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## EIP INTERIM NEWS

Restarting and ramping up  
your business in post corona times

Munich, May 2020

EXECUTIVE INTERIM PARTNERS GMBH

WHEN FAILURE IS NOT AN OPTION

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## THE DEVELOPMENT OF NEWLY REPORTED CORONA CASES IN GERMANY REQUIRES ACTIONS TO BE TAKEN IN A COMPANY – CRISIS MANAGEMENT FOLLOWED BY A RESTART AND RAMP-UP

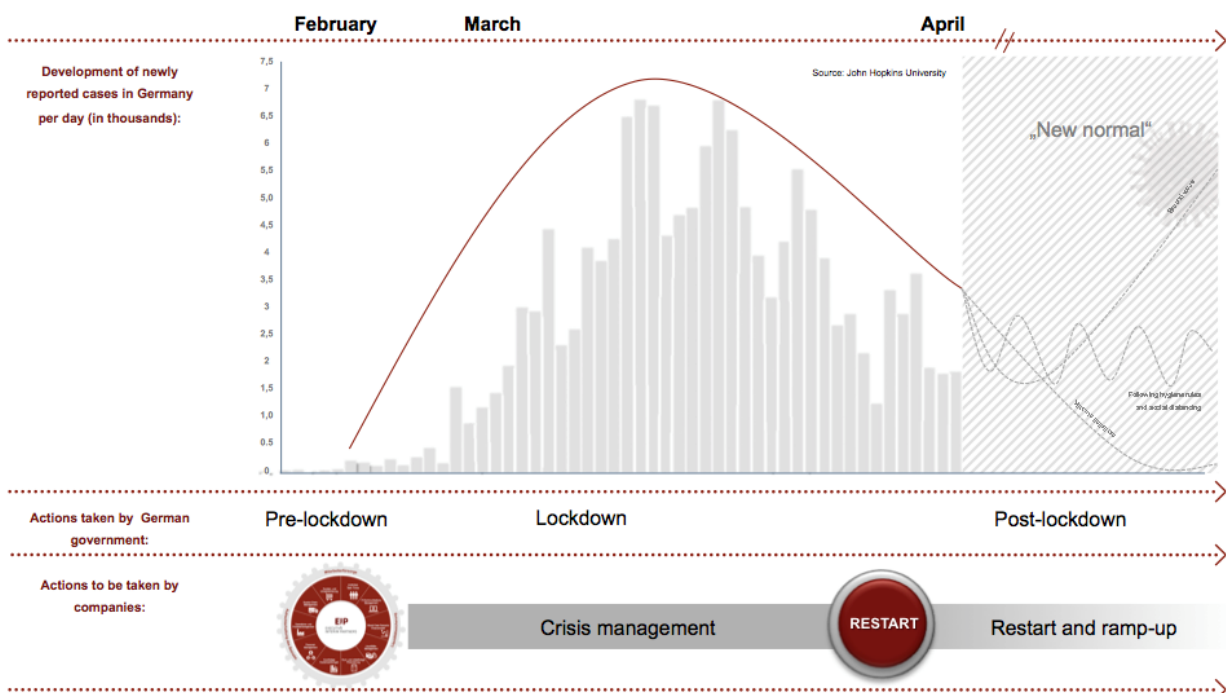
Since the number of reported infections in Germany is decreasing, politicians have already announced loosening the lockdown restrictions. However, after the lockdown we are going to face another "new normal". Due to changes in demand, disrupted supply chains and internal mismanagement, some sectors and companies will emerge faster than others.

A proactive and determined corona management action plan was essential to lead companies through the first step of the corona crisis unscathed. Now it is important that companies establish a successful restart management in the post corona crisis phase to strengthen the company's position and to make it more resilient for the future.

Many of our colleagues at Executive Interim Partners are currently working in companies as interim managers in board positions or as consultants, in order to lead them through the corona crisis unscathed or even strengthened.

