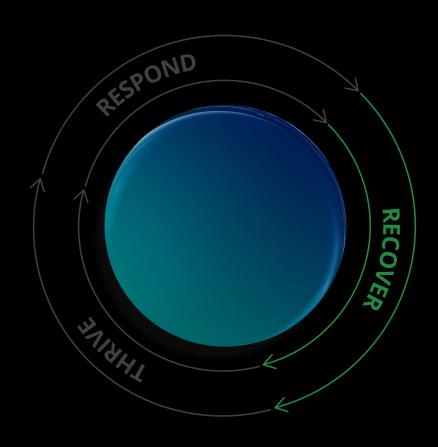
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COVID-19

The Hub of Recovery and Resilience



A typical crisis plays out over <u>three time frames</u>: **Respond**, in which a company deals with the present situation and manages continuity; **Recover**, during which a company learns and emerges stronger; and **Thrive**, where the company prepares for and shapes the "next normal."

1. Respond

As an organization responds to crisis, resilient leaders are defined first by five qualities which distinguish between surviving and thriving amidst crisis. Next, resilient leaders must take specific actions spanning three dimensions and evaluate them within the context of geographic location and sector. Finally, learnings from those experiencing the same crisis conditions should be leveraged to manage the response. *For more information on Respond, please explore The Heart of Resilient Leadership: Responding to COVID-19.*

2. Recover

Resilient leaders view recovery as a journey for their organization, teams and stakeholders. There are five imperatives within the Recover phase to guide the business from Respond to Thrive:

- 1. Understand the required mindset shift;
- 2. Identify and navigate the uncertainties and implications;
- 3. Embed trust as the catalyst to recovery;
- 4. Define the destination and launch the recovery playbook; and
- 5. Learn from other's successes.

For more information on Recover, please explore The Essence of Resilient Leadership: Business Recovery from COVID-19. We have developed supporting material across these priority areas to support leaders as they develop the recovery playbook:

Valuing Trust

Command Center

Strategy

Workforce

Business Continuity & Financing

Supply Chain

Customer

Technology & Digital

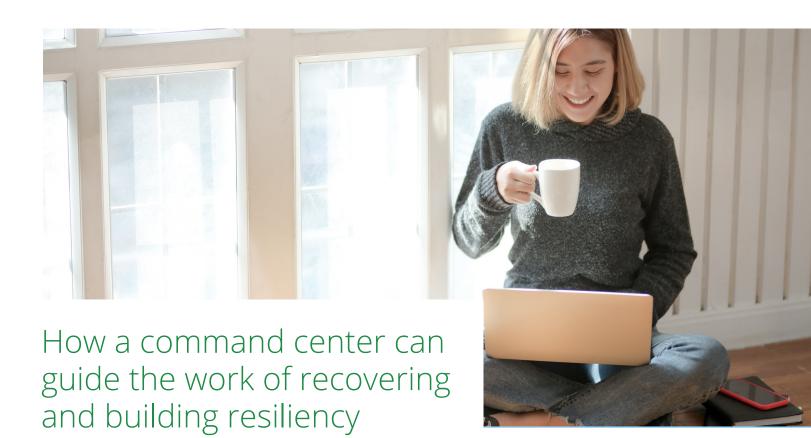
Cyber

A&M

Environmental, Social, and Governance (ESG)

3. Thrive

Preparing for the next normal. Supporting materials to come.



As organizations move from rapid response to thoughtful recovery and organizational resilience, leaders should centralize and empower a command center to direct action on the process of rebuilding, restoring, and recovering. In the recovery phase, an organization begins to evaluate its structure, the market, and social shifts that should create opportunities to grow and change.

Why a Command Center?

