



Successfully Navigating through a Crisis

Effective Crisis Management with a Proven Framework

TARGUS works.

TARGUS
Management Consulting



Nowhere To Hide

The COVID-19 crisis has become a major challenge for companies worldwide. Without warning, a novel coronavirus triggered a lightning fast recession, with brutal consequences for most companies. Every company must now act deliberately if they are to remain in operation.

As an international management consultancy for operations, we at TARGUS have helped to guide numerous clients through uncertain times. We have gathered these experiences and best practices into a framework that will allow your executive team to focus on your key profit drivers – ensuring your organization will emerge from this crisis strong and ready to compete.

Turning Market Uncertainty into Your Competitive Advantage

The COVID-19 crisis has touched every part of the world economy. Pharmaceutical, medical device manufacturers, and other critical manufacturers have seen tide shifts in demand overnight. While others, have seen production screech to a halt. No matter the impact, your supply chain and business process have been impacted in unprecedented ways.

Independent of the current state of your organization, the job of every executive team member is to now guide the organization to a strong position, to endure, and ultimately emerge from the crisis as strong as possible; and ideally stronger than your competitors.

Most organizations have experienced at least one major crisis in the last 5 years. Those that master their industry's crisis get ahead, because being better prepared with superior crisis management is a competitive strength.

The best time to master crisis management is before a crisis.

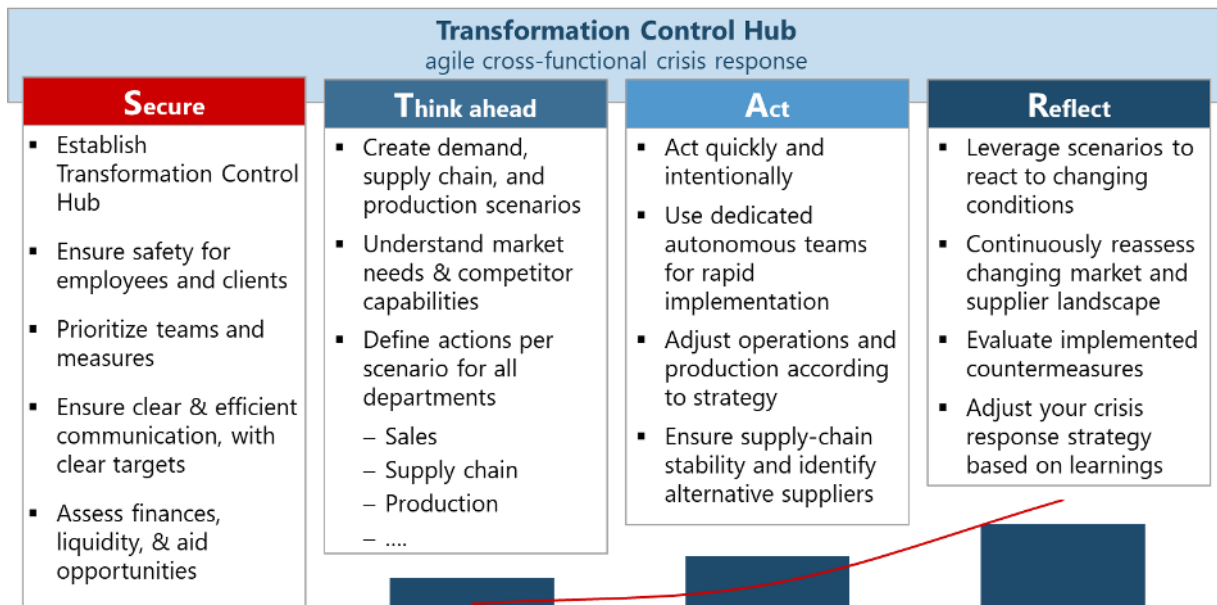
Disruption creates the opportunity to overtake your competition!

Four Steps to Overcome the COVID-19 Crisis

Crisis Management Simplified

The crisis has caused fine-tuned manufacturing processes and just-in-time supply chains, from raw materials to finished goods, to break. Every part of the supply chain, every business process, has been affected. To ensure your organization will emerge strong and ready to take on your competition, significant planning and countermeasures must be developed and implemented in a swift, effective, and coordinated manner.