We have summarized our practical experience of recent weeks for an effective restart management in times of corona in a restart action plan for you

## PHASES OF CORONA CRISIS AND POSSIBLE SCENARIOS FOR FUTURE DEVELOPMENT



## THE „NEW NORMAL“ WILL DEMAND RESILIENCE, AGILITY AND DETERMINATION FROM MANAGERS

The “new normal” will be characterized by uncertainty since there is neither a vaccine nor a cure available for the coronavirus yet. Hence, companies have to be ready to “restart business” but also have to be able to react and adapt quickly to a “second wave” that may hit them when governmental lockdown restrictions are loosened and the number of reported cases of infections increase again. While preparing for a restart and ramp up, companies are facing several challenges simultaneously.

## WHAT THE SITUATION LOOKS LIKE TODAY AND WHAT ACTIONS ARE TO BE TAKEN?



**CASH MANAGEMENT** Many companies already suffer from liquidity issues due to lockdown. Most companies find themselves in an unpredictable situation which makes it highly challenging to assess their future liquidity needs and requirements.

**FINANCING STRUCTURE** In spite of specific state- guaranteed loans (e.g. KfW loans in Germany) most companies are struggling to get fresh equity and debt into the company. Commercial banks appear to follow the same strict loan approval process for providing KfW backed loans.

**SALES & CUSTOMERS** Some industries are fully hit by the corona crisis. They now face high volatility and uncertainty in terms of future

demand. Business models and target markets are under review according to speed and direction of market recovery while plans for strengthening digital sales channels and shifting to digital marketing are discussed.

**SUPPLY CHAIN MANAGEMENT** Companies find themselves and their suppliers in a scattered situation across Europe and the world with regard to timing and constraints of shutdown release. This non-transparent situation has an impact on survival and delivery reliability through all tiers of the supplier base.

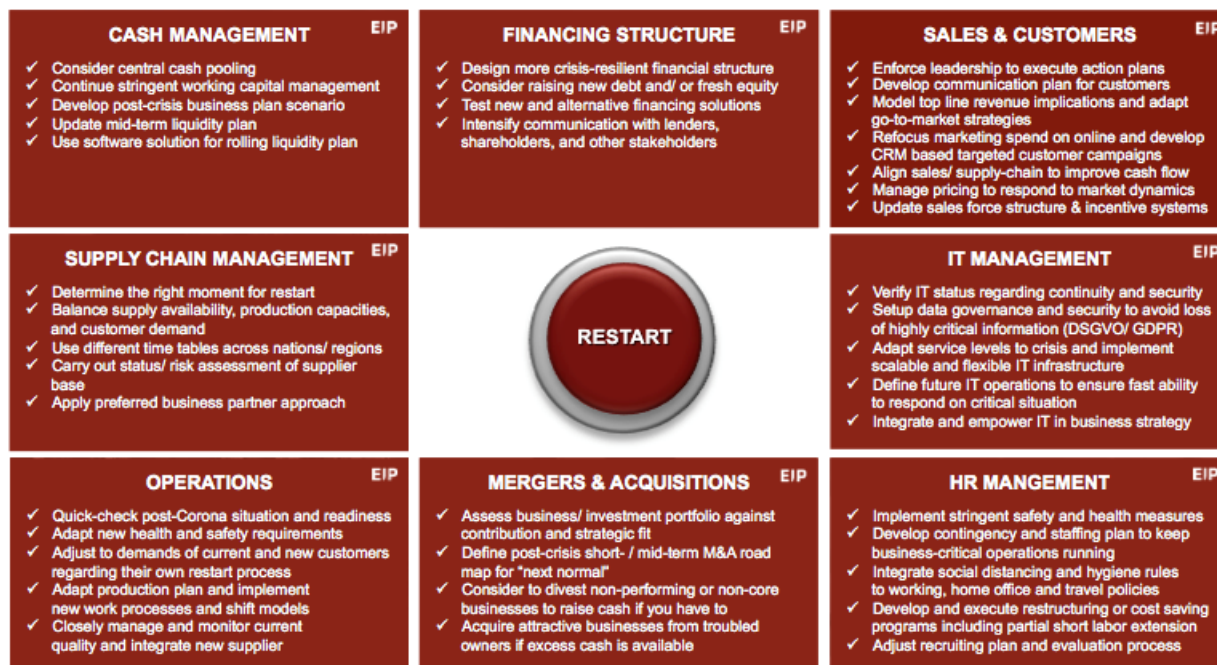
**IT MANAGEMENT** The crisis unfolded lacks in IT infrastructure. Many companies are exposed to high risks in data and cyber security, also as a result of their primary focus on operational continuity and on providing solutions for employees to work from home during shutdown.

