Resilient: Confronting the COVID-19 crisis

Actionable insights to help businesses respond and recover

Episode 4: Cash flow management in times of crisis

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Mike Kearney: Welcome to Resilient. My name is Mike Kearney the Risk & Financial Advisory CMO. I also spend a lot of time with clients and am seeing first hand the impact, the challenges and even the opportunities—know that sounds weird—associated with COVID-19.

And that's why this new miniseries on the Resilient podcast is so very important to me. We are focusing all of our efforts on the impact of evolving impact of COVID-19 and will continue to do so for the foreseeable future.

The special series is all about providing actionable insights. And I want to really paint a finer point on actionable—we are trying to get insights you can implement today so that you can focus on what you are facing today and what you need to do next.

One of the areas that is front and center for most companies is understanding the impact that the crisis is having on their cash positions. And in my experience companies are extremely interested in knowing what they can do better to forecast cash and manage their working capital.

Today I've gathered three Deloitte leaders to explore this topic. Let me introduce them. First up is Kirk Blair, a Partner and National Leader, Corporate Restructuring Group, Deloitte Risk & Financial Advisory LLP. Michael Epstein, Principal and Global Special Situations Leader, Deloitte Risk & Financial Advisory LLP, who often works with companies often in distress situations . And Caroline Leies, Managing Director, Deloitte Consulting LLP, who specializes in helping CFOs transform finance.

As I shared in the previous episodes, we are recording these conversations virtually—oftentimes in our homes. The audio has been pretty good, but certainly is certainly not as crisp as when we do it live. We are prioritizing speed over elegance. Kind of the phase of the day. So enough with the introductions. Let's get to our conversation with our three Deloitte leaders.

Mike Kearney: So guys, I've got a question that I want to start off with. And it's the fact that we are all living in this virtual world. We're all recording this likely from our house has been. And I know for me, I'm having to manage the challenges of my personal and professional lives that are all now intersecting. Probably a good risk that one of my kids is going to run in or my dog will run in. Question I have for you is what is the one thing, the one thing that you're doing to manage your wellbeing during this difficult time? Kirk?

Kirk Blair: Sure, yeah. I mean this is an unprecedented time, but you know, some of the things that, that I'm trying to do like many others is get outside, right? And spend some time in the fresh air. A lot of people in my neighborhood are walking the streets. We're keeping our distance of course, but it's a good exercise in, and then of course trying to, to watch the news but not overdose on, on some of the media coverage. That's going on, but really understanding what the key points are and we're also catching up on a lot of TV shows that the series that we haven't seen. So a good opportunity to do that as well.

Mike Kearney: Yeah, we're doing a lot of bingeing in my house too, so that's good. Michael, how about you? What are you doing?

Michael Epstein: So building a little bit on what Kirk said, one of the things that I've got my family doing myself including is get up, get dressed early. Especially in my case I'm putting on workout clothes because I need some exercise and I don't know when it's going to happen during the day, but I want to be ready. You've got to get out of your pajamas. I will add one other thing that was that I'm doing particularly is using this opportunity for 10 - 15 minutes a day, somewhere in there or even in the evening, reconnecting with someone that I haven't spoken to or seen through a video chat in a long time. You know, our days are so hectic and they all blend together. At some point you've got to make time for social connection. And here is somewhere.

Mike Kearney: Yeah. You know what, when you put the workout clothes and you don't work out by the end of the day, you probably feel pretty guilty. So it's actually kind of a nice little cue to nudge you to work out. Caroline, how about you? What are you doing?

Caroline Leies: Yeah, so I am so used to going to the gym and was a regular person for organized group classes. So I really definitely miss that. So I decided to sign up for one of those 30 day challenges and feel like that that's a way for me to still stay really active. And you know, the reminders come every day, so it's a good prompt to, you know, kind of stay focused on that. Also I have, we've started doing, I guess similar to others doing kind of virtual happy hours, both with, you know, teams, colleagues, family members, friends, and it's interesting. I think I used to, you know, kind of make fun of my, my teenage daughter for all the time she spent on her phone or device or you know, but here we are, our way to stay connected and so have found it though to be a really fun way to, you know, catch up with others in this kind of virtual, new, new way of connecting.

