

## Crisis Management in the Family Business: Key Learnings From COVID-19

FINDINGS FROM THE GLOBAL SURVEY APRIL/MAY 2020 - **PART I**

### Managing the Crisis

#### Proactive Behaviors

- Active Communication with all stakeholders.
- Purposeful planning and use of scenario techniques

#### Financial Activities

- Liquidity assurance
- Rigid cost control

#### Health & well-being of employees

- Securing protective material
- Ensuring hygiene measures
- Generosity & understanding

#### Flexibility & digitization of work processes

- Revamped digital communication technologies
- Implementation of remote working policies
- Focus on flexibility & adaptability

#### Operational adjustments

- Adapted shifts into two/multiple group strategy
- Adjustments of controlling mechanisms
- Reorganization of processes

### Preparing for the Future

#### Realigning the business model

- Critical examination of current business model and swift implementation of necessary changes
- Investing in new product and service development
- Considerations of collaborations with others

#### Digitization & countercyclical investment

- Speed up digitalization projects
- Heavy investments in IT system
- Investing in professional education of employees (instead of furloughs)

#### Stakeholder management, knowledge exchange and collaboration

- Reaching out for knowledge exchange both within and outside of existing networks to share best practices, but also infrastructure and human resources, or start collaborations
- Communication with key partners is proactive, timely, transparent, and authentic

### Focusing on the Family...

- 1 Fostering continuous discussion of **shared values and goals**, proactive and transparent **expectation management** among shareholders, and investing in **family cohesion and harmony**.
- 2 Securing the family's **ability to make decisions and take action** under pressure through formal and informal means of Family Governance.
- 3 Strengthening family members' **commitment** across generations and family branches through frequent and transparent communication.
- 4 Systematically fostering **ownership competence** so family members are able to successfully perform their roles in the family and business.

*"We used the crisis to tackle the long-planned but never initiated reorganization. We are convinced that this boost to the future - also in terms of digitalization - will help us to be more competitive and resilient after the crisis than before."*

Family Business (Switzerland), 4th Generation