

Business Continuity “Plan”demic

A close look into how to maintain business functions amid a crisis like COVID-19 and what consumer changes and business opportunities we can expect after the pandemic in the “new normal”.

Jeff Wuest CEO, SynFin Advisors – Presenter

Matteo Arena Chair and Associate Professor, Marquette University – Host

Your Panelists



Jeff Wuest
CEO, SynFinyAdvisors



Matteo Arena
Marquette University

Agenda

- Finance at Marquette
- Overview of Business Continuity Plan
- Vulnerabilities
- Financial Strategies
- Turning COVID into an Opportunity
- World Post COVID-19
- Q & A

Finance at Marquette (I)

- The Finance Undergraduate Program is ranked top 40 nationally (U.S. News and World Report)
- Nationally Renowned Program and Centers:
 - Applied Investment Management (AIM) Program
 - Center for Real Estate
 - Commercial Banking Program
 - Finance in NY program

Finance at Marquette (II)

- Finance is the largest major in the College of Business and the third largest major in the University based on the number of graduating students.
 - Between 130 and 160 students graduate every year with a finance degree.
- 90% of finance majors secure their first destination (job or graduate school) within 6 months of graduation.
 - Placement is at 100% for students in specialized programs and real estate
- Faculty
 - have received University and College teaching and research awards, research grants,
 - have published in leading academic journals in the field.
 - serve the community through local, regional and national boards, consulting projects, and speaker events

A low-angle, upward-looking photograph of several modern skyscrapers against a twilight sky. The buildings are silhouetted against the light, with some windows glowing. A large, semi-transparent white rectangular area is overlaid on the left side of the image, containing the text. The overall color palette is dominated by blues and greys, with a touch of orange from the setting or rising sun.

Business Continuity “Plan”demic

JEFF WUEST

LIFE JOURNEY

Global

CEO & President



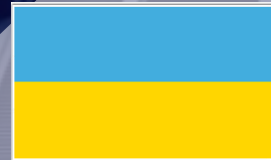
Global

FP&A Associate Director



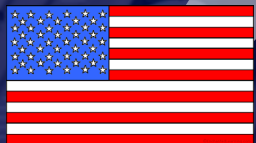
Eastern Europe

Plant Role or Country CFO



US

Various Finance Roles



BUSINESS CONTINUITY PLAN

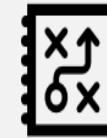
A plan and set of procedures an organization must follow during a disruption

The purpose of a BCP

- BCPs get pushed aside
- Creates opportunities
- Transform your business



Prevent
(risk analysis & mitigation)



Manage
(managing the crisis when it happens)



Recover
(restore business operations to normal)



Crises Relevant to Business Continuity



Financial Crisis of 2008

China and US Trade War



Chipotle E. Coli Outbreak & Other Crises

Surviving Through Crises

Countrywide Financial Crisis of 2008



China and US Trade War



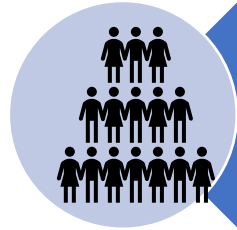
Chipotle E. Coli Outbreak & Other Crises



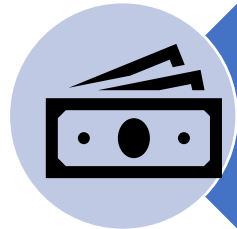
Losses and Vulnerabilities Businesses Face due to COVID-19:



