

Values-based COVID-19 employee communications

As the virus made its way to his region, Paul Darley, third-generation CEO of W.S. Darley & Co., sent emails to team members that put safety first and emphasized resilience.

During the first three weeks of March, Paul Darley, third-generation president, CEO and chairman of W.S. Darley & Co., kept a watchful eye on the spread of the COVID-19 coronavirus.

The company, founded in 1908 and based in Itasca, Ill. (about 27 miles northwest of downtown Chicago), serves a market that's all about emergency preparedness. W.S. Darley manufactures fire engines, pumps and related equipment for first responders and distributes tactical equipment to the Department of Defense.

In addition to its Itasca headquarters, the company has manufacturing, engineering and R&D operations in Chippewa Falls, Wis., Janesville, Iowa and Grand Rapids, Mich.

As news of COVID-19's arrival in the United States spread, Darley communicated frequently with employees. Excerpts from his emails between March 3 and March 17 are presented here, with very slight editing for spelling and punctuation.

The messages reflect a concern for the safety of team members and other stakeholders, as well as the family's commitment to steward the business through difficult times. They also document the evolving state of knowledge about the virus.

March 3

Dear Team Darley,

We are continuing to monitor the coronavirus closely. The health of our employees and your families is of paramount importance to us.

Please err on the side of caution. Discuss with your manager(s) if in doubt. This is going to get a lot worse before it gets better.

For those attending tradeshow and in contact with the public, we ask that you follow the CDC recommendations:

- Fist bump rather than shake hands
- Wash your hands regularly with soap and use alcohol-based hand rubs
- Cover your nose and mouth with tissue or inside your elbow with coughing or sneezing
- Avoid close contact with anyone with flu symptoms
- Avoid touching your eyes, nose and mouth whenever possible

If you have an office job and do not have access to the Darley network to work remotely, please communicate with [system administrator] John Long or [Defense Division IT administrator] Jim Berry *this week* and we can make arrangements for you to work from home in the event of a company shutdown.

We have put in place a social media campaign to alert our customers, employees, etc. with the latest news. Please monitor these sites.

If you come in contact with anyone who you feel may have infected you, please advise our HR department immediately and seek medical attention.

We are certainly not panicking, but the above precautionary measures should help us as we move forward. If you have any ideas or concerns, please don't hesitate to reach out to me.

March 9

Dear Team Darley,

We continue to carefully monitor the coronavirus (CV) epidemic. Thank you to everyone who shared articles. A few of them are attached. Our social media sites are focused on sharing important articles. Please monitor those.

We are not panicking, but we are continuing to take worst-case scenarios into consideration with our planning. We will continue to keep you up to date on a regular basis. While we are praying for the best, we are preparing for the worst.

As a company, we are focused on 1) the well-being of our employees and your families and 2) preparing our business for significant business disruption.

1. Employee/Stakeholder Well Being

We have purchased additional bottles of hand gels, and new dispensing equipment.

Continue to practice social distancing where you can. Give others the fist bump or elbow tag. Wash your hands regularly. Don't come in to work if you are not feeling well.

2. Preparing the company for significant business disruption

This epidemic will have a severe impact on our company's performance this year. You've often heard me say, "Companies don't go out of business because they lose money, they go out of business because they run out of cash." We need everyone to be very cash-conscious and do what we can to conserve cash. This means focusing on our receivables, billing quickly, reducing unnecessary costs, etc.

We are immediately ceasing all non-critical hiring efforts. All new hires must be approved by a member of the executive team in writing. Any international travel must be approved by a

member of the executive team. Any travel that can be postponed, should be. We are postponing all capital equipment projects.

We are working on getting additional CV protection equipment for our customers. Under no circumstances is anyone to quote a price higher than our normal traditional margins. The price gouging stories out there are terrible.

It's going to get a lot worse before it gets better. Brace yourself for the opening of the stock market today. Oil prices just dropped over 30% overnight. Thank you for your assistance and cooperation during these times.

March 13

Dear Team Darley,

We just completed an emergency Board of Directors meeting and have met with our management teams. You know all the headlines, so I am not going to repeat them.

I realize some of you may view me as an alarmist on this, and that's okay and it may be true, but that's what I get paid to do...

While the symptoms of the virus may not be life-threatening for most people, the collateral economic damage to Darley will be problematic. Small businesses, like Darley, are most susceptible to failure in these types of conditions. If I'm alarming you, that's okay too because all we all need to face the realities of what's going on in the world and prepare for the worst. The ramifications are far-reaching for us, and it's prudent for us to take precautionary and preemptive measures.