**OPERATIONS** While many companies focused on the environmental aspect in the SHE (Safety Health and Environment) standards, there is now a stronger focus on health. Plant managers are working hard to gradually ramp up production and develop new shift models and production plans.

**MERGERS & ACQUISITIONS** While some companies are considering to raise cash by selling and divesting business units or subsidiaries, others are looking for bargain deals to take advantage of the crisis situation.

**HR MANGEMENT** Companies have reacted to the COVID-19 crisis by putting a stronger focus on employers' statutory duty of care for people's health and safety at work. In addition, many companies have introduced a temporary short-labor regime and executed other restructuring and cost cutting measures. In the following weeks, top management need to restart and ramp up their businesses. We have summarized the key actions for the restart.

## KEY ACTION LIST FOR RESTARTING YOUR BUSINESS



## HOW EIP CAN SUPPORT YOU TO RESTART YOUR BUSINESS AND – AND MAKE IT MORE CRISIS RESILIENT

Our experienced interim managers at Executive Interim Partners are currently working with several companies to support medium-sized companies, portfolio companies of private equity firms, or large corporations and their subsidiaries in executing programs to hands-on deal with the impact of the COVID-19 implications.

Our interim managers at EIP have a proven track record in crisis and special situations to restructure and turnaround troubled companies by:

- Staffing of immediate critical senior management positions in special situations and restructurings as Chief Restructuring Officers

- Stepping in to temporarily support as Chief Financial Officer, Chief Executive Officer, Chief Operating Officer, Chief Information/ Digital Officer or Chief Procurement Officer
- Supporting hands-on operational execution of programs to improve and manage cash flow and liquidity, optimize manufacturing footprint, execute cost saving programs, and to generate top line growth
- Supporting hands-on operational implementation of a more resilient financial structure based on a coherent business plan
- Providing our network for identification, approaching and winning of new financing partners (both debt and equity)
- Supporting M&A processes such as divestments and acquisitions by providing in depth industrial expertise and access to our extensive industrial network



## ABOUT EXECUTIVE INTERIM PARTNERS

Founded in 2005 in Munich, EIP's partners are top interim managers who temporarily take over responsibility for their clients "when failure is not an option": in special situations and crisis situations such as restructuring and turnarounds.

EIP partners are stepping in to temporarily support as Chief Restructuring Officer, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information/Digital Officer or Chief Procurement Officer.

All EIP partners have a proven track record as successful and highly experienced Managing Directors, Executive Board Members or senior private equity managers at companies in Germany and abroad.

For more information, please visit our webpage:

[www.eip.de](http://www.eip.de)

## ABOUT THE AUTHORS

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**Bodo Wendenburg** is Partner at EIP. He has more than twenty years of experience as an entrepreneurial Chief Financial Officer and Chief Restructuring Officer. He has a strong operational focus in leading international FMCG-companies, especially in transformation processes. Before joining EIP, Bodo also served as CFO at Wolff & Olsen and Intersnack. He started his professional career at Beiersdorf as a Financial Controller in Germany and México. He also worked as an Investment Manager for the PE company Capital Management Partners (CMP).

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