

Subject: As we move from Ides of March....

Date: Friday, April 10, 2020 at 4:18:00 PM Central Daylight Time

From: Danielle Isbell on behalf of Nick Santhanam

To: Paul Darley

Dear Paul,

Hope you and your family are safe and healthy. I wanted to send you a short email summarizing what we are hearing from our conversations with various stakeholders; CEOs/senior management/Board management and investors. Hope this is helpful, especially as you think through your own situation.

- **At the society level - trust** – The trust equation is changing. *“Are our employees, suppliers, customers, and others we interact with in our community COVID free or will they make us and others around us sick?”*. How people interact with each other and go about their daily business has already changed significantly. Open question is if and how this will further evolve over time going forward.
- **At the sector/business level- ESG will pivot post COVID** – The focus on ESG will continue post COVID, but what that means and what companies do will be most likely different in post COVID world. Companies will need to own and drive this narrative sooner rather than later
- **At the company level**
 1. **Capital/liquidity** – *“All are equal, but some are more equal”*; Companies/institutions with debt and “not so great” franchise or operations/execution will have difficulty getting access to capital for quite some time, while high quality assets will be “business as usual”. There will be a renewed focus on getting operations/execution to the next level
 2. **Will there be a new set of investors?** – As companies seek capital in the “new normal”, either to shore up balance sheet or for other strategic and tactical reasons, there is increasing debate around need for investors who will, in addition to capital, also provide the industry/company specific expertise to help companies navigate and transform
 3. **Need to move to the next phase** – Companies will need to move from the “hunker down”/defensive plays to going on the offensive/shaping the future. This can be 20% of their time, but has to focus on what they are going to do/will do/need to do once the frothiness settles. For example,
 - Tactical redesign such as *“Do all board meetings have to be in person or can half of them be remote? Can number of QBR meetings be cut by 50%?”*
 - Strategic redesign such as *“What should the extended supply chain look like? What is the optimal Go-to-Market/sales deployment going forward? What is resulting optimal margin structure?”*
- **At the personal level- Where should we be spending our time? Focus?** – Lock-down has created a new set of activities and routines, and has de-bunked several of widely held beliefs. In the post COVID world we will need to be explicit on where we want to spend our time and focus

Please do not hesitate to reach out to me if you have any questions.

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