There is no blueprint on how to deal with this. Below are some of the steps/action items that are effective immediately:

- Visitors to Darley: Please do not invite any visitors to Darley. It is okay to keep current meeting commitments, but do not make any new appointments for people to visit us unless deemed critical and approved by an executive team member. Please reach out to guests at existing planned meetings at Darley and ask them to fill out and sign the "Visitor Travel Health Form" prior to their meeting. All visitors will be required to complete this form prior to entry to our offices. Our Director of First Impressions at each location will be responsible for collecting these forms. [The forms are] not required for delivery trucks.
- Visiting Customers/Vendors – Please do not set up new meetings. If you have existing meetings, call the other party and ask for their feelings on postponing.
- Air Travel – Please limit your work-related travel, especially on planes. Do not book new trips until you hear from us – hopefully within 30 days. Discuss currently planned trips with your supervisor. Please feel no obligation to make these trips. Where practical, consider driving to locations, rather than flying. If you must travel, try to avoid holding handrails, elevator buttons, etc. When greeting and leaving, do not shake hands. Politely give them the elbow or fist bump...

- Cash Preservation – We all need to watch our cash. There should be very few, if any, vendor prepayments. We are stopping capital projects. A member of the executive team must sign off on all new hires, etc.
- Cleanliness – For those who supervise our maintenance staff, please see that our maintenance people concentrate on cleaning bathrooms, kitchens, reception and other high-traffic areas. Make sure that the bathroom garbage is emptied often, extra paper towels are available, etc.
- Washing Hands – Here is a link on the correct way to wash your hands. You should wash them long enough to sing “Happy Birthday” to yourself.
- Coming in to Work – If you are not feeling well, take a PTO day and do not come in. We are immediately implementing two policies a) Fever Free Requirement - If you have a fever, you may not return to the workplace for 24 hours after your fever has subsided, and b) If you discover that someone in your family gets the CV, or if you suspect that you have been exposed, it is mandatory that you stay home. Do not come to work. Notify HR immediately. If you feel you may be in a high-risk group and are uncomfortable coming to work, please contact HR to discuss.
- Employees Who Use Computers – If we get to the point where you potentially have to work from home, you should now be set up with remote computer access and phone call forwarding. Thanks to John Long and Jim Berry, who have been doing an incredible job getting all office employees to be able to work remotely. Yesterday, I sat in on conference call with U.S. Congressman Adam Kinzinger and he is recommending that you have some supplies at home in the event of a quarantine.
- Employees Who Don't Use Computers – If you don't have a company computer, I am asking that our HR departments share printed copies of these updates. We would like to add as many employees as possible to these electronic communications. If you're comfortable, please share your personal email address or cell phone to our HR department so that they can forward you these updates. If we are forced to close down manufacturing operations, we can easily communicate with you.

There is no playbook on a lot of this and we are trying to look at this from multiple views.

- Focus on Internal Processes – Since business is slowing down, let's use this as an opportunity to focus on internal process improvements. While our relationships overall as a company are strong, let's rally around this and strengthen internal relationships. Sales teams should be proactive in calling and emailing customers. Let's use this as a time to reach out to our customers in cordial manner, caring manner to see how they are doing, etc.
- Keep Long-Term Perspective – We have already seen a slowdown in business. Provided we don't face a forced plant shutdown or major supply chain disruption, we have a lot of work ahead us in almost all areas.

The above is all very fluid and can change rapidly, and I realize a lot of you have questions and concerns. We are holding a company-wide conference call meeting tomorrow morning to discuss the above response plan and address any concerns you might have. The meeting will be recorded and available upon request. This is not mandatory.

If you have any concerns or ideas, please share them at the meeting or send them to me. Thanks for all who have shared your thoughts and ideas.

We are postured well as we head into this crisis. Let's not panic, but please err on the side of being health conscious for you and those around you.

March 14

Dear Team Darley,

Late yesterday, the Governor of Illinois and Mayor of Chicago have both recommended [that businesses close and have employees work remotely if possible].

For our Itasca employees, we will follow this recommendation and our Itasca office will officially be closed on Monday, but our doors will be open to a limited group of employees to help us process emergency orders for our first responder customers. If there is anyone who is comfortable coming in, it would be greatly appreciated, but absolutely no obligation. Your health and that of your family is our first priority. If you have children at home, please consider your family needs first. Our second priority is taking care of customers.

We are following the emergency closing policy from our employee handbook.