A command center serves as the face and arms of an organization's leadership in steering an organization to the recovery phase and beyond. The right time to activate the recovery plan will vary across geographies and sectors and even among different companies

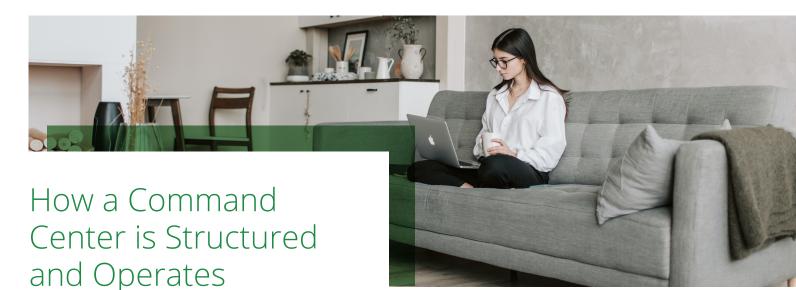
in the same geography and sector. Regions where the infection rate has subsided will be more likely to sustain activation than regions where the disease is still spreading. Sectors that have suffered a lesser impact, such as media or technology, may shift to recovery much earlier than heavily affected sectors such as transportation or leisure. And each company will likely have its own, localized conditions: a widely dispersed back-office support center may be able to begin recovery efforts sooner than close-quartered operating units. Executives can expect a mix of signals and indicators to sort through, business conditions to observe, regulatory and legal actions to consider, and investor expectations to meet. No single answer will be correct for all organizations and all regions.



The command center is expected to sort through these issues. It is a cross-functional leadership hub to help manage the organization by performing the following actions and priorities:

- Creating situational awareness of the most urgent issues and directing them to key decision-makers.
- Setting clear strategic objectives and indicators to monitor progress and measure success so that the organization moves from crisis management and response to project management and recovery
- Supporting strategic trust drivers necessary to the organization and its stakeholders
- Analyzing and assessing incoming information and communicating accurate, reassuring, and helpful information to stakeholders
- Building organizational resilience as a long-term competitive advantage

- Balancing near-term health, safety, and continuity goals with long-term planning and consideration of tactical and strategic consequences of crisis
- Making recommendations and escalating strategic challenges to executives
- Capturing key lessons
- Performing ongoing scenario planning, planning alternate responses
- Enhancing response capabilities



A command center functions best when it is set up to meet the primary challenges of a crisis—and only those challenges. The command center must be structured in such a way that it has the full confidence of the entire C-suite and board of directors and enjoys the proxy to make decisions when necessary.

The command center should have an enterprise-wide understanding of the impact of COVID-19 on business operations and on a variety of key stakeholders: employees, investors, vendors, suppliers, clients, customers, regulators, and others. In addition, the command center should be able to collect and disseminate mission-critical information, coordinate efforts across functions, raise awareness of new developments, and respond to fast-moving events.

It must have clarity of purpose and be led by executives who are empowered to push all other priorities to the side and are mandated to respond to whatever the crisis demands. Ideally, a command center is led by one person or a very small team who are supported by a chief of staff, a project manager or managers, executive administrators and schedulers, and anyone else necessary to meet the responsibilities of a command center until the crisis has passed. That means preparing presentation materials, logging key decisions and rationale, tracking actions, structuring meetings, and other relevant tasks.

A command center has on its team executives and leaders with specialized understanding and capabilities that are essential in a crisis. In addition to business operational leaders, it includes marketing/sales, communications, talent and HR, legal and regulatory, cybersecurity and technology, and finance.

As a result, the command center may enlist subcommittees or specialized teams to handle specific tasks or workstreams. Through the delegation of responsibilities and close tracking of progress toward meeting immediate targets, the command center can provide the valuable services of supporting colleagues when they face setbacks, developing alternative strategies when necessary, and strengthening morale.

A command center—when properly structured, staffed, and mandated—can be a powerful engine for the organization during the recovery phase. It can set the tone for what helps the organization thrive in the months and years to come, when the organization prepares for and shapes the "next normal."

