**Resilient: Confronting the COVID-19 crisis**
Actionable insights to help businesses respond and recover

# Episode 12: Divestiture execution and strategy: Where precision matters

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**Mike Kearney:** Welcome to Resilient. My name is Mike Kearney, the Risk & Financial Advisory CMO. We're now on our 12th episode in our Confronting the COVID-19 Crisis series. There are so many topics to cover, and we are going to continue to bring incredible guests giving you point-in-time insights that are helping you navigate all of the challenges that COVID-19 is presenting. That's why this new resilience series is so important to me: so that we can provide you with actual guidance to help you respond to the crisis and start planning for the future.

Today we are diving into a strategic topic for business leaders: Divestiture strategies in an evolving economy. A few facts to set the context: During the financial crisis of 2008–2009, divestitures were a large portion—up to 40 percent—of transactions as companies looked to generate capital for future growth. In January 2020, just before the COVID-19 pandemic hit, we surveyed 1,000 executives at corporations and private equity investors. We found that 75 percent expected to pursue divestitures in 2020—the second highest level in the past four years.

Looking back and forward, I'm sure we'll see organizations leverage similar strategies throughout the COVID-19 crisis. Today, I'm joined by three Deloitte leaders who help organizations manage their divestiture strategies, including carve-outs. Andy Wilson and Mike Dziczkowski, are both M&A Transaction Services partners. And, Tony Blanchard is an Investment Banking managing director. All spend the majority of their time helping clients with divestiture strategies. Today, we'll cover a number of topics, including how have organizations increased values through divestitures in the past? Why are divestitures important to consider related to COVID-19? And what can leaders do to understand the dynamic, surgical carve-outs? With that, let's get to my conversation with Andy, Mike, and Tony. Andy, Mike, and Tony, you obviously are in the crosshairs of companies that are

in financial difficulty, and given all of the uncertainty in the world right now, what gives you hope for the future? Mike, I'm going to start with you.

**Mike Dziczkowski:** I think that the resiliency that companies have shown through past cycles and understanding their business and their markets really gives me hope that we'll be coming out of this in a way that will be both successful for the businesses, as well as for the people that work for the businesses.

**Mike Kearney:** Tony, how about you? What gives you hope?

**Tony Blanchard:** I'm just amazed at how many open and honest conversations we're having with businesses these days. You know, we're all in this together, right? And I think there is just something binding about knowing that we're all experiencing this together, and just having some really good open dialogue around what people are experiencing and sharing ideas really gives me a lot of hope around where we go, how we all come out of this at the end of the day.

Mike Kearney: Yeah, Tony, it's funny that you say that, because oftentimes there's things that get in between humans, and it's almost like this pandemic has kind of brought those down, and that allows us to get to what matters more quickly than maybe we were able to in the past. I totally agree with you. Andy, how about you? What gives you hope?

**Andy Wilson:** Yeah, it's interesting. I think your point that you just made is a really good one, because the reality is that I've had better conversations with people—even though they're not face-to-face in some cases—people, clients, and colleagues, and just friends that I've had, over the technology. And I think some of that is that we have broken down some of those barriers. I'd say, more than anything, I'm hopeful because of the fact of how we have responded using . . . whether it's technology or just pivoting to different ideas or different approaches to things, not just in how we work, but how we live. The reality is that as difficult as this time is, I think that gives me a lot of hope that we can continue to adapt and change for the better over the coming months.

**Mike Kearney:** It's almost paradoxical, because you think, working in this whole virtual world, it would be more difficult to connect with people, but I just got off a call with the general counsel at one of my clients, and I'll tell you, I don't think I've ever had a video call with him. And so probably about 75 to 80 percent of our interactions are over the phone, and the experience just isn't as good. And so now that we're kind of in this virtual world, but able to use video, it is actually much better. So maybe there are some silver linings with all of this.

Mike, I'm going to start—now that we're going to get on a serious note and talk about divestitures—I'm going to start with you. Obviously, there's a lot of things that are on the plate, and most organizations are now even just getting through and recovering. Why should organizations start to think about divestiture strategies at this point in time? What's the underlying reason?

**Mike Dziczkowski:** During a time of crisis, companies typically use divestitures to help them focus their strategy on their core business. Over the last 10 years and the run the economy's been on, a lot of companies have been on somewhat of a buying binge, but now, during the crisis, it's really time for them to refocus their business and think about where they're going to invest and where they're going to get the capital to invest. Divestitures really allow them to kind of think through their strategy in selling off some noncore assets. Then they can take that capital and they can use it to fund either day-to-day operations, or they can use it to fund future investments in core businesses.