Mike Kearney: All right, so let's get a little serious. We're going to be talking about cash today and obviously cash is critical in today's environment. Can you share one challenge that you see businesses facing in managing and accessing the cash they need to make it through this crisis and even beyond? Kirk, you want to answer this question?

Kirk Blair: I think companies are struggling to understand how much cash they're going to need and for how long, right? And you know, this goes back to trying to figure out how their operating models have been impacted and know their shifts, and their transacting environment have impacted them so that they can make decisions. And so, you know, when we think about the, the cash need we need to take into account all of those impacts, whether they're positive or negative and bake them into the scenario planning that's required in this situation so they can get a good feel for the amount of liquidity they're going to need. And then obviously they're going to need to understand where they're going to go get it right and whether they can tap existing lines of credit, if there are other capital sources that are available in the market or whether the federal government through the stimulus package might provide a level of funding as well.

Mike Kearney: So, Kirk, I'm going to stay with you. What do you think leaders should be doing today to preserve cash? And does your answer change? If this is a protracted crisis, which we just don't know when it's going to end, what's your thoughts?

Kirk Blair: Yeah. I think a lot of companies are, are now thinking about the longer term impact, but they're making dramatic decisions today, right? We're seeing a lot of the workforce being displaced. We're seeing patterns around supply chains and purchasing being disrupted—and they've got to figure out, where to optimize these different fronts. And so it's, it's a difficult scenario given the magnitude of this crisis. But factoring that into, again, the scenario planning that they're going to need to do here is what's going to be critical to understand how each one of those areas is impacting the overall operating model and ultimately liquidity of the business, right? And the cash flows in the business where they can evaluate how much money they're going to need.

Mike Kearney: Michael, what can organizations do today to obtain the liquidity that they need? What are some recommendations or guidance that you have?

Michael Epstein: I think the way companies need to approach this is a three step process, but these steps have to be executed upon simultaneously. There is first of all, exercising self-help. So look, look inward. What opportunities for cash conservation and cash mitigation can you can you control from your own activities, whether that's deferral of costs or optimizing your working capital or the like, so that you can figure out how much cash you have within your control. Then start to look at your external ecosystem that's already familiar with a company: your existing lenders, your existing partners, your existing alliances. And where are there opportunities to generate liquidity from that, whether it's borrowing more or

borrowing new from the same lenders. Once you've gone through that step, you can then start to look at your external, non-involved ecosystem players because in that order each of those represents an increasing level of difficulty both in time—management's time and calendar time—as well as information needs and complexity to generating cash.

But you need to pursue all three of those strategies simultaneously and you need to pursue them on an organized, programmatic approach, not just playing whack-a-mole and trying to hit the issue that comes up immediately today. To Kirk's point, we need to be thinking forward because none of us knows how long this is going to last and every dollar you dispersed today, you can't get that dollar back. You know, most of the management teams out there, frankly, every management team has never really been faced with such a systemic change in their top line simultaneously. And we don't know when this is going to end. We all hope it ends soon or at least it abates sooner than later. But we don't know when that's going to perk.

Mike Kearney: So Michael, how does that, how does that impact the guidance that you're giving clients, given the fact that there's so much uncertainty? So when you're thinking about, you know, forecasting cash out to the future, is there guidance that you give on a timeline? What do you do under this amount of uncertainty?

Michael Epstein: Look, I think you have to start when you're thinking about scenario planning and modeling—you have to start with a time period over which you can have in a reasonable amount of comfort that your forecasting is relatively accurate. So we tend to work in 90 day increments. Why 90 days? Because that represents 13 weeks, which represents three months. So if you think about how your cash—your actual cash collections and disbursements will then interact with your financial reporting that is a, that is a soundbite where you can have a relative comfort level that you can be accurate. Beyond that right now it gets pretty uncertain as to not only how accurate you can be, but right now we don't know whether or not revenue streams start to come back outside of 90 days. We know where they are for the next four weeks. We can be pretty confident on where they're going to be for the next eight weeks. 13 weeks you can create manageable, manageable estimates on beyond that, it's pretty uncertain right now.