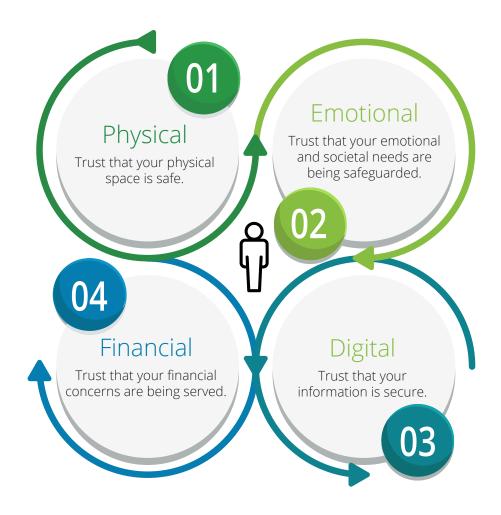
Key Principles & Tasks

Restore confidence and build trust

A command center can restore confidence, instill trust, and support a positive and optimistic spirit by being transparent, stressing the need to persevere through any challenge and applying whatever effort and thinking is necessary to reach a specific goal. Trust is not an amorphous and abstract goal but rather a tangible and measurable foundation essential to successfully reaffirming a strong relationship with stakeholders through the recovery. A command center should communicate its vision and establish a sense

of shared purpose, trust, and direction. Trust is built and supported along four human dimensions: physical, which refers to the safety of physical space; emotional, which refers to social and emotional needs being safeguarded; financial, which means financial concerns are being served; and digital, which means information is secure. A command center must monitor and support trust-building across these four dimensions.

Dimensions of trust: physical, digital, emotional, financial



Maintaining Energy and Staying Focused

The command center has a special emotional purpose: to build a spirit of collaboration, shared purpose, and direction so that an entire organization works together and perseveres through challenges. A command center should strike the right balance between realism and optimism and explain to its stakeholders what they can expect and what is expected of them. This creates positive energy, an essential part of building trust and maintaining focus.

By the very definition of this unprecedented crisis, command centers will likely have experience gaps in dealing with pandemics. Therefore, command centers often will identify key vulnerabilities only in retrospect while addressing them in the present tense. These run the gamut of operational and strategic issues and require the input of a broad range of key stakeholders, especially in the executive ranks and board of directors. It is vital that command center leadership not be distracted from its key objectives. Rather, they should stay focused on managing the crisis by addressing incidents and operational issues and setting clear indicators to monitor progress and measure success.

This is difficult because in the current crisis, the velocity of information has accelerated, making calm decision-making and priority-setting harder. In the recovery phase, information is still fast-moving and fast-changing, but the command center should be able to address critical issues and work within the organization to drive long-term and strategic conversations about organizational resilience and transformation.





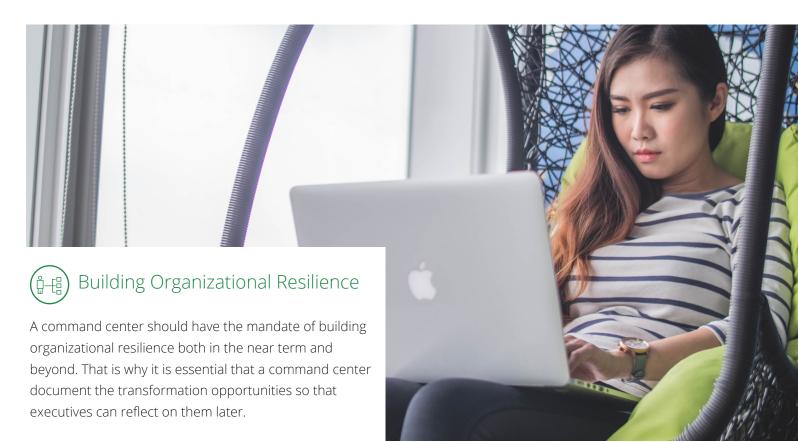
Driving Strategic Conversations

While the command center will seek to make decisions quickly, it should not supplant or disrupt existing strategic thinking. Rather, it should troubleshoot problems in real time, get information to key leaders quickly, prevent misinformation, and focus most of all on stabilizing the situation.