Safety



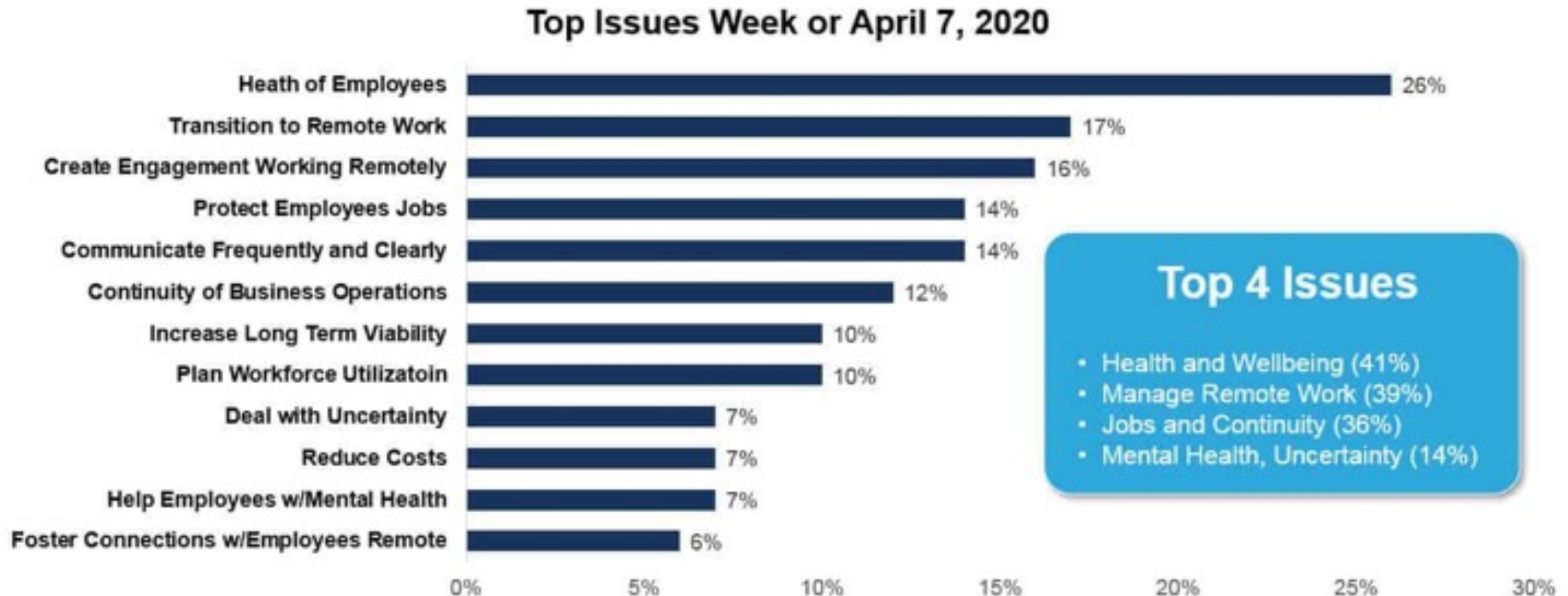
Organization



Cash Issues

Poll Time

Concerns for CEOs Right Now



Online survey conducted by CultureX and Josh Bersoff between March 11 through April 5. By role, the sample consisted of CEOs (21%), HR VPs, directors, or managers (32%), HR specialists or business partners (16%). Organizations with more than 10,000 employees represented 21% of the sample, 1,000-10,000 (30%), 200-1,000 (23%), and fewer than 200 employees (26%). Information technology (21% of responses), professional services (14%), and financial services (9%) were the most common of 17 sectors represented in the sample.

COVID- Cash is King

COVID has brought lower sales, higher local costs, and a devalued currency

The best way to reduce risk is with cash:

- Companies are moving to put their stock repurchasing programs on hold to conserve cash
- Banks are tapping into their lines of credit
- Countries or States are tapping into their rainy-day funds
- Consumers are slowing down on spending on non-essentials



A close-up photograph of a hand holding a pen, with the pen tip pointing towards the lens of a projector. The projector is dark-colored with a prominent lens and a grid-like pattern on its side. The background is dark and out of focus.

Video

Top Concerns for CFOs

Strategies:

- Tighten Cost Controls
- Optimize Balance Sheet
- Careful Planning of Inventories
- Avoid Hard Currency Payables
- Reduce Spending