Mike Kearney: Caroline, you spend your entire life helping organizations transform their finance group. And this is potentially one of the biggest transformations that are happening before our eyes. The question I have for you is, is how are you seeing finance employees adapt to this new virtual environment?

Caroline Leies: No one says, Oh, we're going to close the books. And you have never had people work from home and close the books. That just never happens. And it's so interesting that that's what's happening all around every company now that they're making it work, they're making it work to close the books are making it work to put together their scenario planning to come up with cash per forecast. I think some are doing it more successfully than others. Some of them would that have had different playbooks, obviously, ones that have had more, that have more standardized processes are being, we're seeing that are being more successful. Ones that have really clear governance processes, they're more successful. Some that already are using collaboration tools and have already built those into their processes. They're being very successful. I think what you're going to find for organizations coming out of this is they're going to come out of this and say, okay, we should plan for this potentially to happen. What capability or capacity were we missing and what do we need to now build into the way we work, our tools, our people, whatever it is, and build this into our, how we move going forward.

Kirk Blair: We're talking about a significant amount of disruption here, right? And companies need to fix what the new baseline looks like. This is not business as usual. So how do you plan for something you've never been through or experienced in this environment? Right? And you know I think Caroline was talking about some of the practical aspects of building these teams and stakeholders within the organization. There needs to be a governance model around how to evaluate these impacts and there needs to be a baseline around how we're going to move forward, right? And with that baseline now you can start to understand how the different elements may impact you and what that might have on your finances and your financial situation as you go forward.

When we think about liquidity modeling and forecasting, you know we start with that baseline, then we start to go down the key drivers within those assumptions that drive either a cash receipts or disbursements. And we look to align the inflows and outflows from an operating standpoint. And it's really key that the finance team is meeting with the operations team to understand they're saying how they're thinking about it and what their strategy is going to be in this time of uncertainty. So it's critical that people are working together. There's a governance structure, all that information into one place and they're able to make decisions. And that's the other critical element as we've been talking to companies, a lot of them, it almost feels like they, they don't know how to make these decisions. One, how do I evaluate it? But do I really have to go and make cuts to my workforce? Can I think about some other alternatives? And this is a time when you really need to be thinking action. And as Michael said earlier the actions you take now will have an impact on your options later. So you need to be aware of that and plan on a conservative basis how to preserve cash.

Mike Kearney: Caroline. If you were one of those organizations where you say, you know, they're struggling a bit moving virtually from a finance perspective, is there one piece of guidance or advice that you would have for them that you've seen other organizations do?

Caroline Leies: You know, I guess I would say, just step back. Let's take it programmatically. Okay, what do we have to do? Let's focus on this, organize it, structure it. Okay. Organize your team. And the same

way you can use all of these tools available to us collaboration tools and put people in teams online, right? The same way you would've had your eight year accounts payable team the same way you would had an accounts receivable team. You can do that today virtually. And we, you know, so I would just programmatically. Take a step back, don't, you know, don't panic but programmatically step forward and go through it.

Mike Kearney: Kirk, organizations have been doing cash forecasting and managing working capital, you know, for years. What is different, like the new normal, what's different about this time of what are you telling clients that already have operations and tools and approaches for managing cash forecasting? What are you telling them to do differently?

Kirk Blair: So I think it's around speed. And, and it's not about perfection. The tools that we typically use are standards in distress situations and even bankruptcy proceedings, right? 13 week cash flows are a norm. And the reason they're so valuable is because they give you critical insights to make decisions,. And you can understand what the impact of those decisions will be. Obviously areas reporting and looking at the differences between what you thought and what you actually incurred are important to understand. They help calibrate those models and make them more effective as you go forward. So at some point you get really good at being able to project. But it's almost the simplicity of those models and your ability to get visibility into what those key drivers are; evaluating those key drivers; and how they're being impacted by the external factors.