**Mike Kearney:** Andy, let's go to you. When evaluating the health of a business, what should be considered when thinking about a possible divestiture?

**Andy Wilson:** Mike, I think that's a really good question from the perspective that there's a lot of different reasons why companies ultimately end up being in that divestiture space. Mike D. just talked a little bit about the fact around noncore assets and that being the driving case. Once you've decided to look at a business, you have to evaluate, you know, is it going to be attractive as a stand-alone business to a potential buyer? Is the market out there for this business currently?

**Mike Kearney:** Hey, Tony, I want to move to you. Can you talk about some of the complexities in the sales process? I would imagine, obviously, there's many, but it's probably heightened in this time. Can you talk a bit about some of those complexities?

**Tony Blanchard:** Yeah, sure; happy to. I think that sometimes it seems very simple, but defining the perimeter of a sale can oftentimes be a very complex ask. Really answering the question, "What are you selling?" Sometimes that's fairly easy to define. For example, if you're divesting a stand-alone business entity, that may be a little bit easier to wrap your head around, but most of the time it's not that simple. Most of the time, there are multiple facets of a carve-out that you really have to take into consideration. It's easy to oftentimes see the bricks and mortar that's going to go with the transaction. But when you start to think about human capital, leadership, working capital, contracts, or intellectual property, or even IT (information technology), it's oftentimes significantly more fuzzy. And if you think about it from a buyer's perspective, buyers are going to price risk into a deal if it's perceived that there's not a clear path to standing a business up. There are just unknowns about some of the commercial aspects of a business and how a business will function that will get priced into a deal. It's really important early on to define the perimeter and make sure that you're communicating that to the buyers.

**Mike Kearney:** What are the things that you would recommend an organization do as they're thinking about a transaction and starting to define that perimeter or separate it?

**Tony Blanchard:** I think it's just as simple as saying, you know, "Let's really put our heads together and figure out what is going to go with this transaction," and, to the extent that it isn't easy, work through some of the solutions for simplifying and coming up with an answer. So I think that's really where it's important to spend some time and to try to do your best to really think about how that

business is going to function once it stands up as its own business or becomes part of something else in the future.

**Mike Kearney:** Got it.

**Andy Wilson:** Mike, if I can chime in here as well on this, because I think this is a critical stage of any divestiture consideration, the three things that we always look to to define the business is the product that you're actually selling—the property, meaning the hard assets that are going with it. And most importantly, and the one that is often the most difficult to do, is the people aspect of it. I always think back to research and development as an example where often people work in teams across lots of product lines. How do you identify the people that are going to be the critical people to the business you're selling, but they may be shared assets, shared resources with other teams that are working on other things that you're going to retain as a business? Those kinds of tricky decisions have to be made early in the process, because they waterfall down to a lot of issues later on if you don't solve them.

**Mike Kearney:** People actually matter. Mike, let's pick up on the speed in which clients or companies are having to make decisions right now, and, obviously, COVID-19 has really brought that to the surface, especially in the whole "Respond" timeframe. What would be your recommendation as to things that companies can do to balance—we use this term a lot now—speed with elegance to minimize transaction risk?

**Mike Dziczkowski:** One thing that management needs to think about is what they're selling and what the end goal is that they have in mind. Why are they selling? And in some ways, think like the buyer. What is a buyer going to want out of this transaction, and am I putting into the deal those things that are going to be most valuable to the buyer and is going to drive the most dollars into my coffers? I think also that management needs to think about what's going to be left after they do the deal. Sometimes there are significant unintended consequences that come from this that really increase transaction risk, whether that is, something is so commingled into their business that they end up having to enter into long-term supplier agreements, or that the transition service agreements, which are so common now in these divestitures, are very onerous to the company that's remaining. Most companies don't want to be in a position where they're a service organization to an outside group. And so how quick can you get out of those? You have a balance of both financial risk that you have to think about, as well as operational risk. And each of those has to be weighed with the speed at which you can get the deal done, as well as how quickly you can pull it all together so that you can get it out the door.

**Mike Kearney:** I got a question that I'm going to pose to both Tony and Andy, and that is, what is the first step that management should consider when thinking about strategic alternatives for divestitures? Tony, I'll start with you.