Our STAR approach was designed specifically to facilitate effective crisis management. Following this framework will allow your executive team to emerge from the crisis stronger than your competition.



Secure

Many companies have already made great progress here and much has been accomplished. Yet, many stop short. Necessary measures have been taken to protect employees, maintain hygiene standards and keep production running. Shutdowns (if necessary) have been initiated and measures to safeguard liquidity have been triggered. However, many tend to miss one of the most important steps – establishing central control of the situation.

The vast wave of activities that must be executed requires a central Transformation Control Hub. This central hub needs to not only “Secure” activities but also must initiate and coordinate the way forward. Therefore, your hub should be able to rapidly tackle problems and synchronize counter-measures. Additionally, it should facilitate rapid and accurate communication to both internal stakeholders and externally to your customers.

The coordination of priorities is a C-Level responsibility and the Control Hub team should report directly to the executive team. This is the best way to ensure quick escalation and rapid decision making. This is also the only way to ensure that communication within the company is consistent and accurate.

Think Ahead

Many uncertainties still remain, we are all in unfamiliar territory. Therefore, your organization must identify, theorize, and plan based on scenarios; accounting for politics, consumer demand, supply chain disruptions, competition, and pushback from your workforce. All possibilities which COVID-19 is bringing to fruition must be effectively dealt with.

Scenario planning is a complex process. The key to success is developing a catalog of contingency plans. In order to be valuable in the future, each contingency plan must describe a clear way on how you want your organization to react. This means each case must define the implications for all departments.

The TARGUS COVID-19 Quick Scan can facilitate a discussion in your team and help to identify and understand the most important parts of your business needing risk mitigation.

Act

Deploy powerful teams for each mitigation work-stream: clearly define targets, create sales scenarios for each product group, examine and secure your supply chain, and understand the competitive landscape. Speed and decisiveness are essential for outpacing your competition instead of losing ground.



Reflect

As the ongoing pandemic and economic impacts are hard to predict, it is necessary to continuously verify which scenario is currently valid and where your mitigation measures have taken hold. This requires an ongoing monitoring of market, competition, and suppliers.

Install suitable metrics and routines for this monitoring to ensure a rapid response to the current environment. Then, you will emerge from the crisis most effectively and stronger than your competitors.

1 Secure

- Protect employees and business partners
- Secure relevant production
- Set-up crisis team
- Ensure clear communication

2 Think ahead

- Establish likely scenarios
 - Market, clients and demand,
 - Supply chain and production
 - Competitors
- Systematically identify opportunities
 - Here and now
 - During/ after ramp-up
- Define actions per scenario and teams

3 Act

- Operationalize actions for dedicated autonomous teams
- Ensure quick and effective implementation of actions

Have you considered all opportunities?

Prioritize and Focus to Overcome the Crisis

Effective Crisis Management is a Competitive Advantage

Effective crisis management relies on your organization's ability to prioritize and focus on primary profit drivers. Without this ability, scope and scale can be unmanageable, effectiveness cannot be measured, and the transparency into how effectively the organization has positioned itself is lost.

Regardless of the unprecedented position your company finds itself in today, there are clear priorities the executive team should be actively controlling.