Mike Kearney: Michael, how about from your perspective?

Michael Epstein: Yes, so I think I think building on what Kirk said you know, I think what's different now is there needs to be a bias to action. You know, what we're talking about here is using tools to drive decision making based on data. Where it's historically companies have always said, Oh yeah, we do forecasts, we know how to manage our working capital, but they always have managed it within the constraint or through the lens that they've historically always looked at it in their business. So if business processes are either broken or duplicative or inefficient when you're inside that lens, it's impossible to know what you don't know, and what the speed of data is allowing you to do is to see where does the data provide me a different outcome or a different result than what I thought my business process would drive to. We've seen companies that say this is how we do things to get to conserving cash. And our answer is, well, I've got data that shows you're not actually doing that even though you believe you are. And it's eye-opening for management teams because they haven't been able to harness the power of data in the past, the way they have now, even they believe their processes were sufficient for what they're doing.

Mike Kearney: So Michael, I'm trying to wrap my mind around this. Is, is, are you saying that most companies have the approach in place but maybe they're not accessing the right data or maybe they don't have the right governance structure on making decisions off of that. What I'm trying to get my mind around is a lot of companies will say, yeah, we're already doing this and I'm trying to figure out exactly for all of the listeners, like what are one or two things that I should pivot on and do differently taking into consideration my existing process that I may already have in place where I'm like, yeah, this has worked, you know, for many years. So does it get down to like how you're accessing data and how you're making decisions with that data? Maybe if you could just elaborate.

Michael Epstein: You know, I think an analogy when you talk to departmental managers, especially in finance department and they say, well, my, everyone's all my old team is busy. As a matter of fact, I need to hire more people, as an example. And, and you, you, you bring that old analogy back, which is gas expands to fill the space. I think we learned that in chemistry 101. The fact is that people have been asked to follow procedures and execute on policies and provide outputs reports. In many cases I've seen people generate spending their time, let's say it's four hours a week generating output reports for management committees that have long since been disbanded. They generate this report, send it to an email address. The person on the other end doesn't bother to write back and say, we don't need that anymore.

Michael Epstein: We just delete it. But you don't realize that people are spending their valuable time generating analysis that no one is looking at anymore. And data will help you get at those business processes to understand where people are, for lack of a better term, spinning their wheels. It will also let you get at policies that you think you're executing on. You know, companies say, well you know, we're dealing with when we do all our vendor community, we take advantage of discounts. And as you can imagine, discounts are can be the converse of cost of funding. If you're taking advantage of discounts or your purchasing plan. And when you do the analytics you find out that they are not taking advantage of discounts because you can show them at the line item level in their invoicing, their inbound invoices. You can show them the line item level when they receive the invoice and when they paid the invoice. Which you couldn't do before until you could harness the power of not only accessing the data but then I'm crunching the data and then visualizing the outputs because people are very visual learners in my experience. And when you show them a picture that it hits home the policy that they are either executing on incorrectly or not executing on at all and that can occur anywhere within the organization.

Mike Kearney: Let's go to Caroline. Caroline, what are your thoughts on this question that really gets at what guidance are you given clients on forecasting and managing cash through the crisis?

Caroline Leies: Well, actually I want to build on a little something that Michael was just talking about on that data and particularly on that, on that front, because it's interesting. I, you know, and I think we have to recognize coming out of this crisis that there are some companies that are frankly just going to be, that are doing better or kind of coming out of this stronger, right? They're coming out of this. They're seeing increased sales. Right? What's interesting, though, is