Poll Time

New Opportunities

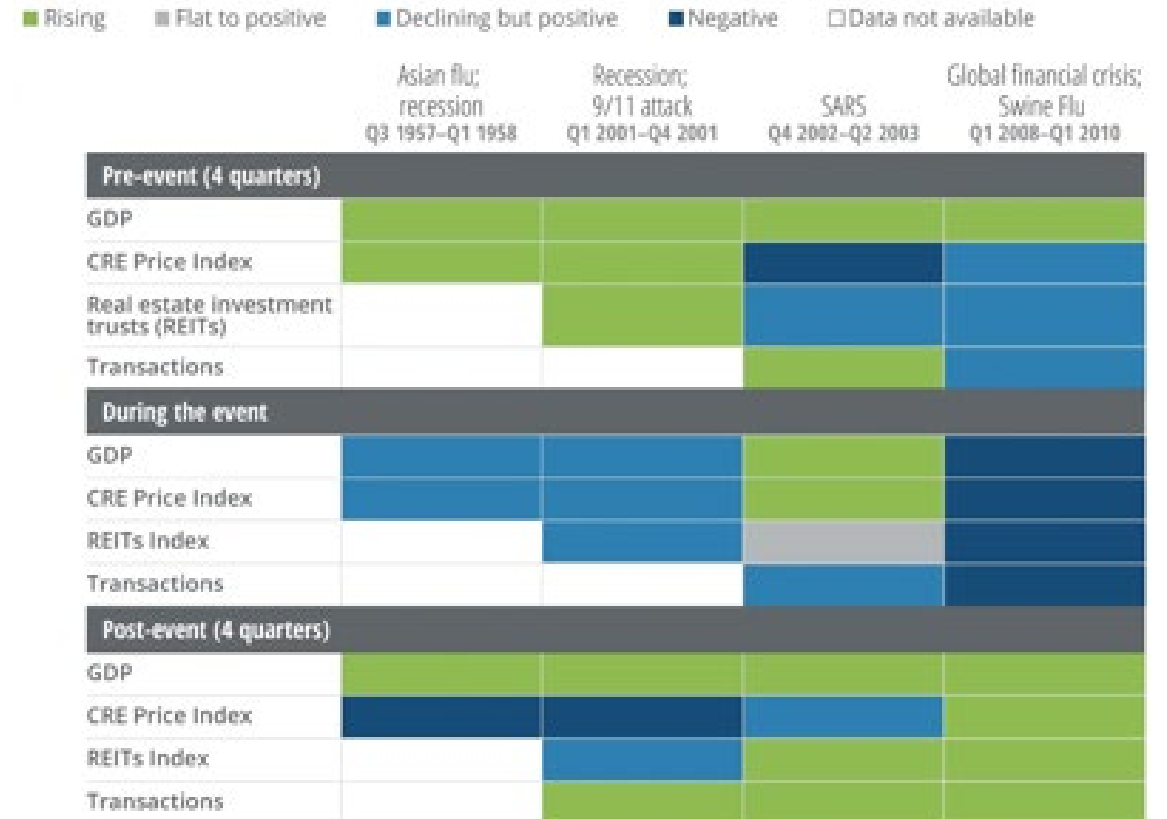
”Business as Usual” will not be the case after COVID-19.

New Opportunities: Commercial Real Estate

- The pandemic is the perfect storm to make a bad situation worse
- COVID has accelerated the needs of
 - diversifying sources of revenue
 - pursuing digital strategies
 - and focusing on tenant experiences.

FIGURE 1

The impact of past epidemics, pandemics, and economic downturns on commercial real estate



Sources: Federal Reserve Bank of St. Louis, "Real Gross Domestic Product," and "Interest Rates and Price Indexes: Commercial Real Estate Price Index, Level," accessed April 2020; Nareit, "FTSE Nareit U.S. Real Estate Index," accessed April 16, 2020; Deloitte Center for Financial Services analysis.

Deloitte Insights | deloitte.com/insights

New Opportunities: Technology- Work From Home & Cloud Computing



- Remote working technology will thrive as work-from-home becomes new normal
 - Zoom went from 10 million users in Dec. 2019 to 300 million today
 - Teams is Microsoft's fastest growing product
- Increased demand for cloud communication and collaboration services across the globe
- Low upfront costs, flexibility, and scalability key factors of rapid adoption
- Ensures improved data management and enhanced IT management and flexibility

ANT - LARGEST FINANCIAL NO SALES TEAM



ANT FINANCIAL SERVICES

- BUILT ON DIGITAL CORE
- NO WORKERS IN OPERATING ACTIVITIES
- NO EMPLOYEES PROVIDING FINANCIAL ADVICE
- NO REPRESENTATIVE AUTHORIZING CONSUMER MEDICAL EXPENSE

ANT FINANCIAL SERVICES USES AI AND DATA FROM ALIPAY FOR :

