



March 2020

Pandemic Guidance for Opus Faveo Friends, Clients and Portfolio Companies

Business continuity

- Plan for remote working, meetings, sales calls, etc. Provide clear guidance to team members.
- Ensure increased surface cleaning and personnel spacing in laboratories and work areas
- Expect illness - staff, founders, leaders, vendors, mentors, customers, etc. may be sick in bed for a week or two.
- Plan for increases in home internet usage. Everyone, including kids, will be working from home.

Fundraising

- Expect a difficult fundraising environment, especially in next 2-3 months
- But, for those who are resourceful and good at videoconferencing, that may mean less competition and investors who suddenly find themselves with more time due to canceled trips. Get good at networking and pitching remotely.
- Late summer/early fall will likely be a prime fundraising window, as will early 2021. Be prepared by getting on the radar of investors now.
- If stock markets are down, and treasury and bond yields are low, some investors will be looking for yield. Startups can provide higher potential returns than other investment categories and are often less correlated with the market than other investments, providing a useful hedge. Smart investors with cash will be open to startups as soon as the dust settles.

Leadership & Team

- As always, have your head up. That's how you move forward and spot the opportunities that always reveal themselves in a crisis or downturn.

- Expect to get down when there's bad news, the stock market is volatile, and you're sitting at home, unable to go to conferences and meetings, not feeling well, and/or worried about sick family members and loved ones.
- Expect it of your team as well. Help each other out.
- Positive self-talk works. Mental health professionals and researchers call it cognitive behavioral therapy. Try it.
- Videoconferencing works too. Use it whenever possible, and don't be afraid of "wasteful" water cooler conversation about the weather. 30 minutes of personal team interaction may generate 2 hours of productivity with a positive mindset.
- Be kind when you hear family noises and barking dogs in the background. Use it to get to know the team better.
- Make sure you replace canceled meetings with videoconferences, calls, texts, emails, etc. Find ways to maintain contact.

Strategic Planning & Financial Forecasting

- This will have a significant 2020 negative impact; it is not a 1-month event. Create budget projections that take into account 60-90 day worst-case impact based on COVID-19 effect on customers, partners, product delivery, etc. and create pro-forma cash projections to ensure you have enough buffer. If you do not, begin making plans to address sooner rather than later.
- This experience will result in a greater focus on long-term planning, scenario analysis, risk management and diversification. Be proactive in looking for ways to build these into your business model.
- Stay positive, look for opportunities, communicate well, and be ready to take advantage of the social and economic recovery to follow.