**Tony Blanchard:** I think, from the very onset, you really need to establish clear objectives around what will define success for a transaction. Once you can do that, then you can really think through what the strategic alternatives are. For example, it may be very different if the sale is meant to maximize proceeds versus avoid ongoing investments into a noncore business versus avoiding a cash-burn situation where you're selling something that is just consuming cash. I think that's a really important first step. Once you get through that step, then you can start thinking about what the commercial implications are from approaching different buyer groups or looking at different structures. Would there be a commercial reason to not go to a competitor, for example, or the private equity community? Then you can start to lay out what the alternatives are.

**Mike Kearney:** Andy, how about you?

**Andy Wilson:** I'll build on what Tony said. At least early on in the deal, everybody's got to be singing from the same song sheet, whether it's the CEO of the overall company, or the president or CFO of the division that might be being sold, or it's the product manager team of that business. You have to make sure that everybody that's inside the tent, as we say, that knows about the transaction, is going to be part of selling and executing the transaction, understands those goals and what the business is trying to get out of it. Because if there is dissension, or there are differences of opinion, that's going to drive different people making individual decisions down the line, and that conflict is going to cause a lot of chaos with a potential buyer, and you have to keep that going as long as possible.

**Mike Kearney:** That really resonates with me. I'm curious: Not necessarily a percentage, but don't organizations usually do a fairly good job at getting that alignment? You said not only the CEO of the business, but all the way down into the business, the key managers. Is that a best practice? Does it happen very often? What do you see?

**Andy Wilson:** I would say a best practice is to have as many people involved in the sales process so that there's consistency, and the buyer can ask the right questions and get the right understanding of the business. The reality is that that can't always happen, because you also have to continue running a business, hopefully profitably, while you're doing it. You have to keep people's eye on the ball, and you have to keep that a little more restricted. I would say that in good sales processes, that is what happens. There is a consensus of opinion around how serious you are about ultimately selling it, what the value that you want to get out of it, as Tony mentioned. Making sure that those goals and targets are well set so that everybody understands it. In those processes that I've been involved with, or Tony or Mike's been involved with, that haven't gone well, often there's dissension in the ranks and misunderstandings, and things haven't been communicated as well amongst the sales team at the company that causes them to . . . even just the simple fact, Mike, of answering your question differently to a buyer because you think the goal is something different.

**Tony Blanchard:** I would add to that from . . . It's really important that your advisers understand as well. You know, putting my investment banking hat on most of the time,

I'm incentivized to maximize dollars, and that will drive a very different experience and a very different strategy from an adviser standpoint than, say, focusing on getting a transaction closed as quickly as possible to avoid cash burn. So it's really important that your advisers are aligned, that they know what the ultimate objectives are, and are incentivized the right way to go do what needs to be to hit those objectives.

**Mike Kearney:** You talked about the importance of identifying kind of the noncore assets that you may sell. And I'm curious of the process to do that, because you would think that it probably is fairly obvious as to what assets an organization may be looking to divest, but I'm guessing that there potentially is some art in this. And I'm curious to see: Is that the case that you guys see, and how do organizations go about identifying those kind of noncore assets that may not be as obvious?

**Andy Wilson:** I think when you think about noncore assets, there's often two areas that people look at, and that is businesses that may have come with a business that they bought. So you acquire a business, but it has . . . let's call them cats and dogs attached to it, other parts of the business that weren't really core to that acquisition's own business, but that now you've inherited. So that's oftentimes a quick identification of something that may be noncore and you may look to sell off. There's also the portfolio review that some of our best clients go through on a regular basis to look at their business. Even if it's a core business, it's only really doing one thing. It's not as if it's a conglomerate that has businesses in all sorts of different industry sectors. Even if it's a core business, there's still things that that business may do that . . . whether it's maybe they have an embedded supplier, effectively, for their main manufacturing process, or maybe they have a human resource benefits operation that actually has external clients. Any of those kinds of activities. You have to look at that as a portfolio and see, "Is it meeting the goals that we have as an overall corporation?" Now I'll make as an example—without naming names—I'll make as an example, there have been a number of large historic industrial companies in the last 10 years that have been known for decades and generations for one primary product, and they've had to undergo the difficult task of sort of saying, "That's not what we are anymore. We may have been a company that made a really basic product, but now we're an advanced technology product. We still make that basic product, but we're not best suited to do that, and the reality is that we need to get rid of that."

And those are some of the most interesting—just from an outsider looking in—some of the most interesting divestitures to be involved with, because it really is about the company's purpose, their history, what they're known for in the marketplace, and how that may have changed and evolved over time. So that portfolio rationalization or that portfolio assessment is a huge part of what really healthy, good companies should be going through on a regular basis.

