

Pandemic resiliency

Successfully navigating COVID-19

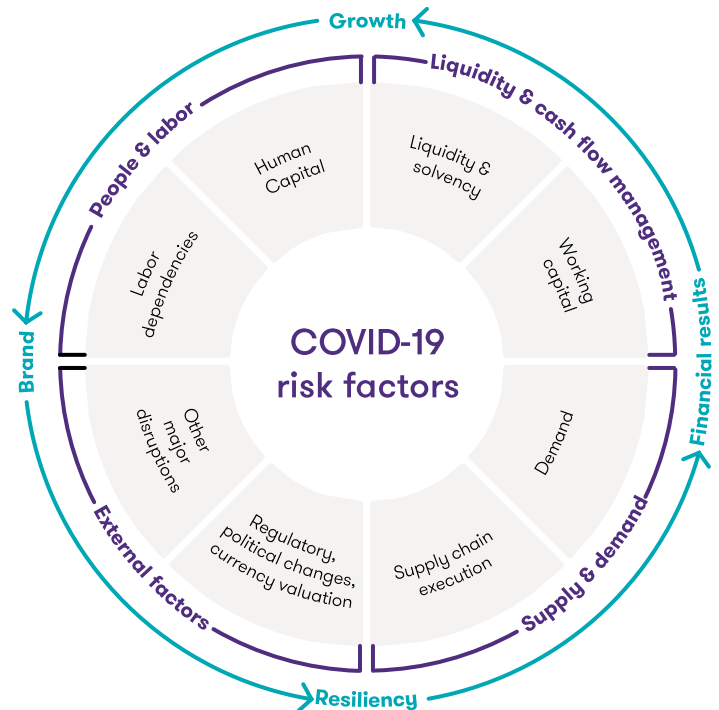
Pandemic rapid response assessment

When uncertainty is the new normal, standing still isn't an option. Drastic changes to working arrangements around the world and ever-changing expectations of customers, employees and governments mean it's time to examine the variety of risks facing your organization. From supply chain to working capital, it's critical for organizations to understand and strategize against their unique level of vulnerability in order to keep moving forward.

Don't wait for answers. Take Grant Thornton's online ["Pandemic Rapid Response Assessment"](#) to examine the impact of this pandemic on your business, learn strategies to navigate COVID-19 and identify the areas within your business where resiliency is a competitive advantage.

Proper evaluation of pandemic risk enables resiliency planning & competitive advantage

The Model focuses on the top four impact zones where pandemics wreak havoc on businesses:



LIQUIDITY & CASH FLOW MANAGEMENT

How much working capital is at risk today? What steps are you proactively taking to avoid insolvency issues?



SUPPLY & DEMAND

With supply chain execution at risk, how are you calibrating it with rapidly changing customer demand?



EXTERNAL FACTORS

How do you quantify and interpret the risk of hard to predict fiscal policy shifts or any other major uncommon disruptions?



PEOPLE & LABOR

How would devastating losses in planned labor or a steep increase in human capital impact your business?

Key deliverables

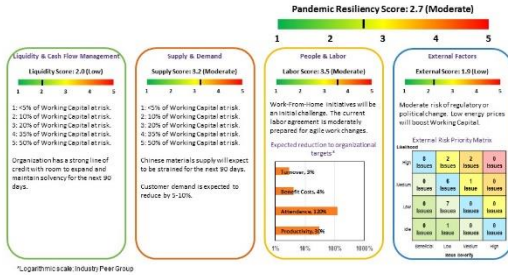
Grant Thornton will provide key deliverables that quantify client risk on eight key dimensions along with resiliency scorecards, benchmarks, and our observations and recommendations for immediate action.

All observations and recommendations will be unique to each client. Visuals reflected in this document are illustrative.



RESILIENCY

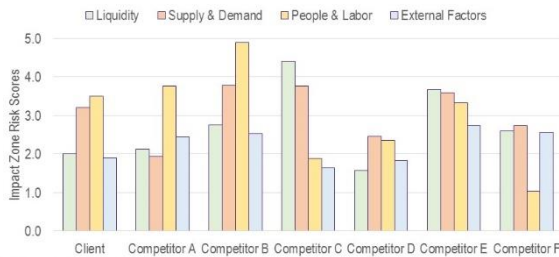
Resiliency scorecards based on a tailored risk assessment across eight dimensions



BENCHMARKING

Benchmarking against our risk index and other similar clients within your industry

Benchmarking Suppliers: Across Pandemic Impact Zones



Client is able to select six (6) competitors that will be analyzed against an industry-standardized COVID stress test.



OBSERVATIONS & RECOMMENDATIONS

Key observations & recommendations to help minimize risk and improve resiliency

I. Summary Results: High-level Observations & Recommendations

| Category | Current Resiliency Observations | Immediate Recommendations |
|---|--|---|
| Liquidity & Cash Flow Management | <ul style="list-style-type: none"> Working capital is expected to reduce by 15% over the next 90 days. Solvency will be most challenged by lost revenue and increasing inventory loads. | <ul style="list-style-type: none"> Attempt to increase and draw on existing lines of credit. Cancelling or delaying all non-critical capital expenditures would add 25 days-on-hand of liquidity. |
| Supply & Demand | <ul style="list-style-type: none"> Largest risk to revenue is production in Brazil and materials from China. Customer demands are likely to be reduced by 75% with economic downturn. | <ul style="list-style-type: none"> Immediately begin sourcing alternative materials from Africa and Eastern Europe and reserve production capacity at manufacturers outside Southeast Asia. |
| People & Labor | <ul style="list-style-type: none"> US workforce has limited capability and experience with remote work. Production process requires large staff count to be effective. Labor situation is positive but will need careful management to maintain a safe and low-risk environment. | <ul style="list-style-type: none"> Initiate 33% of staff to work remotely for first week and expand IT support to maintain work efficiencies during transition to 75%-remote work. Update production policies to require multiple temperature checks, requisite hand and face cleanings with alcohol-based sanitizers, submersible foot, and enhanced medical facilities. |
| External Factors | <ul style="list-style-type: none"> Regulatory intervention has a low chance of occurring in the next 90 days. International political climate is likely to remain stable unless additional factors are brought to bear on the world economy (e.g., terrorist). Lower energy prices will be a tailwind for logistics and distribution. | <ul style="list-style-type: none"> Monitor foreign exchange rates for a possible rebound from Asian markets that strengthens the Chinese yuan and Malaysian ringgit against the US dollar. Review energy holdings and long-term policy for the coming years take advantage of abnormally low energy prices. |

Our assessment

Pandemic resiliency starts with a client commitment to identify and mitigate the risk factors that can disrupt their business. Grant Thornton's online "Pandemic Rapid Response Assessment" can help you identify those risk factors.

Our approach and two week schedule delivers a time sensitive view of your risk and quantitatively determines risk factors that must be mitigated through well designed resiliency plans to protect your business, customers, and shareholders.

Most importantly, the assessment is data driven and results in a risk score on each category of risk while going even further by considering conditional probabilities.

We're here to help

Should you have any questions, please contact us.



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Don't wait for answers. Take Grant Thornton's online "Pandemic Rapid Response Assessment" now



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