I do think for some companies, because they had recognized and I think they had been disciplined in harnessing some of the power of that data in particular maybe understanding where they have their spend. Like for finance, understanding who are their key suppliers, understanding where are they, which ones are the key ones in their supply chain. And then looking at, okay, now in times like this, this isn't an opportunity where you just do your standard discount. But is there an opportunity to do dynamic discounting? And so when then when these suppliers, you know, look, the trend has been to extend payment terms for the last several years, well beyond 60 days to 90 days plus for across most industries. Now many suppliers that is going to be very difficult and they're are going to be very interested or need to have different terms. And so for some suppliers and for some companies what we're seeing is actually this is the time where they're going to be turning on and looking at leveraging what we call dynamic discounting or what's called dynamic discounting tools so that when a supplier is submitting their invoice to the company, right? Then it says, do you want to be paid earlier? You want to pay down, here's what it would be for discounting. We paid in five days, 10 days, 30 days, what would you like? And it allows that supplier to be able to have the flexibility to see when do they need cash. But I think that's the strategic and that's where some companies had thought ahead and saw it. Okay. Let me see, how can I maybe better harness some of the data that I have to see how could I take potentially advantage of a better understanding of who are those suppliers that should I want to do something like this. I could offer that to them and that I would do that. And not to offer it to everybody, but be strategic about that. And that's just one example.

Mike Kearney: Caroline, that starts to get into what potentially organizations can do in the future. Is there something that they can do today using that example or is that more something that may be, if they're not doing it today, they should plan for the future and maybe use this as an opportunity to start thinking ahead?

Caroline Leies: Yeah, so I mean, I think this is something that you don't already have the tool, it is something you'd have to plan ahead for it. How do I make sure that I'm ready to take advantage? Just so that I'm better able to, I mean, part of this is a partnership, right? Your supplier relationship is not adversarial, right? These are core to your supply chain. So how do you, how do you take it? How do you, when I say take advantage, meaning how do you be collaborative? How do you work with them? But at the same time understand which ones does it make the most? Which one is it advantageous for you to, to offer that to? And you know, so what should they be doing now is how do they get better access and make sure that they really, truly understand their data? I agree with Michael. I think sometimes we, you know, sometimes companies have a perception of something, but when you actually dig in to the data, you find that the reality is different than the perception.

Mike Kearney: So one of the things that I've heard many times actually during this conversation, and I believe each of you have said it, is this whole notion of scenario-based forecasting. Can you explain what exactly is scenario based forecasting—beyond the obvious and how can organizations use it today to help them over the next several months?

Kirk Blair: Yeah. Well, so scenario planning is in, in a really important element for any organization who's going through the changes that we're seeing today, right? It, it, it goes back to having that baseline understanding and then thinking about how the organization will be impacted. And that's the visibility you need to make decisions, right? What are the assumptions that we're baking in? How are we thinking about, you know the impact on parts of the organization, the organization holistically? What does that do for our customer base? It's really critical to start to document all of those factors, lay them out and start to think through them in a strategic way. Right? So there's going to be tactics here. There's going to be strategic thinking. Do you want to start with the strategic thinking? Where do I want to get to and then where am I and then what are the things that are going to impact me and where can I make decisions that will affect, you know, how my company performs and how I get to that ultimate goal that we're thinking where we need to be.

Michael Epstein: And I think adding onto that, like, you know, it, you have to build a dynamic solution to model this or you will spend all of your time iterating on how different variables correlate to one another. You know, having a flexible baseline and having the sensitivity triggers that will impact this so that you can quickly adjust your forward looking model based on how reality is shaping up over a short period of time versus where you thought you'd be heading. What is your trajectory and do you need to readjust your trajectory as Kirk said? Do you need to constantly be coming back and looking at saying, I know where my end goal was and how many degrees off of center am I now versus where I thought I would be. And you can only do that when you have a flexible tool so that you're not constantly working through the mechanics of forecasting and scenario planning versus the assumptions and impact of scenario planning.

Mike Kearney: What do most organizations have these tools that you're referencing that they could start with? And if they don't, is this something that they can actually implement? Obviously very quickly, we're talking a lot about speed over elegance right now, but is it something that they can implement fairly quickly if they don't have a tool that you're referencing?

