The coronavirus and your agency

A live Q&A webinar with David C. Baker

dba

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the coronavirus and your agency: a live q&a

david c. baker | for dba | nashville, march 20, 2020

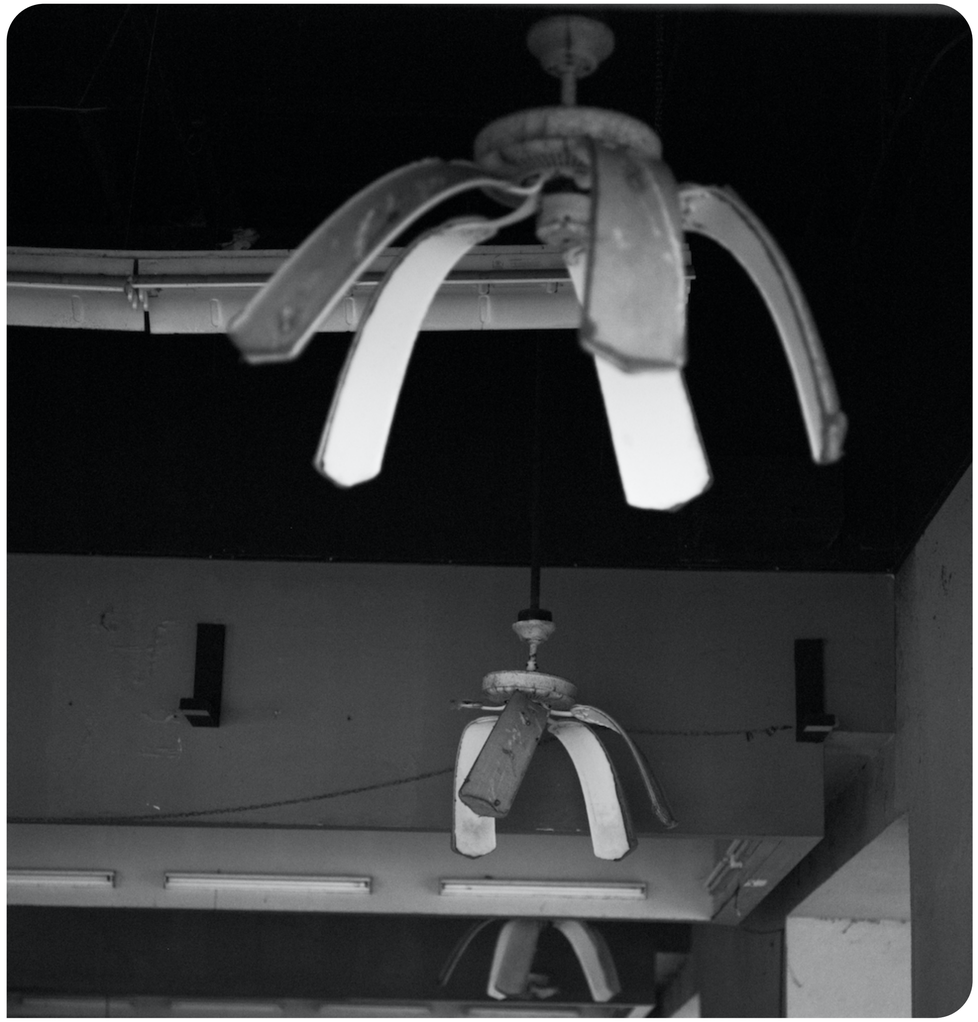
putting this in context

- your level of angst related to whether you were around in 2001 and 2008
- we must study the virus…and people's perception of the virus