Achieving all these goals can help the organization's leaders focus on strategic questions

- How will COVID-19 reshape the market?
- What changes should we make to account for this risk going forward?
- What does organizational resilience look like for our organization?
- What opportunities do we have now that we did not have before?

These questions may not be answerable in the response phase; but during the recovery phase, they are appropriate. A command center should identify organizational resilience and transformation opportunities and prepare next steps to enable coordinated actions. It might need to establish special teams to implement these changes.



The organization should enhance its resilience so that future command center leaders are able to better anticipate, respond to, and resolve potential value killers, no matter the disruption or change. The most successful organizations in any crisis are those that have a built-in understanding of what's needed, a process and a plan to set up necessary structures, and an awareness of external resources that can assist them in the future. That is why organizational resilience is one potential outcome from COVID-19. Because it has so many impacts and such a large reach, it may well create many opportunities for long-term resilience. An organization that has gone through the fire of an existential crisis may also become more agile and more open to preparing for unseen or unknown future crises. This organizational resilience is not ancillary to effective operations and growth; it is essential to achieving them. It is the command center's responsibility to ensure that opportunities to improve organizational resilience are documented and begin the work of taking action to seize those opportunities.



Capturing Insights

Never far from the minds of those leading the command center should be the collection, recording, and implementation of lessons learned and leading practices. Many organizations were unprepared for the unprecedented effects and risks of COVID-19. It is, therefore, the command center's responsibility to keep good records of the actions that had to be taken, and of mistakes that were made, so that the organization can be better prepared for a future crisis. For example, organizations have to take account of their digital preparedness. Were they able to easily shift operations to virtual workspaces? Were their supplier networks too geographically centered in one place and therefore far more exposed to regional crises? The answers to these questions are knowable, but the impact they have may be forgotten—and it is the command center's responsibility to make sure they're not.





Communication

From the outset of the crisis, a command center has to sort through incoming information and ensure its reliability so as to direct response efforts. It must have a monopoly on the dissemination of mission-critical work and information regarding the crisis so that everyone in an organization knows where to turn to get reliable information. It also needs to assert that the crisis—at every stage—is understood factually, that impacts are well-understood and appreciated, and that response and recovery efforts are clear as well. The command center should explain the issues and actions in plain and straightforward terms so that audiences understand what they need to know, do, and feel. They should use simple language to explain what has been done, why it was done, and what next steps are going to be. Communication should address the questions stakeholders ask themselves. In a large organization, it is vital that everyone understand the greatest priorities and where they are needed most. This is particularly important so that people at all levels are not distracted or confused.

Consider the structure of Winston Churchill's wartime speeches to the British Parliament. Each began with a careful recitation of key facts about recent events in the war, whether negative or positive, and a reflection on their significance. Then, he would lay out a program of action and reaction, often accompanied by a spirited appeal to the citizenry's sense of purpose and pride. The strength

of the remarks was not merely rhetorical. Churchill was able to prepare his audiences for action by keeping them informed, by trusting them to understand the information correctly, and by tapping into what he believed they already were ready to do next.