Kirk Blair: I think a lot of companies do have the tools in place to look at the look at holistically at the issues. But this is a change in thinking and mentality, right? And as we were talking about before, there's a call to action here. There's not a lot of time to be waiting around to see how things play out and then making decisions. You need to do it now because it's going to have impacts on you later on, depending on how long this lasts. So I think it's taking those tools. And you know, we talked about that governance role again, having people in the room who can talk about, you know, how they're thinking strategically about decision making, operational issues they need to tackle, and how that factors into their planning and what that means financially, right? So I think it's really just taking the organization and having everyone think a little differently. It really starts with asking the questions. You know what, like we talked about initially, you

know, how much cash am I going to need over what period of time? Once I understand and frame out what the issues are, I can start to think about the tactics to solve for that problem.

Michael Kearney: Caroline, do you have any thoughts on this conversation?

Caroline Leies: Yeah, so I mean I think, you know, to me the best scenario modeling is really tied to a core set of business drivers, right? You look at what are your, what are the core business drivers that are associated with that company's business, right? And then you have make a set of assumptions and you model it and that's it. And you don't need to go to a line item level to do your scenario modeling. I see sometimes though many companies struggle with using just the desktop tools to do this and then certainly it works, but that's going to be harder, right? And so I do agree with what Michael said that sometimes there I think that sometimes the level of sophistication maybe have a finance team, you will find they have tools that allow them to readily be able to, you know, oh, sure, okay.

Hey, we have a business driver. I can adjust it here. Let's see. But I also think that there's, what's interesting about scenario modeling, what I'm seeing where it used to be typically when you did a scenario modeling, you would have kind of like best case, worst case and something in the middle, right? You know, kind of three, right? Typical. Well that's not, that's not any more, we need more than that now we're like four to six models, right. Because now the business model really is tied to the complexity of a business, the degree of globalization, right. I have to nuance it differently. So I can't just have three models anymore or three scenarios. And so I, so you know, you can imagine if you're trying to do all of these different things on your desktop, right, that's going to make that harder to then be able to react. Cause I agree with Kirk, right? Part of this is like we need to be able to make a decision, we have to be able to make decisions and it's not, this is about being able to speed, get to speed of making decisions, not spending more time churning and running data in the model and you know, running scenarios. And I think that that's where coming out of this too, you're going to find, and we should see finance teams looking back and saying, okay, Hey where did I miss capacity or capability to be able to react faster? And because I think that's where I'm seeing, I was talking with the CFO yesterday and they were struggling with trying to just run these scenario models and doing different permutations .

Mike Kearney: So let me ask you all a question because I think what's really important is it doesn't need to be perfect. I also am hearing a tool's important, but it's not the panacea of truth. I'm hearing that it's not like scenario planning in the past. There's multiple scenarios you need to think through. When you see organizations do scenario planning from a forecasting perspective, is there one area that you would say they all could do a bit better that is actionable in days, not weeks or months? Like one thing when you're talking to, you know, different companies that just is glaring and jumps out where you're like, this is what you could do better. Let's just go around the horn. Kirk, we'll start with you.

Kirk Blair: I think it is accessing data, right?. And it was true tellers that you just mentioned, right? To get the right perspective of how they're part of the operation fits into the bigger puzzle. You know, a lot of times in normal times we'll see financial models or even stress, we'll see models that you know, depict a much more optimistic view. And to look at those underlying assumptions and key drivers that we were talking about, right? You start to realize that, you know, we may not be able to hit those levels or those targets. And we need to think about this a little differently. And so I think it's about making sure you get the right people again in the room to have the conversations around what the impacts are. Having the truth tellers and getting the right managers at the operational level to have a view. I think that's really valuable to trying to calibrate these types of models and scenarios to the overall plan.

Mike Kearney: Michael, what's your thoughts?

Michael Epstein: To pick up on what Kirk said, management tends to have a bias to optimism of lines, optimism and they are very earnings driven in the scenario planning. And I understand that. But you honestly, you can't pay payroll with earnings and profits. You can only pay payroll with cash. And if you drive the business toward cash, taking into account all your strategic objectives ultimately the profits will follow. And, and I think what we need to see, you know, companies do is focus, focus more and certainly now on driving to liquidity in the business because the liquidity creates option factors. And having those options will then allow you to adjust your scenario planning as you go and ultimately in order to adjust your strategy to fit the environment that changing around you.