**Mike Kearney:** Yeah, absolutely. You know what I love about your responses? It's making me think that also in this time, stepping back and really trying to understand what type of company we are today and what type of company we want to be in the future, kind of, you know, our purpose. I think, Andy, you may have said, "That resonates with me," and maybe this is also that opportunity to kind of pause and say, you know, "What type of an organization do we want to be in the future?"

**Mike Dziczkowski:** And I think this crisis is unique to that, because it really changed the way that people are doing business versus the financial crisis that we went through in '08–'09, which was a much different thing.

**Mike Kearney:** Absolutely. Mike, I wanted to ask you a question about where companies have struggled in the past and maybe what they can learn today from those lessons and can apply on a go-forward basis. What have companies struggled with, and how can they learn from them as they're going through the process now?

**Mike Dziczkowski:** A big question that comes up is, how commingled is the business that you're trying to divest? And this applies as much to an acquisition as it does to an organic part of the business that you might be thinking of divesting. But that commingle-ness is something that, both from a financial information perspective, but more importantly from an operational perspective, is something that really drives the timelines of a carve-out. So if you think about it, if I have a factory, and I'm either selling factory lines within one building, or I'm selling actual whole plants, is my sales force commingled? Is my back office commingled in a way that makes it difficult to separate? And then you think about the financial side of that, which is, "How are the numbers pulled together," the financial side's easier to deal with, because you're allowed to do allocations and things like that when deriving financial information.

It's really the operational separation. Part of this drives back to what was the company strategy as they were doing acquisitions in the past. Did they have a strategy of integrating everything they bought? Did they integrate it partially, or did they leave things pretty stand-alone? And depending on that strategy, you can see where that would drive the question of, how commingled can it be? A problem that we always face is that a lot of times management that's making the decisions on those portfolio decisions that we were talking about, don't necessarily know how commingled they have gotten from an operational perspective. And so there's a disconnect between the two, which would then disconnect the timeline that they think they can divest of that asset.

**Mike Kearney:** It sounds like, obviously, the more commingled, the more complex it is. What do you advise clients then, as they're going through this process—if they're like, "Wow, this is really commingled, there's a lot of complexity to this"—what do you advise them to do, or how do they manage through that?

**Mike Dziczkowski:** Part of it is, you just need to prepare the client to understand that if it is very commingled, they may be in a situation—if they want to get to speed—they may be in a situation where there might be transition service agreements more so than they would have liked. But there are ways to get around that issue. It's just a matter of, what is the tale to the

transaction? So you can still get to the execution of the transaction, but there may be more connectedness than you probably would have wanted if the business was very commingled versus if it was just stand-alone and you were able to simply carve it out and sell it. And you have no supplier agreements, no other agreements with back-office services. Things like that.

**Mike Kearney:** Tony, I want to go to you. What drives increased value when a company is going through the sales process, and can an organization that's looking to divest of a business actually positively impact the value of the transaction during the transaction, if that makes sense?

**Tony Blanchard:** Yeah, it does. I think what you're hearing from the group here is that preparation is key. You ultimately want to run a really efficient process when you're in the market. Everything that you can do to be prepared, things that we've talked about so far, things like defining the perimeter, thinking about what those success objectives are, those are all really important. But I think that there's another critical factor, which is to really think about how the individual buyers will look at the opportunity. So for example, if your buyer population includes customers, or suppliers, or competitors, really thinking about how you customize that value proposition specifically for that buyer is going to be really important. Drawing a roadmap, how the business could fit, thinking about how you can create some extra value in a certain situation for a certain buyer—it's really important. Not only does it help to kind of set that path out, but it makes individual buyers feel like you're bringing them something unique and approaching it from a unique position versus just throwing spaghetti on the wall.

**Mike Kearney:** Right. Andy, can you talk about what a typical deal team looks like—size, composition, maybe even take into consideration folks from the client side versus a consultant side—what does the team look like, typically?

**Andy Wilson:** Yeah, that's a good but tough question. Our clients often ask us exactly the same thing. How many people are going to be involved? It is difficult, because every deal is different. But I would say that, depending on the size and complexity of the divestiture, it's usually a core group—from an execution standpoint—it's a core group of functional experts from the client team—the client side. And that's really focused primarily around the critical things that we've talked about—finance, tax, HR, IT, legal—those areas, because the client's going to be looking at "What contracts do I need to assess? What are my separation needs that I need to deal with from a human capital or an IT standpoint? How do I present this business? And from a tax perspective, how do I maximize the tax position to get as much cash out of this sales as possible?" A lot of the times the investment bankers that our client will hire will supplement their strategy teams, although at times clients will hire external strategy teams. You're not looking at enormous teams on a day-to-day basis—a few people from each of those functional areas that, as I talked about earlier, are kind of under the tent. Then they can reach out to their internal colleagues. One of the key pieces of that internal team, though, is that they need for this to be both a big portion of their job during the time that the deal is going on, but they also need to be senior enough so that they can get things done within the organization so that other people in the organization pay attention to them.