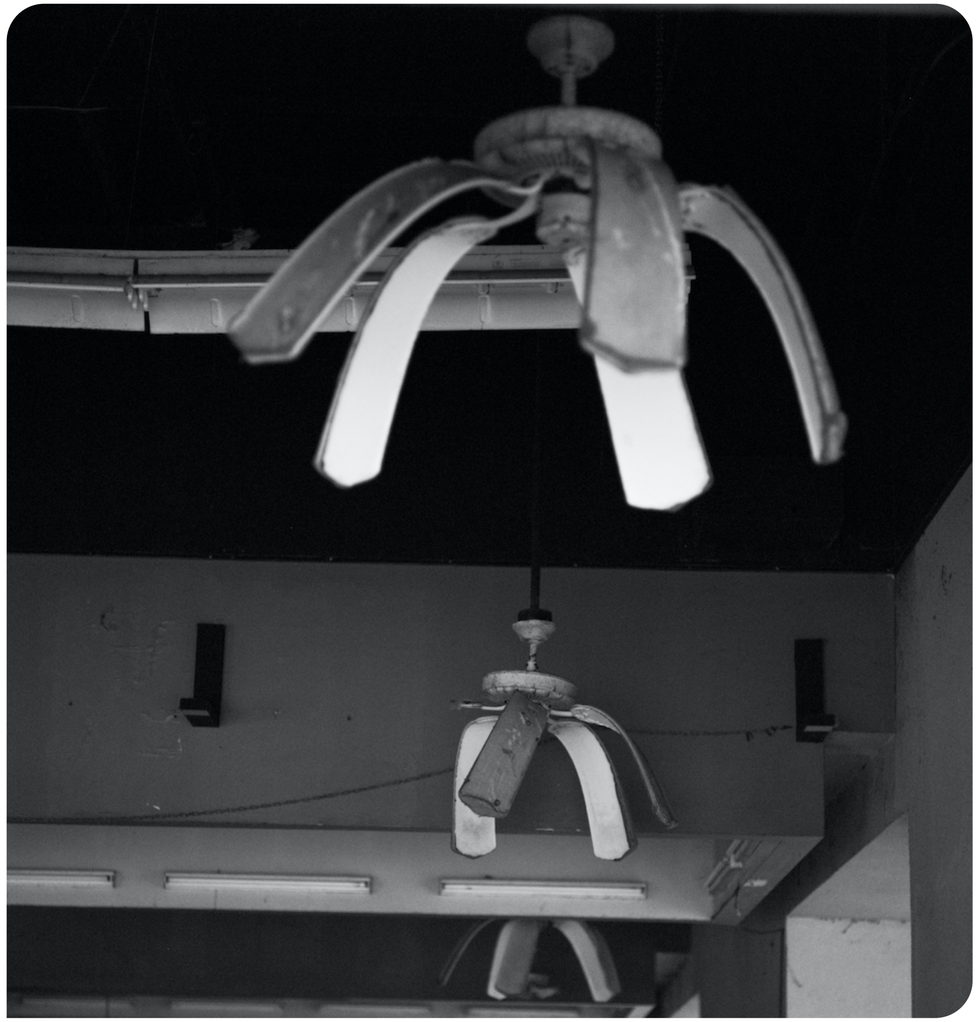
- WaPo: Spanish Flu 1918
- Exponential View: Coronavirus on the Latin Bridge
- Medium: Thomas Pueyo, Why You Must Act Now
- Imperial College COVID-19 Response Team

- as an industry we are a lagging indicator: at the onset & the recovery
- the industry will fully recover, but we'll leave many weaker firms behind…and new ones will grow from the mess
- lag = 3-5 months
- ones who never recover wait too long or borrow

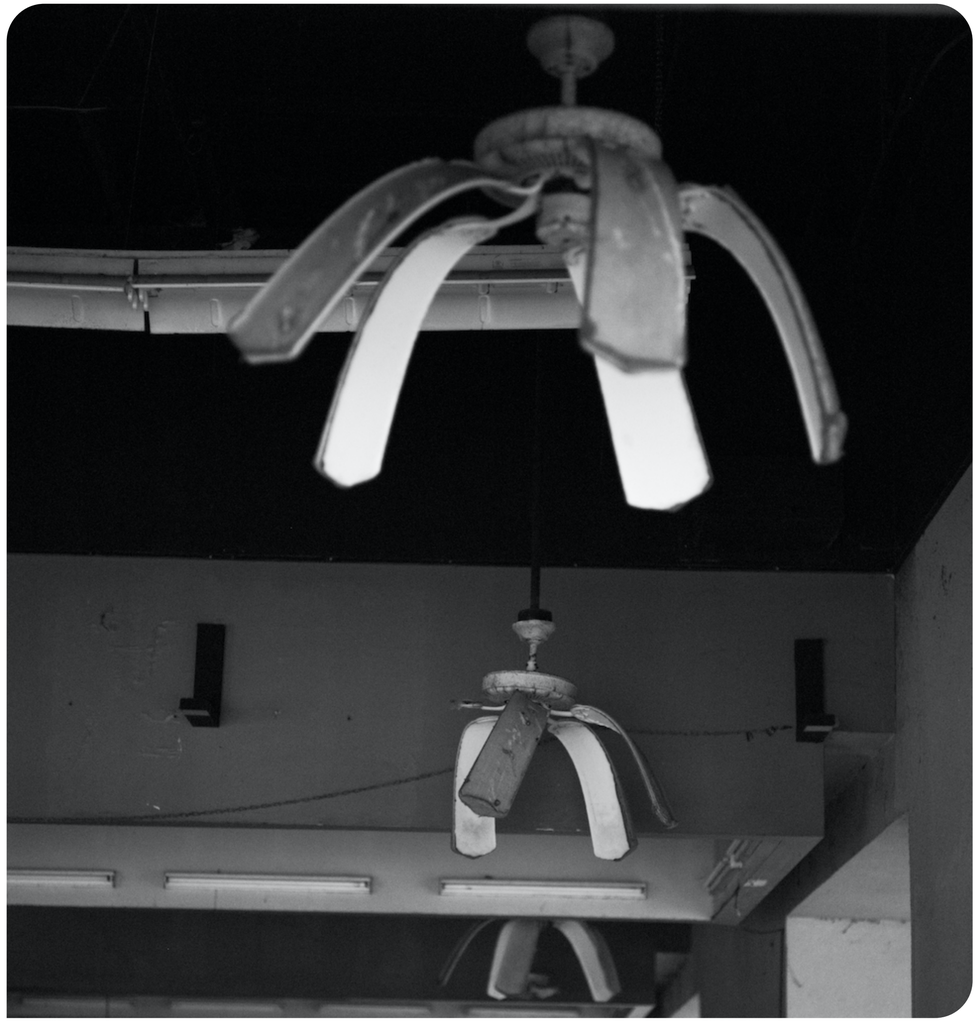
a look at the specific impact on your firm



