’ that include a collection of concrete plans and strategies for how an organization will respond in the event of a scenario’s occurrence. Even if the organization encounters a scenario it never anticipated, it may already have elements of a successful action plan within the plans it previously developed.

## FORMING A FINANCIAL CONTINGENCY PLAN

As part of a larger risk management approach that includes risk identification, scenario planning, and broader business continuity plans, APQC recommends three core steps for forming a [financial contingency plan](#). These steps are not only applicable to the COVID-19 epidemic but also other signals of an immediate downturn or significant market disruption.

### 1. Conduct explicit financial contingency analysis

Organizations should fully leverage their FP&A toolkit and analysts, along with external expertise, to gain insight into current operations, the market, and the likelihood of varying scenarios.<sup>i</sup> This includes looking at costs, market strategy, cash flow, mergers and acquisitions, and strategic alliances. An organization should also examine its financial vulnerabilities and any operational vulnerabilities affecting finance. In the case of COVID-19, this could include things like a supply chain that is dependent on only one or two regions. A concerted analysis with stress testing and dynamic forecasting tools may reveal over-reliance on specific resources or a lack of backup options for specific scenarios.

In determining what necessitates a financial contingency plan, the likelihood of events should be placed in the context of their detriment to the organization’s financial stability. This is a good opportunity to leverage lessons learned during the 2003 SARS outbreak, during which many organizations learned the importance of accounting for worker absences,<sup>ii</sup> planning for dips in customer demand,<sup>iii</sup> treating clients well during a crisis, maintaining resilient supply chains, and tracking risk exposure to regional events.

### 2. Create an inventory of liquidity options and prioritize resources

For financial contingency planning, the key concern is maintaining a sufficient level of liquidity. To create an inventory of liquidity options and prioritize resources, organizations should begin by looking at assets that can be liquidated, planned outflows that can be reduced, and available purchasing power or lines of credit.<sup>iv</sup> The mobility of these resources can be categorized and leveraged as instant and negotiable, and the organization should decide how large its reserve of these resources should be. The uncertainty posed by COVID-19 suggests that it may be prudent to retain some resources in order to respond to new circumstances with greater agility.<sup>v</sup> To prioritize these resources, the organization can itemize operational essentials (e.g., equipment, top performers, and vendors) that support the organization’s core profit generation.<sup>vi</sup>

Building this inventory is critical for crafting the action plans an organization can take in a significant downturn like COVID-19, whether that means leveraging cash reserves, scaling down production, divesting assets, restructuring, seeking new lines of credit, or renegotiating existing ones.

### 3. Have a strategy for moving those resources in response to downturns

With a hierarchy of financial resources and inventory of liquidity options, an organization can set a strategy for allocating capital and leveraging resources. Some contingency plans, such as the liquidation of an asset, will need their own contingency plans if the sale does not go through.<sup>vii</sup> Different options may be more (or less) desirable given the amount of time available to act, but even the most controllable sources of cost reduction (such as layoffs) should be on the table in the context of long-term financial goals and sustainability. The goal, after all, is to protect the organization's earning power in difficult times.

When well-designed, pre-emptive analyses and resource prioritization can inform a thoughtful, sequenced plan that maximizes the options available to senior management instead of pursuing the path of least resistance in a state of marketplace confusion. The plan should group actions by function or division so responsibility is clearly outlined. Accountability is a critical success factor for contingency plans,<sup>viii</sup> and a project management office may be required to keep senior management informed and adhering to agreed-upon procedures.<sup>ix</sup>

## ABOUT APQC

APQC helps organizations work smarter, faster, and with greater confidence. It is the world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management. APQC's unique structure as a member-based nonprofit makes it a differentiator in the marketplace. APQC partners with more than 500 member organizations worldwide in all industries. With more than 40 years of experience, APQC remains the world's leader in transforming organizations. Visit us at <https://www.apqc.org/>, and learn how you can make best practices your practices.

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## Endnotes

<sup>i</sup> Deloach, Jim. [Preparing the Organization for an Economic Downturn](#). *Corporate Compliance Insights*, June 2018.

<sup>ii</sup> CDC. [Plan, Prepare and Respond to Coronavirus Disease 2019](#).

<sup>iii</sup> Goldkorn, Jeremy. [SARS and What I Learned About Keeping a Business Running During a Coronavirus Epidemic](#). *SupChina*, Jan 2020.

<sup>iv</sup> Donaldson, Gordon. [Strategy for Financial Emergencies](#). *Harvard Business Review*, November 1969.

<sup>v</sup> Donaldson, Gordon. [Strategy for Financial Emergencies](#). *Harvard Business Review*, November 1969.

<sup>vi</sup> Lette, Ed. [How to create a financial contingency plan](#). *Business Bank of Texas*, March 2018.

<sup>vii</sup> Donaldson, Gordon. [Strategy for Financial Emergencies](#). *Harvard Business Review*, November 1969.

<sup>viii</sup> Fry, Bill. [Eleven Contingency-Planning Tips](#). *CFO*, Oct 2013.

<sup>ix</sup> Deloach, Jim. [Preparing the Organization for an Economic Downturn](#). *Corporate Compliance Insights*, June 2018.