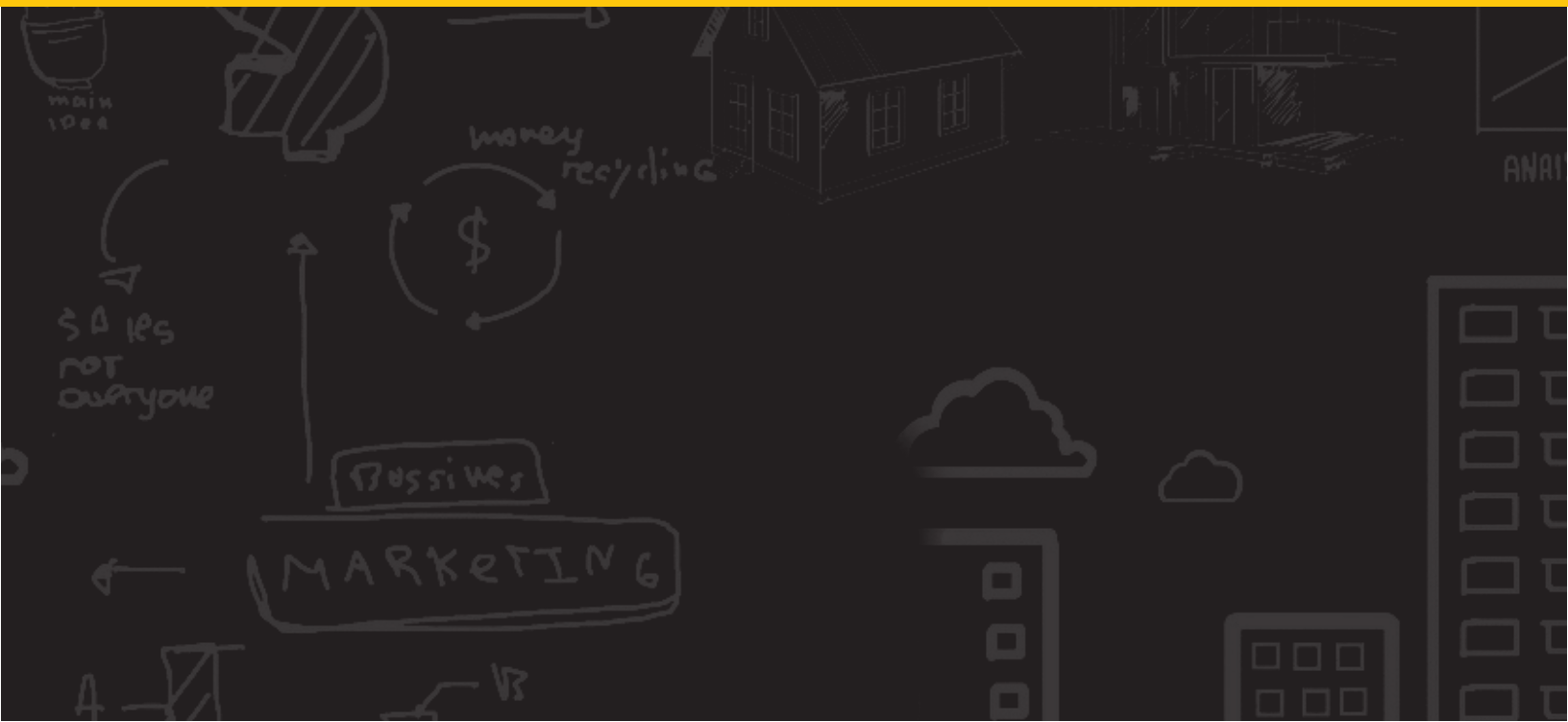


the
Great Game
of Business®

BLACK SWAN ACTION GUIDE

A RESPONSE TO THE 2020 CORONAVIRUS



What do I do first?