That's one of the critical issues. It's not just the number of people, but also the type of people. And from an external standpoint, those are the same areas that often a client will look to supplement. They'll obviously hire an investment banker to help them market the business. That's usually in almost 90-plus percent of the deals that we do. They'll usually hire a finance and tax, and often HR and IT advisers, and almost always they'll involve their external legal firm as well. It's usually cooperative, but often it's those key people that have enough clout within the organization on a functional basis that need to be involved to drive success in the transaction.

**Mike Dziczkowski:** One thing I might add here is that sometimes, the tent is very small when they first start talking about these things, which tends to extend the timeline because less people know about it, it slows the data acquisition, etc. If companies are intent on doing this quickly, they're probably going to need to expand that tent rather quickly so that you can capture the right data, have the right types of conversations in order to execute on a more expedited timeline.

**Mike Kearney:** That was the follow-up question I was going to ask, and maybe a bit more specific, is there oftentimes a competency that we recommend that a client include that oftentimes is overlooked?

**Andy Wilson:** I think oftentimes they include too few of the actual business units' knowledgeable people in functional areas. So I'm not going to say it's a specific competency, but oftentimes you'll see a bunch of people at corporate get involved with the transaction from a finance, tax, IT, whatever perspective. But they want to keep it separate from the business unit being sold. They don't want it to become a distraction to that business unit. As Mike said, that significantly slows down the process, because the people who actually know the business have the answers, aren't under the tent until later, much later in the process. All of that early work is much more complicated and probably less accurate than it could be in terms of finding out what the real issues with the business are.

**Mike Kearney:** Yeah. This is a thing—because you guys raised it earlier—just getting buy-in from those individuals makes the transaction go that much smoother. Definitely, I've heard that a couple of times. Tony, can you talk about the process to identify potential buyers?

**Tony Blanchard:** I think it depends a little bit on the situation, but usually it makes sense to start with a broad list and narrow it down somewhat. Kind of parting on the theme that Andy was talking about in terms of developing the team and trying to keep it fairly broad. I think it really is a collective effort to come up with that list. And what you often find is that the business operators and the sales teams have great insight on who might be a interested party from a strategic standpoint. And they're also going to have a fairly good idea, culturally, where

there would be a good fit and where there may not be a good fit. They can have some great on-the-ground intelligence on what's happening. Then I think you also have to look at your advisers as another source of intelligence.

They're often having conversations with strategy groups and corporate development teams that have a decent idea of what some of those specific buyers are looking for. In most cases, the advisers probably have a better idea around who the right financial sponsors are to bring into a situation. They may have intel on if a financial sponsor likes distress deals versus healthy deals and how that may affect their bidding strategies. They may also have some perspectives on just dealing with specific buyers in the past. How their bidding psychology works, right? Do they retrade on terms, for example? I think it's a collective effort at the end of the day. You're trying to take a lot of different perspectives and a lot of different intelligence and combine it all into defining what that group is that it makes sense to go out to.

**Mike Kearney:** And then, Andy, from start to finish, how long does this typically take—a divestiture?

**Andy Wilson:** I would say a typical divestiture takes anywhere from three months to seven or eight months to get done. And that's "done" done. You know, the fastest ones are ones where, as Tony and Mike both mentioned earlier, you're selling a discrete business; it's its own legal entity. It's small, potentially so that you don't have antitrust matters. You don't have other issues associated with it. Maybe you've got one specific buyer in mind for that, or maybe a buyer has even approached you about buying that business for the negotiation as much more quick. The reality is that most of them take six months or so to get done. That's through the entire process, through the initial carve-out, the marketing process. And then that six months is obviously contingent upon external factors that are beyond control, like the markets, the debt market, particularly depending on who the buyer is, like antitrust. Those types of things can get involved. It can stretch out the process as well. But that core work is really usually done in a six-to-seven-month process.

**Mike Kearney:** And my guess is—you probably have answered this to a certain degree—but if an organization is listening to this, and they're like, "Yeah, we're starting to think about this," is there anything that they can do now before they start hiring everybody that would actually, you know, potentially accelerate that timeline?

