

# CORONAVIRUS CRISIS MANAGEMENT CHECKLIST FOR FOUNDERS

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COVID-19, a black swan event, has taken founders by surprise. Suddenly, they have been forced to navigate a crisis. In my blog ([smartscaling.io](https://smartscaling.io)), I have published a [guide](#) on how founders may cope with the resulting challenges to their businesses. This checklist supplements the respective article. While this checklist focuses on business topics, you should priorities your health and that of your family and employees and mitigate the spread of the virus!

*If you find this checklist helpful, please share it so that other founders benefit as well. Thanks!*

## Key Resources & Partners

- We have access to our key resources, including our knowhow, tools and sources of financing
- Our employees can work remotely
- We have established contingency plans anticipating what is to be done in scenarios where the C-Level team and whole departments fall ill
- We have engaged our key partners to avoid supply chain or go-to-market disruption
- We have reached out to third parties that could become additional or alternative partners

## Customer Success

- We have segmented our customers and proactively reached out to our key customers
- We react quickly if customers reach out to us
- Our customers may also face liquidity issues and we look for mutually beneficial solutions
- We focus on retaining our customers and consider (partial) deferred payments, discounts, (partial) waivers, e.g. coupled with renewal arrangements
- We have analysed ways to modify our products to even better serve our customers in this crisis
- We have analysed whether we need to adjust our product & tech roadmaps

## Go-to-market

- We have analysed whether we need to adjust our go-to-market strategy
- We have analysed whether we need to adjust our lead generation and lead nurturing activities
- We have created marketing content relevant to our customers in this specific crisis
- We have asked our salespeople to (partially) switch to inbound sales or prospecting activities or to temporarily join the customer success team

## Communication

- We have informed our board of directors and continuously discuss with our board members the situation and material actions we want to take
- We have provided our employees with clear virtual communication guidelines (how and when)
- Our teams have defined specific times for check-in calls and key information that needs to be shared widely across teams

## Revenues

- We have adjusted our revenue forecast
- We have modelled different scenarios (realistic and worst case)
- We have not been overly optimistic

## CoGS and Opex

- We have involved all departments and pushed each of them to submit a list of potential cost savings (in realistic and worst-case scenarios)
- We are cutting costs deeply and quickly without fundamentally hurting our business (if possible)
- We have considered salary cuts and acted as role models by cutting our salaries and benefits first
- Layoffs are tragic, but, where needed, we have implemented them fast and decisively

## Cash Flow

- Cash is king! We are deploying a turnaround mindset and are monitoring cash on a daily basis
- Payments above a certain limit need C-Level approval
- We are expecting an increase in bad debt and accounts receivables as well as a potential decrease in accounts payables
- We have adjusted our change in net working capital and operating cash flow forecasts accordingly
- We have reviewed our capex and M&A plans and have adjusted our investing cash flow forecast
- We have analysed support programs (e.g. short-term working) and newly developed measures
- We are aware that many VC investors may not be able or willing to invest during this crisis
- We have thus evaluated all ext. financing sources

## Leadership

- We are demonstrating strong leadership
- We are communicating honestly and transparently
- We are accepting that the future is uncertain, but we are acting decisively and taking bold actions (aligned with our board of directors)
- We know that many of the most iconic companies had to navigate similar crisis

Legal Notice: This checklist must not be considered conclusive. What the "right" actions are needs to be decided on a case-by-case basis!

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