We know that most of you—and your people—are hurting right now. Many of you are looking for ways to keep your business alive while also keeping your people safe and healthy. It can be difficult, if not impossible, to think clearly when every hour, if not every minute, brings in more bad news. For some of you, this might be the first unexpected crisis—what some have come to call a “Black Swan” event—you’ve encountered. The fear can become overpowering.

When an unexpected crisis like the coronavirus pandemic strikes, the first question most of us have is What do I do first? Let’s talk about that. At the same time, while it might seem like a tall order at the moment, you should also be thinking ahead about what you might do after the crisis ends.

The good news is that, as a member of The Great Game of Business® Community, you don’t have to go it alone. Even though many of us have been through multiple crises, it doesn’t make them any less scary. As a way to help you overcome the challenges in front of you, we’ve tapped the Wisdom of the Crowd—in this case, our community of Great Game™ coaches and practitioners (like SRC)—to put together an action guide to help you not just deal with the crisis staring at you today, but also to put a plan together so you’ll be fully prepared when the economic upturn arrives.

Our guide is divided into four sections

1. [How do you take the fear out of the workplace?](#)
2. What actions to take now.
3. How to get ready for the upturn.
4. Why there is no better time to remain committed to The Principles and Practices of The Game™.

We hope you find these tips and insights to be helpful. We also want to hear from you about what questions you want answers to and how, as a community, we can help support you. Be safe—but, as Jack Stack says, why not also dare to be successful?

1. How do you take the fear out of the workplace?

Safety and Health of Your People.

First and foremost, you need to do everything possible to ensure every one of your people is safe and healthy—which is especially true in the wake of a crisis like the coronavirus. Nothing is more terrifying than losing your life. Your focus should be sharing as much as you possibly can, as often as you can, to help people feel like they are safe at work.

Be Transparent About Everything ESPECIALLY Your Cash Position.

In parallel, it's also the time to be radically transparent and honest with yourself—and your people—about the financial health of the business. As a leader, are you ready to be humble and vulnerable enough to admit you might not have all the answers right now? The way you combat fear is by sharing the truth—even when it's bad news. When people don't have the facts, they'll make up stories instead, which leads to gossip and poor morale. That's why it's up to you to give the facts to them. **People are worried—but they want to help.** Some of the highest morale scores in SRC's history have come during a crisis because they were willing to confront their worst-case scenarios head-on together.

Start a discussion with your entire people about understanding your cash position. If you can't do that in person or you're concerned about social distancing, find a way to use a virtual technology platform like [Zoom](#), [GoTo Meeting](#), [Microsoft Teams](#) or even [Google Hangouts](#). But you need to say something, face-to-face. Emails just won't cut it.

Run Cash Calculations.

The key message right now is that cash is king. **Run some quick calculations to understand how long you can continue to operate—what does “rock bottom” truly look like.** Then ask your people for help. It's amazing how many good ideas they'll have, either in terms of cutting costs or even finding different sources of cash.

2. What actions to take now.

One of the cornerstones of The Game is the annual financial plan. The financial plan represents the performance targets you've set for yourself. Right now, your plan is shot to hell. But don't abandon it. Those are still your performance targets. However, consider what you know about the environment today, and adjust your forecast accordingly.

Update your Forecast

Revise your [forecast](#) to represent the current reality so you can shift into taking action now. With the uncertainty we see today, you may want to create a 30, 60, and 90-day forecast. Work closely with your team to determine the worst case, best case and most likely scenarios. Remember, people support what they create. If you're the owner, don't create this in isolation – your team needs to own the new forecast.

Be sure to list all the assumptions and identify the immediate actions to take. Act quickly, try to get ahead of the cash cycle by reaching out to your creditors for payment options, bankers for credit options, and customers for revenue opportunities and to protect those receivables.

Set Short-Term Goals

We heard from one practitioner, a tree care service, who has already created a temporary 90-day Critical Number (the ONE thing that can sink you) to preserve cash. The team knew that if they could generate \$90,000 in revenue each month, they could cover their overhead, and no one would be laid off. \$90,000 has become their new Critical Number.