**Andy Wilson:** Yeah, I think it's making those decisions and starting to get down into the detail of those decisions around the perimeter, right? We as external advisers don't define the perimeter for our clients. We can help to identify issues with the perimeter where maybe they didn't know that a certain product was made in a plant that is now going to be going with the business because of miscoding or just something that had changed in the last two months that hasn't yet been reflected in the historic financial information. We can find those kinds of items and point them out. But fundamentally, that perimeter of the business, what the client wants to sell, is something that has to be settled on early and really is up to what the business's goals are for the sale and the divestiture. They can do that step even before—or at least get started significantly on that step—even before they hire anyone or make any real decisions about, ultimately, whether or not they're going to sell the business.

**Mike Kearney:** Awesome. All right, guys, I'm going to do a lightning round. The way that I'm going to do this is, I'm going to ask a few questions. I'm going to have each of you respond, and when you respond, 10 seconds or less. The first question is—and I want to ask this one of all of you—what is the No. 1 factor that drives value in a sale? Tony, I want to start with you.

**Tony Blanchard:** I think it's just running a competitive process and making sure you keep multiple bidders honest and aggressive throughout that process. Making a plan and sticking to it—really important.

**Mike Kearney:** 10 seconds. Mike, what's your thoughts?

**Mike Dziczkowski:** I'd say having a consistent message throughout the sales process. If you feel like you're having problems answering questions with the potential buyers, they get uncomfortable. Value goes down.

**Mike Kearney:** Andy, how about you?

**Andy Wilson:** Yeah, I'm going to say being a well-prepared seller. That's sort of our mantra in general, and it sort of encompasses some of the things that Mike just said, but having that prep time ahead of time to think through all the issues, and have the answers before a buyer ask the questions. That's perfect.

**Mike Kearney:** Andy, I'm going to stay with you. How can a divestiture be managed in this environment that we live in, this virtual environment that we're talking about?

**Andy Wilson:** I think people need to fully embrace the technologies that now most of us are using for the first time. Whether that's the teaming and collaboration software that's out there, whether that's video conferencing, actually using this to its fullest extent . . . that's something that we've all got to change to do.

**Mike Kearney:** Tony, what do you have to add?

**Tony Blanchard:** I think, in a sense, we already are in some ways, right? Virtual data rooms have been around for many years. I think, to Andy's point, you're going to see more and more capability that's being offered, and we have to get used to using it.

**Mike Kearney:** And then Mike?

**Mike Dziczkowski:** Yeah, I think the hardest part is going to be on the operational side and really managing the project itself, and I think people are getting more comfortable with the technology that's out there to do that, but it certainly represents some challenges, but none of them cannot be overcome.

**Mike Kearney:** Okay. Final question. What should leaders do today to build better resiliency in their M&A strategies? Tony, I'm going to start with you this time.

**Tony Blanchard:** I've heard from a number of companies that M&A is going to be on hold for the time being, and I can appreciate why they're saying this, but I think that there needs to be some flexibility in that statement. I think if that is truly a hard line, then some of those companies might be missing out on some really great opportunities.

**Mike Kearney:** Andy?

**Andy Wilson:** I think keeping M&A or making M&A a core leg of strategy, whether it's in good times or bad times, strong M&A markets or not, is critical. It is a tool that companies can use on the acquisition and divestures side to drive growth, improve cost control, all the things that companies need to become better.

**Mike Kearney:** And Mike, you could take us home.

**Mike Dziczkowski:** Sure. I would say that companies should take the time now, before they're forced to do it, to really look at their portfolio and make some good sound decisions about what is core and what is not, and what do they want to invest in in the near future.

**Mike Kearney:** Thank you, Andy, Mike, and Tony, for providing some helpful nuggets for our listeners to consider as they begin to think about their future, what's core to their business model, and what might be opportunities to consider for divestiture. As leaders think through their specific strategies, I hope the information shared provides some potential signals, as well as considerations when addressing the evolving impact of this crisis.

We have covered a lot of topics over the last two months, and still we have an incredible backlog that we're going to continue to bring to you. Want to hear something that we haven't covered? Hit me up on LinkedIn or Twitter. For more insights across all aspects of COVID-19, just go to deloitte.com and our COVID-19 page. You can also listen to the Resilient podcast on Apple Podcasts, SoundCloud, Stitcher, Google Play and even Spotify. Until next time, stay safe and remain resilient.

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