- How long do you think Itasca and then other locations will be closed? We are uncertain, but we are planning on 2-3 weeks at this point. We will continually monitor and be transparent in our communications.
- Why aren't the other locations being closed now? Per the above, we are being guided by the CDC and recommendations of the local authorities. Your safety is paramount and if you are uncomfortable coming to work for any reason, we encourage you to stay home and notify HR and your manager. We all need to prepare now for a recommended or forced closings, as they are coming sooner than you think in our other areas. We have reached out to the union business agent and we will stay in close communication with them as things progress in Chippewa Falls.
- What about those working from home? For non-exempt employees, if you work from home, use the attached simple log to document your time. Send the weekly log to your supervisor on Friday afternoon each week.
- Will employees get paid during this time? For now, we will follow the Emergency Closing Policy. In addition, you can (a) work from home (part-time or full-time if enough work), (b) use PTO days or (c) take unpaid time off. We will monitor and have at least a short-term response for you by the end of next week. We are a family company and will do all we can to support our hard-working and dedicated employees. In our decision making, we will be guided by the same

family values that have guided us for decades. We will continue to monitor what comes out of Washington. For anyone with immediate hardship, we encourage you to apply for assistance under the William J. Darley Employee Charity Fund. If you are currently donating a portion of your check to this fund, we would fully understand any employee who chooses to amend their weekly contribution.

- We all need to work together. We are all in this together. We realize that everyone is under a lot of stress. As a whole, we get along great, but if there are differences between you and co-workers, let's use this as a time to mend those relationships and form a stronger team.

- Process improvements/customer contacts: To quote Paul Romer, a Stanford economist, during the last recession, "A crisis is a terrible thing to waste." Let's use this time to work together on improving our processes. Reach out to your customers with thoughtful outreach.

- Quarantine: As discussed at our town hall meeting this morning, we currently have three employees from our Itasca facility who have self-quarantined because either they are not feeling well or believe they may have been exposed to the CV. The incubation period is up to 14 days. If you should contract the CV, please report this immediately to our HR department. If you feel you may have been infected, please follow the procedures outlined in the attached self-assessment for risk.

This is changing by the hour, and we are going to continue to be transparent and over communicate with you. Thank you for your continued hard work, commitment to our company and employee well-being. This is all new to us, but one thing I know is we are going to get through this and come out stronger than ever. This is going to get worse before it gets better, and we will be here for you as we have the past 112 years.

Go Team Darley!

March 17

Team Darley,

All things considered, things are still moving very smoothly for us. This may be the calm before the storm, so we all need to continue to proceed with caution and continue to take precautionary and preemptive measures and err on the side of safety for our employees. That means social distancing, washing hands, not touching your face, limiting your movements, etc. and following the CDC recommendations for businesses. This is spreading quickly from the urban areas to our more remote locations. What has occurred in Itasca is a harbinger for our other locations. All restaurants and bars are closed in Illinois and similar closures will most likely take place near you soon.

Some updates:

- Coronavirus Task Force Team – We have set up a team with the purpose of disseminating information and addressing any questions that you might have. Please contact any member of this committee with questions or concerns that you may have.

- Itasca HQ Status – If you can work from home, we ask that you do so. We have left our doors open to a limited group of employees to help us process emergency orders for our first responder customers. We had over 60% of our employees show up and work yesterday. Today has considerably less — about 20%. We are moved by your commitment, but stress again that there is absolutely no obligation to come to Darley. Your health and that of your family is our first priority. If you have children, elderly or sick people at home, please do not come in. You don't need to provide a reason and we will fully understand. If you come to work, continue good health measures. If you are in the office, please eat at your desk.

- Status of other locations – Managers at each location are preparing for a similar response, which will be individualized by location.

- Meetings – There are to be no in-person meetings where people are within 6 feet of each other. Please be mindful of social distancing. Please use Microsoft Teams to hold your meetings.

- Travel – We are stopping all company travel by air and other means, and strongly discouraging all personal travel.

- Coming to work – *You, your health and safety, and that of your families remains our top priority. All employees are permitted to take unpaid time off for any reason.* This applies to employees at any location, if you chose not to come to work, we fully understand and respect your decision. For our office employees, the attached document talks about the current options that you have if should chose not to come to work. Again, if you or anyone in your family is not well, or if you think you may have been exposed to the CV, please stay home. If you have exhausted PTO days or believe staying at home creates a financial hardship, please communicate with a member of the Task Force and feel free to apply to the William J. Darley employee fund..

Please ask questions, there are no bad ones. Our business is sound, and we will be doing what is right as a family company. Over the years, we've seen our people really shine in challenging times, and I am confident that we will come out of this stronger than ever. We appreciate your patience and flexibility as we navigate these waters.