- CONSUMER LENDING
- MONEY MARKET FUNDS
- WEALTH MANAGEMENT
- HEALTH MANAGEMENT

More than
1 Billion Users



New Opportunities: Mergers & Acquisitions: Retail



Mergers & Acquisitions: Cloud Computing

Microsoft Signs Definitive Agreement to
Acquire Affirmed Networks

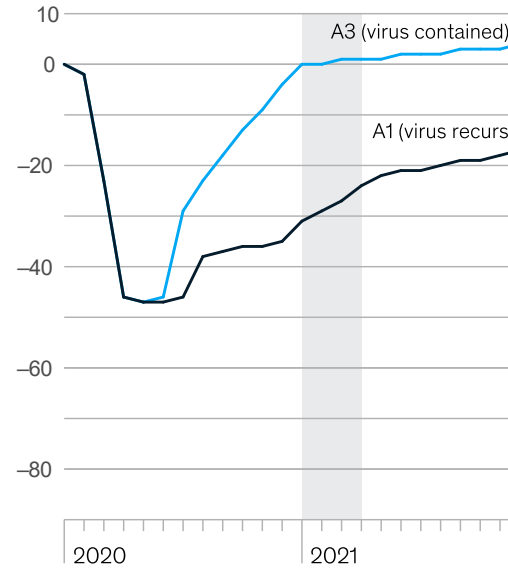


New Opportunities: The Restaurant Space Recovering from COVID-19



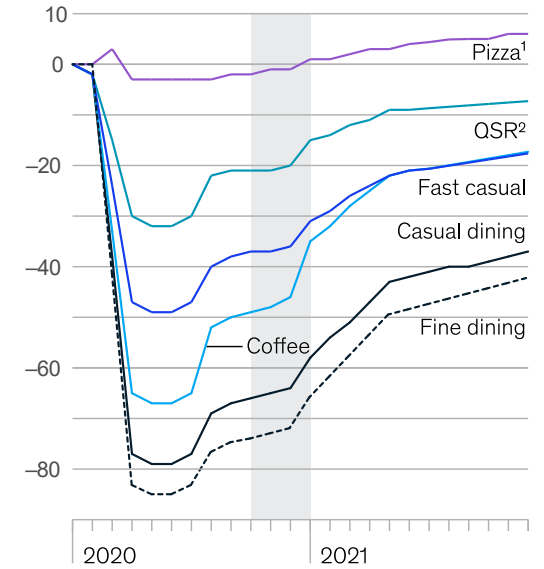
The shape of recovery will depend on the success of virus-containment policies and will differ by restaurant type.

Projected monthly restaurant sales by virus scenario, % change from 2019



VIRUS CONTAINED	VIRUS RECURS
-15 to -25	-25 to -35
% change in 2021 1st quarter sales (year-over-year)	% change in 2021 1st quarter sales (year-over-year)

Projected sales by restaurant type in scenario A1, % change from 2019



PIZZA	FINE DINING
Q4 2020	Q2 2024
return to precrisis level	return to precrisis level

¹Includes fast-food pizza only.

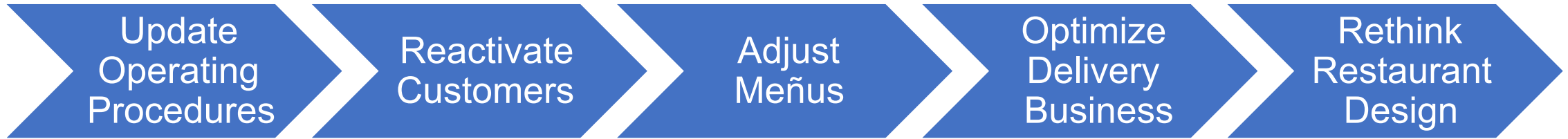
²Quick-service restaurant. Includes burger, chicken, Mexican, and sandwich; excludes coffee and pizza.

Source: Bernstein Research; Foursquare; industry reports and expert interviews; McKinsey COVID-19 US Consumer Pulse Survey, March 30–April 5, 2020; McKinsey research and analysis, in partnership with Oxford Economics

McKinsey
& Company

Reinventing the Restaurant in the New Normal

According to McKinsey, restaurants need to use the following strategies through their recovery period and into the next normal:





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