Mike Kearney: Hey Michael, you brought up a really important point that I just want to pause on. It's really getting to the positivity bias that many leaders have, which is fantastic. But is there a way to manage that as part of the process that you use for doing scenarios and forecasting and what have you. How do you take that positivity bias out of it as a finance professional?

Michael Epstein: The only way to take that positivity bias out of that I believe is using data. I mean, data doesn't have emotion. Data just is. And you use the data to drive as you said, to create the guard rails, in my opinion, for that positivity influence. You need that positively influenced basically because that's a big part of the foundation of leadership is driving folks to the world that could be and driving folks to the world that we, we together can achieve. That's important. What you need to ground it in the data so that you don't end up at the end where we sit on the on the horizon today, one degree of separation is not a big deal, but take us forward six or 12 months and one degree of separation today could have a significant dislocation between perception and reality. Well, months from that.

Mike Kearney: Caroline, you want to chime in on this conversation?

Caroline Leies: Yeah, I would say, you know, to me good data is churning the numbers. And more decisions and you need to remove and reduce the lag between churning and running numbers and

making decisions. And that's where you see companies, you know, I think make better decisions, more timely decisions. I think that is, you know, that should help the good data and being, I agree, focusing on the data, hopefully then you helps you remove that bias. But I see where I see is, you know, we're lagging and we spending more time and the time amount that we're spending churning and running models and pulling data, aggregating data, cleansing data. All of this is limiting us from making the right and best decisions.

Mike Kearney: I have two what I'll call lightning round questions—short, quick responses would be great. The first question is crisis obviously spurs innovation. The fact that we're working and doing these podcasts virtually and all of that is a great testament to the innovation that's happening right in front of our eyes. In terms of forecasting and managing cash, all the conversation that we've had today, what innovation do you see in the future, Michael?

Michael Epstein: I think to touch on something we said earlier and following on, Kirk mining the data, getting to the output more quickly will actually allow us to narrow that positivity gap.

Mike Kearney: So we've got folks that are listening to this interview, we've talked about a lot of different things, but if they are challenged today with their cash management, their liquidity, their working capital, their forecasting, if there's one thing that you want them to take away, something that they should focus on today. And obviously this is a very general question because organizations are in very different places, but if there's one takeaway, what would it be? Caroline, we'll start with you.

Caroline Leies: If there's one thing that they should do today. I mean, you need to, I mean, cash is king, right? You have absolutely have to know what you need today and what you're going to need tomorrow. So you need to get access to the data, what you're going to need today and what you're going to need tomorrow. That's absolutely right,

Mike Kearney: Michael?

Michael Epstein: Now I'm going to build on what Caroline just said, because once you have that answer, don't hide the truth. Transparent with your stakeholders is of the utmost importance because you can get people to move mountains when you're credible, and when you're communicating with them.

Mike Kearney: Kirk, bring us home. What's your one takeaway?

Yeah, I think it's one of the comments that we made earlier around not letting perfection get in the way. It's about speed to insight and taking action.

Mike Kearney: Wow. Kirk, Michael, and Caroline, thank you very much for the gift of time. Your insights are timely and critical to many companies out there. I know that this is a stressful and unpredictable time for all organizations. I feel like I'm saying that after each episode, but it is absolutely true. And as I shared in the opening, we're going to continue with our special edition COVID-19 interviews on Resilient.

So if you have any recommendations, let us know. You could hit me up on LinkedIn, Michael Kearney, or even on Twitter @mkearney33.

For more insights across all aspects of this topic, go to Deloitte.com. You can also find the Resilient podcasts on Apple podcasts, SoundCloud, Stitcher, Google Play, and even Spotify. And I have learned over doing all of these Resilient interviews almost for four years now that resilient leaders take care of themselves. And in this time of uncertainty and stress, this has never been more important. Personally, I am exercising every day. I'm finding time and even meditating. So whenever you do, find something that gives you a bit of space.

Until next time, stay safe and remain resilient.