

Wednesday | April 8

## In These Turbulent Times, Leaders Must Lead!



### Six things you needed to start doing yesterday.

By Allan Koltin

In the face of this unprecedented global pandemic, Leaders must Lead! We need to fill our days with talking to our people, clients, and our families and engaging them in the reality of the situation while at the same time stressing the positive things going on.

I was on a call this morning with a client and I was sharing how wonderful it was to have all three kids back home (they would have been studying abroad, at college, or going to high school) and how nice it was to have family dinners together again. I was also sharing the positives with the kids that their grandparents were healthy, safe, and getting calls from so many family members and how important this was to them. As I was walking the dogs this morning it occurred to me that I heard birds chirping and that I had been “so busy being busy” for the past four decades that beautiful sounds like this or the smell of the morning air were never on my mind. At a deeper level, and to equate it to a sporting event, I feel like the proverbial “scoreboard” has malfunctioned and there is now a new way to keep score, and it is becoming the new normal.

Most firms seem equipped from a technology standpoint to work remotely. One could argue that firms have been “auditioning” for this role for the past 5 years since the “work anytime, anywhere” movement started. They have learned that technology is the great enabler and differentiator. We always knew this intuitively but now are experiencing this in real-time. I’m doing virtual meetings daily with clients and finding that they are 90% as good as getting on a plane going face to face. It’s made me really wonder about the next time I have to get on a plane and if responding by email or video conference might be good enough!

Unfortunately, the terrible memories of 2008-2009 are rearing their ugly heads again. In talking to firms about preparing for the worst (or at least a major drop-off in revenues) we have reminded them of the following:

1. **Be proactive** and reach out to all clients to let them know you care (it's ok to also ask about their family and loved ones) and ask if there is anything you can do to help with their business (discussion on cost reduction, strategies for new business, or reinventing a different method of delivering services, etc.)
2. **Now for the harsh reality** – unless a miracle happens, despite our best efforts, revenues will decline and with it will come a need to have a reduction in workforce.
  1. **The first line of defense** is protecting one's cash flow. I've been advising partners to take an immediate 10% to 20% compensation cut to create some extra "gunpowder."
  2. **Additionally, to the extent we have unused lines of credit and low borrowing rates**, let's make our bankers day and max out the credit line. It cost pennies in interest now but will prove to be very valuable later.
  3. **I've also suggested that they go through their workforce and prepare a list** of A, B, and C players. If we learned one thing in 2008-2009, it was about our inability to make timely and tough decisions – rather what happened was we deferred and sat on things even if they were so obviously the right decision. I've always argued eliminating underperformers isn't cruel, it's more about protecting your performers and extending their lifeline.
3. **Lastly, as it relates to expenses and strategic investments**, we must create our "must do, should do, and nice to do" lists and defer all should do and nice-to-do items for now. In terms of must-do items, let's ask the question as to if we can defer some of those for now as well.

We as consultants and advisors need to help our clients create new 'scoreboards' right now and find ways to recreate the passion for life and business that so many of us have been accustomed to. Adapt, let yourself go, say goodbye to the past, and embrace the present.