Finances, Liquidity,
& Profitability

Market & Clients

Sales

Supply Chain

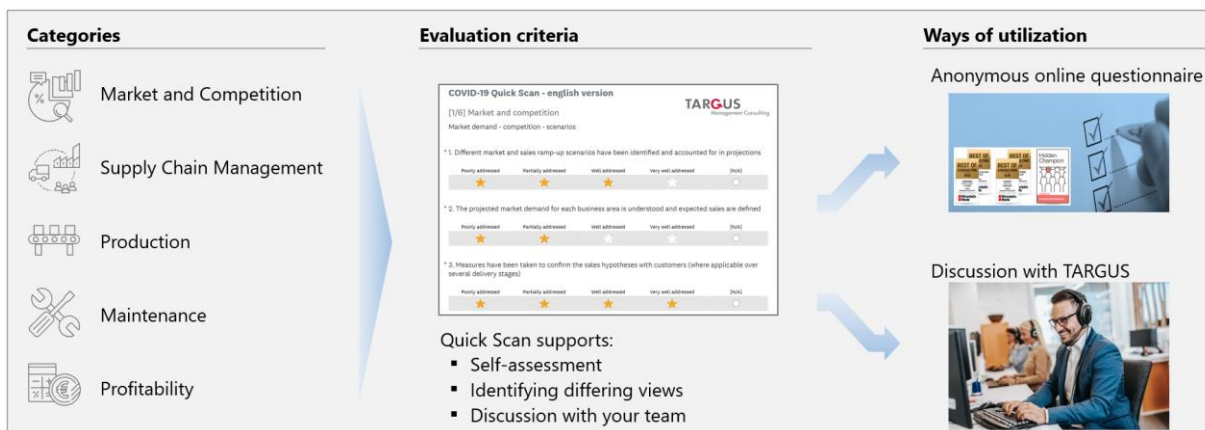
Production &
Maintenance

COVID-19 Quick Scan

Evaluate Your Organization's Crisis Management's Readiness

The current crisis has affected all companies. Challenge yourself and your executive team with the Quick Scan to determine whether you are addressing all major priorities in order to emerge from the crisis stronger than your competition.

Access the Quick Scan [here](#).



We have identified the major aspects your team should be focusing on. The Quick Scan will allow you to clearly identify which ones your organization still needs to act upon. By following our framework, you can ensure all primary profit drivers will be addressed.

The COVID-19 Quick Scan offers a reliable tool to assess your crisis management preparedness for the whole company and management team.

Please feel free to contact us via email or our [contact page](#).

Establish your Transformation Control Hub

Managing the Crisis Properly - Thinking About Tomorrow, Now

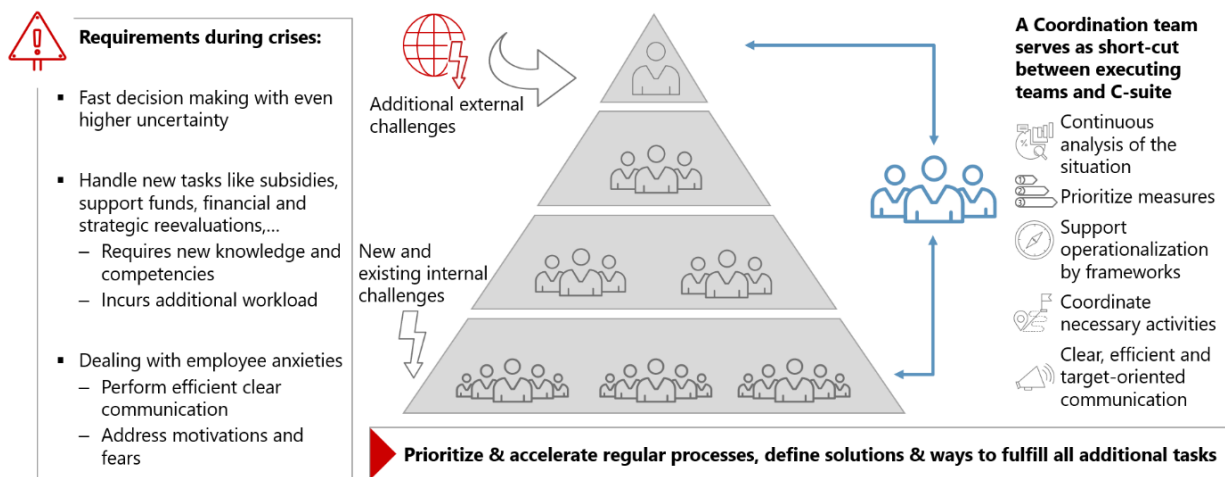
One thing is essential if we are not simply to survive the current crisis, but to emerge from it stronger than before - a goal with results-oriented coordination of all counter-measures.