- we lose 10-15% of all firms in any given year; we'll lose 2x that
- marketplace will have extra freelancers from indie firms, holding cos, client-side
- many will retain some work from their former employers



- you'll have more flexible contractors at your disposal
- but downward pressure on pricing
- some industries will cut deeper than others, but expect your sales to drop 15-30% vs. grow
- you'll face less pressure to defend as incumbent as rfps are postponed



- certain industries will be hit harder: travel, tourism, entertainment, field marketing, fast-growing vc-funded, experiential, tradeshow- and salesforce-dependent, complex supply chains, and anything that requires in-person meeting

given this, how might you navigate this?

- resist the urge to chase cash vs. profit
- don’t borrow money to mask pain and put off action, making recovery even more prolonged
- if you see things slipping, separate the corporate and the personally-guaranteed obligations
- don’t travel where you might be trapped

- short-term sublease of space ($/morale)
- be flexible w/ clients
- beef up deposits, work stoppage, terms
- yes…no…**yes**…no

more on remote work policy

- view as an interesting test, if reluctant
- remote will be hard for some: kids at home, loneliness, spousal obligations, conducive area
- people can be lazy anywhere
- remote workers often get more done
- mutual flexibility

- requires very intentional management
- try to run all meetings as if remote
- establish it on a test basis
- check out “Rethinking a Distributed Workforce”
- look for updated article, and a review of the tools

deeper look at the considerations around staffing

- don’t hire, except (maybe) to replace
- concentrate on keeping the role players and flex w/ the skill players
- reverse building: don’t forget the middle layer
- don’t protect the people who freed you up
- if culture is great, maybe companywide cut; otherwise whole people

- pause intern program
- don’t cut legs off one inch at a time
- 45% unburdened of fee base
- maybe creep to 50%
- above that each % point comes from profit
- don’t cut your pay below the highest ee
- consider request to accelerate leave

- put “plan a” and “plan b” together in advance
- mental trick: cutoff date, where each week eats into cash based on legal redundancy req’s
- be willing to struggle assembling a staff rather than paying the current one
- no one every said “i wish i’d waited longer”

key financial metrics to watch

- £100,000-£120,000 income per head watershed
- client concentration <25%
- 2-4 months of cash

your role as a leader

- what’s best for your firm and not any single individual
- note louder voices, but adjust volume controls
- transparency; admitting what’s unknown; constant monitoring
- avoid bad optics
- lead w/ optimism and grace, fully aware

- network w/ your peers to keep your head on straight—where dba shines
- hope is not a strategy; your role is to be clear-eyed and give your firm every chance of success
- we will absolutely get through this—use the constraints to push you

concentrate on, in order

- financial decisions
- managing middle layer
- lead gen
- (strategy for clients)

a few key considerations

i am personally

- trying to spend more time on twitter and linkedin
- releasing longish articles w/ specific tactical suggestions

questions?

[in q/a box]