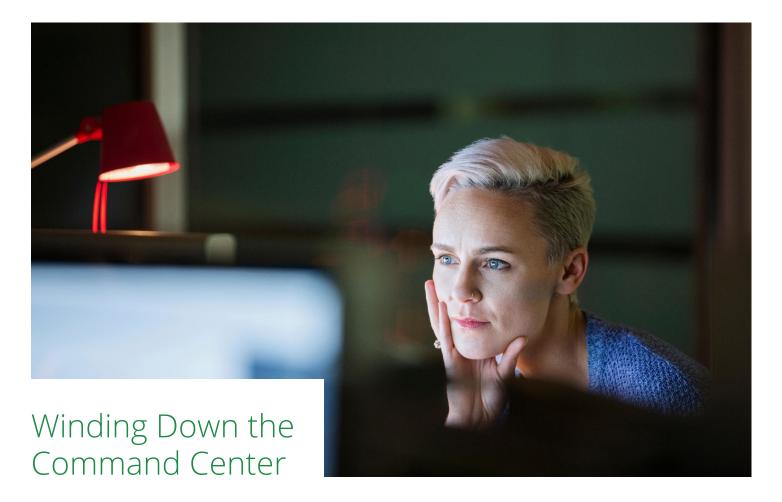
This model for communicating during a crisis succeeds because it trusts and empowers the audience and articulates the course of action that makes the most sense. It helps an organization's leaders assert control over events without necessarily becoming victim to them and gives an organization a strong sense of writing its own story and owning its own narrative.



People & Talent Issues

In the same manner, a command center attends to the other major dimensions of how a crisis is experienced by the workforce and related stakeholders. Questions around virtual work and work stoppages require the involvement of talent and human resource leaders, and the command center needs to be able to understand and address those issues as they occur. Importantly, as the response phase turns into the recovery phase, the command center faces critical questions about when to return staff to offices, factories, and other shared workspaces. These are not merely operational decisions and they should take into account talent management and workforce strategies and support trust-building, especially around the physical and emotional.

¹ Andrew Roberts, Churchill: Walking with Destiny, Andrew Roberts (New York: Penguin, 2019).



As the organization shifts from the Recovery to the Thrive phase, the command center should take stock of its original objectives and assess whether they've been achieved. The command center needs to be able to answer whether the crisis is over and whether its work is effectively concluded. This self-assessment is intended to keep an organization from allowing its command center to become a permanent center of decision-making.

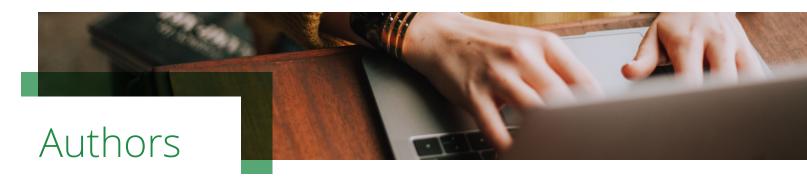
Many organizations indeed find it difficult to downshift from crisis mode, even when the crisis is over. But maintaining the command center past its moment of utility risks two things. First, a crisis mentality is exhausting and cannot be sustained in any large organization for too long. Second, those in charge of the command center have other work to do and other challenges to focus on, and they must return to that day-to-day work. Stakeholders want organizations to have a plan to shift back to regularity, and someone—ideally leadership—should make it clear at the outset of the crisis that the mandate for the command center is finite. When the organization has adapted to the "next normal" and achieved stability, the command center's work is done.



When the command center's work is done, that doesn't mean its memory and work product washes away. Pre-COVID, most organizations were not in the crisis business and suddenly found themselves in it. Post-COVID, these same organizations may want to return to their core competencies and succeed in the "next normal" of the transformed marketplace.

That said, the most successful organizations will embrace the goal of long-term resilience and will therefore continue to think about crisis as a potential part of their business, no different from many key issues that are not seemingly attached to their core business. They should expect to review their decisions and effectiveness during this turbulent era—and learn from mistakes. For that reason alone, many organizations may create an organizational resilience capability building program so that integrated cross-functional crisis-planning and risk-identification and monitoring becomes part of the mindset of leadership.

The great effort and concentrated attention given to helping the organization emerge from crisis should be a lasting legacy, appreciated by all who took part. As with any group that works together for a concentrated period of time on a single existential goal, the command center and its key nodes will remain linked by a powerful and formative experience. These leaders and managers should expect to be forever changed by the months they spent in close and hopefully collegial company. The bonds of this experience are powerful, and these leaders may well create within the organization a spirit of perseverance.



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