For a company of any size, challenges are normally known and dealt with in day-to-day business. But a crisis is not normal business! Suddenly and unexpectedly, disruptive forces affect all corporate functions, everywhere. This level of disruption is far more than can be handled within existing management structures, which are likely to lack the speed and capacity to handle the crisis effectively.

Facing Challenges

The complexity, novelty, and concurrency of problems that arise in a crisis creates unique challenges. It is necessary to always keep an eye on the changing market, competitive forces, the entire supply chain, your own production, and the financial health of the company. At the same time, employees must also be prepared for the changing conditions. Clear and goal-oriented communication, coordination, and motivation are essential core elements for successful execution.

Requirements for crisis management



The Transformation Control Hub:

- Prioritizes and synchronizes activities
- Coordinates internal and external communication
- IDs & implements countermeasures
- Ensures rapid decision making and escalation processes

Transformation Control Hub, your central node

The multitude of challenges requires a central control center, the Transformation Control Hub. It ensures that measures are tackled quickly and decisively, are synchronized, and reports directly top management. This is the only way to ensure short escalation and decision paths.

The effect of the Transformation Control Hub does not end with the short-term management of the crisis situation, it effectively establishes the transition back into a reorganized market.

Supply Chain Stress Test

Secure Your Supply to Remain Competitive

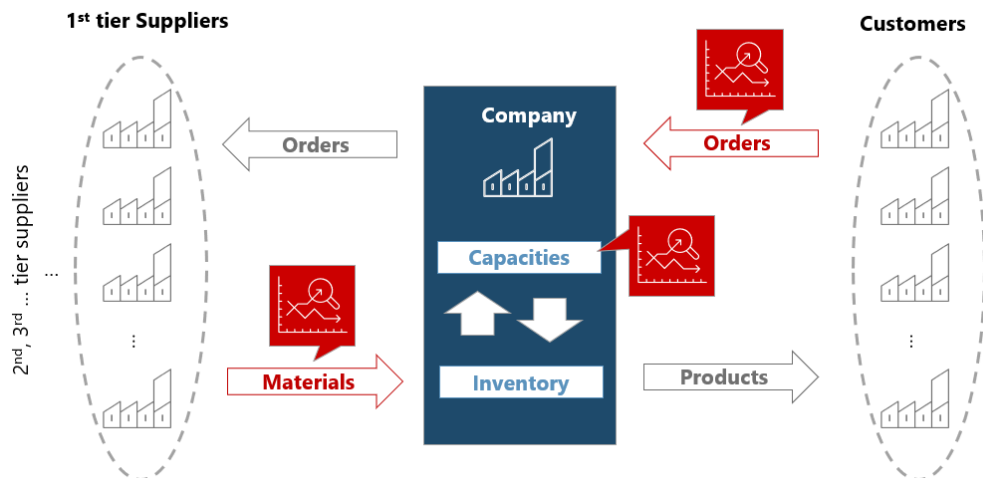
In a crisis, the behavior and performance of partners in the supply chain can change drastically. Often, suppliers who were solid, now present substantial risk.

Approaches like TARGUS's Supply Chain Stress Test are used to quickly identify supply chain risks and bottlenecks through evaluating scenarios for different market developments.



Change in Supply Chains and Market Demand in Exceptional Circumstances

Now, it is particularly important to react quickly and soundly to changing conditions in your supply chain. In doing so, your supply chains can be secured even in changing market situations.



Essential Parts of Your Supply Chain to Consider:

1. **Your market:** Market requirements change due to shutdowns or new needs. They differ by industry, product, or application. All can be overshadowed by uncertain market ramp-ups.
2. **Your suppliers:** Established supply chains are disrupted, leading to significant delays or even failure to deliver materials.
3. **Your company:** Changing market requirements and supply chains must be taken into account for internal logistics and production, requiring careful adjustment of production capacities, schedules, and inventories.

