



# **The Cannon *on* Coronavirus, COVID - 19 *and its* Implications *for* Startups**

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Thursday, March 19th | 10a - 10:45a

# Welcome

*Today's Panel*

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The COVID-19 outbreak is the fastest changing challenge that most of us has ever faced and its impact, while impossible to quantify today, has a high potential to be history-changing.

To help startups navigate these challenges we felt it was important to begin an active dialog to address the concerns many of you have expressed and talk through the best ways to address the impact the pandemic is having on you and your business.

There is no go-to playbook or roadmap to which we can turn for answers to this Coronavirus challenge. There are, however, many experiences and challenges from our collective past that we can draw on to anticipate and address issues as they come and effectively create our own guide.

The Cannon is taking a Now → Then → Later approach to addressing this topic. Our first discussion will focus on things you and your company should be considering in the immediate term.



# Today's Discussion

Perhaps the most unique element of this crisis to date is the breadth of its impact – it is touching virtually every area of our personal and professional lives. As a result, creating an effective approach to managing through these challenging days to come must include consideration of its many facets.

We have chosen to address the following dimensions in today's initial discussion:

**Me**

**My People**

**My Customers**

**My Business**

The priority and urgency around addressing these different areas will be different across this audience and will potentially change rapidly. The key is having a clear perspective and point of view on how you'll act or respond to each as needs arise.



# Me

The pace of change is so fast, and the impact so broad, that many of us are left feeling behind the curve, paralyzed by indecision, overwhelmed, helpless, lost. As business leaders, these emotions are real and can compromise our ability to do our own job and to help others in a time when they are looking to us to lift them up.

## Successfully managing through this time begins with Me.

- **Help yourself first.** Spend a few minutes each day thinking ahead, map out your plans and structure your time.
- **Exclude distractions.** Don't bury your head in the sand but consume news on a controlled basis. Create 'news-free' blocks to get things done or get time 'away'.
- **Make quick decisions.** Be informed, trust your instincts, don't be afraid to change them as the situation evolves.
- **Communicate openly and often, be genuine & compassionate.** Draw strength from others, don't drown in work.
- **Ask for help.** Go to those you trust when you have a need. There are no prizes for single-handedly winning this battle.
- **Make your family a priority.** Remember the emotions that the people closest to you are feeling as this continues to evolve are real and are significantly impacted by how you respond to and support them. Your kids will likely remember this event for a lifetime, they'll also remember the role you played in helping them make sense of it.



# My People

- With employees WFH, ensuring they feel a sense of purpose at home is important. They need leadership more than ever. Make sure they feel informed, connected and included.
- Consider new ways they can continue to be productive. Their time is an asset. If normal business has slowed, leverage excess time to tackle other projects that will allow your business to emerge stronger. Consider creating scrum teams to solve specific problems within set periods of time to keep things moving. Adversity can spawn tremendous creative output—empower your team to be problem solvers.
- If your employees can't WFH, make sure you have clear policies and procedure for keeping them (and making them feel) safe. Encourage them to follow best practices in and out of the workplace. What they do after work impacts your entire workforce.
- Cutting headcount, furloughing, or moving employees to 1099 may be necessary, but see if there are other areas to cut to avoid damaging your relationships and maintain an ability to staff back up quickly. If your employees are significantly limited in what they are able to do, it may make sense to construct “half work, half pay” arrangements in the short-term.



# My Customers

- Communicate openly, displaying transparency and empathy while interacting with customers. Don't wait for your customers or clients to approach you, be proactive in reaching out to them. Over-communicate and stay top of mind.
- If sales are low, emphasize customer service. Get serious about adding value to existing customers or clients. Find every way possible, even if it's just sharing industry-specific information, to make yourself an invaluable partner and supporter of theirs and ensure you stay relevant—and they keep paying you!
- Connect your story to current events. Marketing can't be business as usual. Messaging needs to adapt to ensure you can convey why you're relevant to customers right now.
- Review your marketing spend. What's the most effective platform to drive revenue? Sales and marketing spend can be a great place to find efficiencies if your offering isn't selling.



# My Business

- When demand contracts during a crisis, agility and adaptability are paramount. Being able to quickly modify your offering, pricing, distribution methods, etc. can be critical to survivability.
- Remember, your capabilities are not your products. Tap into your real value creators to stay relevant and commercially viable, leveraging capacities to continue selling something your customers want or enter adjacent markets, e.g. LVMH.
- Consider identifying synergistic companies to partner with to create a greater mutual value proposition in a crisis, e.g. multi-product packages.
- Strategic focus is valuable when the economic pie is large, but when it shrinks focus can squeeze you out of the market. Temporary opportunism is healthy during shocks.



# My Business (cont.)

- Slashing costs is quick and easy, however, that may not be realistic and the decisions you make in this category could affect you long after the Coronavirus has been contained. It's also important to remember that not all costs are equal. The case for trimming costs in some areas will be stronger than others, e.g. if product is in irregularly low demand, marketing that product may be a temporarily unnecessary expense.
- Extend your cash flow by negotiating financing options, rates, deferred payments, etc. with lenders, vendors creditors or debtors. Don't be afraid to barter. Be honest and direct with your counterparties, but also understanding. They are being impacted too.
- Investigate new sources of financing from local, state and federal agencies, such as the SBA, as well as conventional financing options given the low rate environment. Also speak with your financial partners. Many are providing various forms of assistance.





# How We Can Help

- **COVID-19 Support Network**- Members of the community and Partners of The Cannon have graciously offered to provide mentorship and assistance in a 1:1 virtual setting following this webinar. Please feel free to reach out to these individuals directly - they have added ways in which they can help in their description. Our ever-evolving list of expert partners can be found here:  
<https://docs.google.com/spreadsheets/d/17hAM8s7QDNHqpZcpUMNrQOFexIzemScPfGgc0zcaEh8/edit#gid=1959034349>.
- **Community Emergency Response Teams** - If you are looking for something more structured, we are convening teams of advisors and experts to help members brainstorm ways they can respond to coronavirus disruption and increase survivability. Please email our Director of Startup Programs, Kristen Phillips at [kphillips@thecannon.com](mailto:kphillips@thecannon.com) for details.



***Thank You.***

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