

Benesch COVID-19 Resource Center: Time to Prepare for A “Novel Normal” After A Novel Virus

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The past few weeks have been nearly indescribable - a combination of personal, professional, and economic stress has impacted nearly every person on earth. The shelter-at-home and work-from-home protocols have, in many cases, disguised the unprecedented number of major daily challenges and changes facing managers and executives across all industries. The regularity of “fire-fighting” has many professionals operating on adrenaline, but adrenaline eventually ends and leads to exhaustion. This is particularly grim in the face of the COVID-19 pandemic that is expected to continue at least several more weeks, with the fallout to extend far, far beyond that.

As difficult as it may be to detach from the more immediate urgencies, it is critical that all managers and executives (whether at a multinational or sole proprietorship), take a beat, and begin to prepare for the dramatic long-term economic shifts that are about to rock every industry. In taking that beat, consider this when it comes to disasters: evidence supports that during major disasters - whether it be an airplane crash, creep of a virus, or foreign attack - the majority of the population struggles with calculating risk, resulting in delayed action that further heightens the risk to life and limb. Likewise, delayed action risks the survival of an entity.

As such, this article encourages bold and sound action and imagination. It addresses short and long-term considerations, outlines the coming themes, and provides some guidance on the issues that each organization needs to grapple with sooner than later. These issues extend beyond traditional regulatory compliance, mitigation of liability, and contractual attornment and instead extend to a level of state-of-emergency crisis management many entities have not previously considered and are now forced to.

Customer Loyalty and Off-Boarding

Businesses may realize that they cannot continue to operate due to the absence of sufficient staff, financial reasons, the inability to source materials, or due to overall safety concerns. In such scenarios, it may be important to inform customers, particularly if such customers are reliant on the business. Business alterations should be offered to the extent possible. Each entity and individual understand the state of the world and, as such, many times, a work-around is a viable option.

In the event of suspension, it should be clearly communicated to customers as early as possible before the closing date. Issues such as pre-paid fees, account balances, placed orders, scheduled services, etc. should be addressed, if possible, and customers should be given options for how they desire to proceed, as feasible. Customers should be provided with clear contact or customer support information. This article does not address the customer-relations / loyalty issues raised by such a decision, but instead highlights that businesses should review their contractual obligation to

deliver. Nevertheless, never underestimate good customer service, including communicating expectations and status.

While certain services may be easy to re-schedule, other arrangements may cause significant inconvenience and potentially harm to the customer. Businesses will need to evaluate these implications and consider the ability to offer alternatives or other resources that may be available through another medium, partner, or program.

COVID-19 has been merciless to our global healthcare systems, and its impact on economic and societal health is yet to be seen. The above issues may never appear, or may appear in isolated instances, but an entity unprepared for any one of them could face extinction, or worse, loss of lives. The aggressive spread of COVID-19 has already demonstrated how businesses can struggle to adapt to scenarios that they are unprepared for; however, the result of that unpreparedness makes businesses highly susceptible to any further variations. The intent in presenting the above is to jolt leaders into adopting a novel, dramatically more austere, outlook to the potential risks that may come. We hope these risks never arise, but nothing in the current environment can objectively dissuade us that there is an increasing likelihood that they will for many business and for months to come.

We applaud all businesses that are doing their part to mitigate COVID-19 and build the economy back up, with a special ovation to those on the frontlines.

Please note that this information is current as of the date of this Client Alert, based on the available data. However, because COVID-19's status and updates related to the same are ongoing, we recommend real-time review of guidance distributed by the CDC and local officials.