We heard from other companies that have set up [MiniGames](#) based on boosting morale and communications- all with an eye on creating small wins that create a sense of excitement, celebration, and momentum instead of fear.

When you establish short-term goals like focusing on your cash, you can then re-engage your team through new scoreboards and your huddles. Now is not the time to stop huddling. What message are you really sending by canceling your huddle? Think about the unintended consequences of your decisions. You want to maintain your communication rhythms and keep the practices of The Game alive and well.

It's time to double-down your communication and repeat, repeat, repeat. At SRC, COVID-19 has forced us to limit gatherings of more than 10 people. So, we focused on our daily and weekly team huddles to keep the communication flowing and accountability for the numbers at hand. If it's not practical to hold a live all-team huddle, use technology and go virtual. A practitioner in Arizona held a 200 person, six locations, 30-minute huddle completely virtual. It can be done. And in these turbulent times, it must be done.

3. How to get ready for the upturn.

When you're facing a crisis, when it's truly a matter of minute-by-minute survival, the last thought on your mind is about what is going to happen tomorrow—let alone next week or even next year. You put on blinders and focus on what's in front of you. But we're here to tell you—especially if this is your first Black Swan—that things will turn around. Sometimes faster than you could ever imagine.

Experience showed us from the 2009 Black Swan Recession that companies started with cutting fat, but many went too far and began to cut muscle, even bone. Quickly laying off your people, without exploring every option to keep them will not help you when the upturn comes around. If things are really bad, consider cutting back on people's hours or pay—but all with an eye on keeping those jobs. Now is not the time to fight that point, your business is nothing without your people. You're in this together.

As Jack Stack says, getting ready for a recovery is a lot harder than dealing with a recession. When the recovery comes, you need to be prepared—which is also something you and your team can work together toward.

That's why you can't take your eye off the future. It's why you want to keep the people you've invested in and help them prepare to kick things up when the upturn arrives.

Retool Your Operation

You can even look at a downturn as an opportunity to tackle all those necessary things you kept putting off while you were growing and blowing. Think of it as an opportunity to retool your operation. Downtime can equal "fix time." We heard from one practitioner, a catering business, who was forced to reduce his hourly staff down to 30 hours a week when revenue dropped. But rather than have them sit idle, they are now tackling efforts like repainting their kitchen and cleaning grills for the summer season they just never got around to during the boom time. Even SRC, which might be forced to close its factories and send workers home, has a plan in play for their associates to spend a certain number of hours accessing online training and learning—including courses offered by the Great Game of Business.

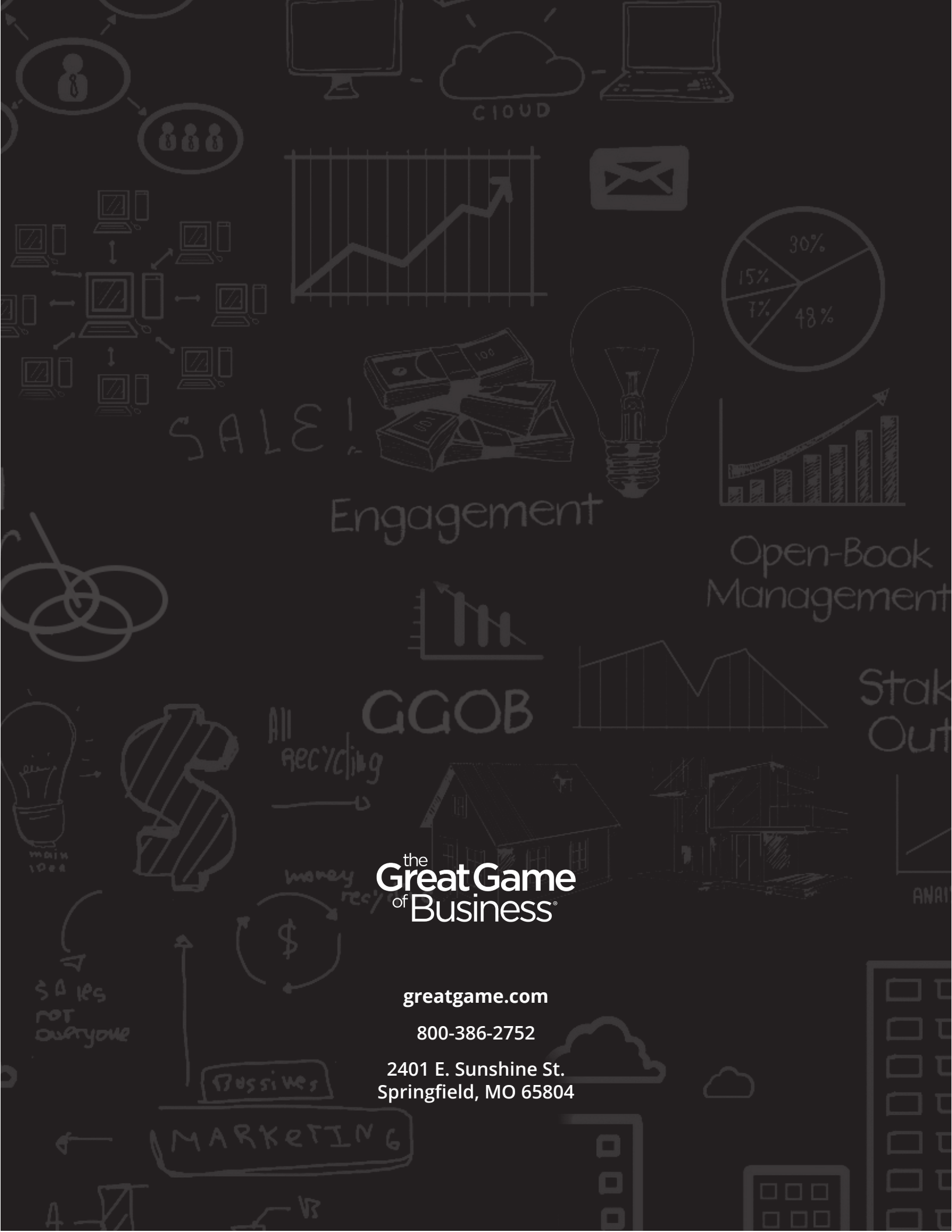
Growth and Contingency Planning

After you've taken the fear out of the workplace and come up with a short-term action plan, it might even be the perfect time to start thinking about putting together your [growth](#) and [contingency plans](#). What could you do differently in the next crisis? Are there ways for you to diversify your business and better position yourself for future growth? Even in tough times, there are always significant opportunities—especially if you have cash in the bank. If your competitors are struggling, now might be the time to hire away some top talent—or even consider some acquisitions. Ask your team to collect business intelligence to spot new trends in the market that you can jump on before your competition does. Talk to your customers and ask them how you can help them, not just today—but also in serving their needs tomorrow.

4. Why there is no better time to remain committed to The Principles and Practices of The Game™

There is no better time, no more important time to stay committed to the principles of The Game – Transparency, open and honest communication, business education, financial discipline, Critical Number, forward-focused, create wins. These principles are exactly what you need in a time of uncertainty and fear. The Game is your regular, intentional approach to bringing your team together by providing focus, alignment, clarity, and accountability. Most importantly, it engages your team to make a difference.

Tough times can actually fuel the innovation, creativity, and entrepreneurship of your team. As Jack Stack says, “I have never seen our people come together more than during a crisis.” Use this guide as a way for you and your team to take some quick actions together to help prepare you to take on the opportunities that will come with the upturn.



the
Great Game
of **Business**[®]

greatgame.com

800-386-2752

2401 E. Sunshine St.
Springfield, MO 65804