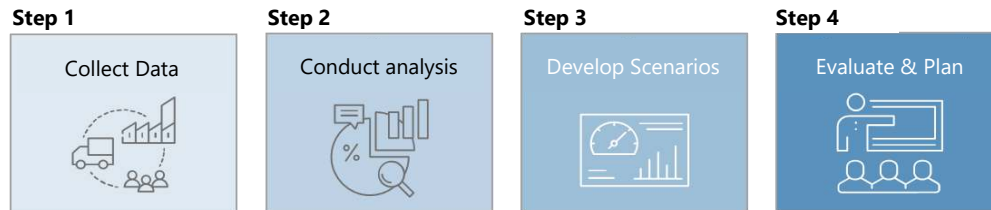
A Successful Approach:

- Standardized data collection
- Validate data
- Classify Customer/Suppliers
- Estimate COVID-19 impact
- Define Scenarios
- Derive Impacts
- Plan your response

As part of any supply chain stress test, these areas must be systematically analyzed against potential scenarios, and appropriate countermeasures must be developed to secure a competitive edge.

TARGUS Supply Chain Stress Test

The supply chain stress test is designed so that priorities can be identified and concrete measures can be derived in the shortest possible time. It focuses on crisis-related changes and is not a classic supply chain screening.



The stress test utilizes data that is generally available in your company. This includes information about customers and suppliers (e.g. location, industry, material/product groups) as well as the company itself (e.g. production plan, personnel capacity planning, master BOM, stock levels, and planned deliveries).

While conducting scenario analysis, the effects of different market ramp-ups on the current product portfolio and supply chains are to be examined based on hypotheses. The result is an assessment of producible and marketable products with concrete recommendations on actions to take to respond to the crisis.

The supply chain stress test is designed to be carried out remotely even under the current COVID-19 restrictions.



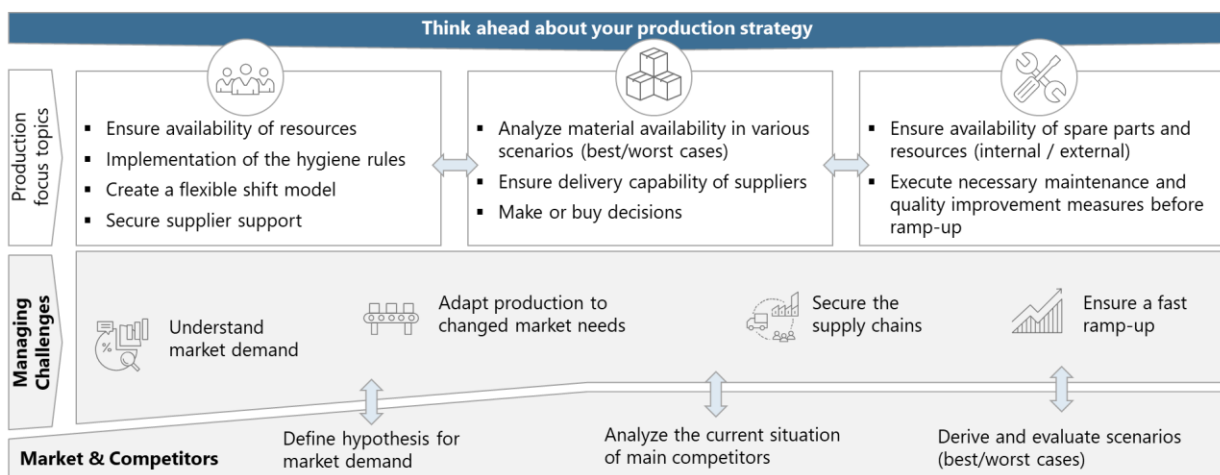
Production Strategy

Think Ahead, Sustainably Strengthen Your Production

The priorities described thus far, all define where your market demand is and how your supply chain will impact your ability to react to this crisis. Together, with clear sales priorities (e.g. supplying critical goods to national health organizations, supporting customers with their supply chain issues, gaining market shares) a target has been defined for production. This means new material flows, a shift in capacity, and new schedules which are required to support these new targets.

There are three dimensions to consider:

- Market demand and competitive situation
- Securing your supply chain
- Restart production efficiently



Different scenarios must be evaluated to understand potential outcomes so that pre-define possible solutions can be planned for manufacturing. Create thoughtful plans for how your organization should respond to each scenario (good or bad) and plan a path forward that will enable you to meet the most important demands and put your company out in front.

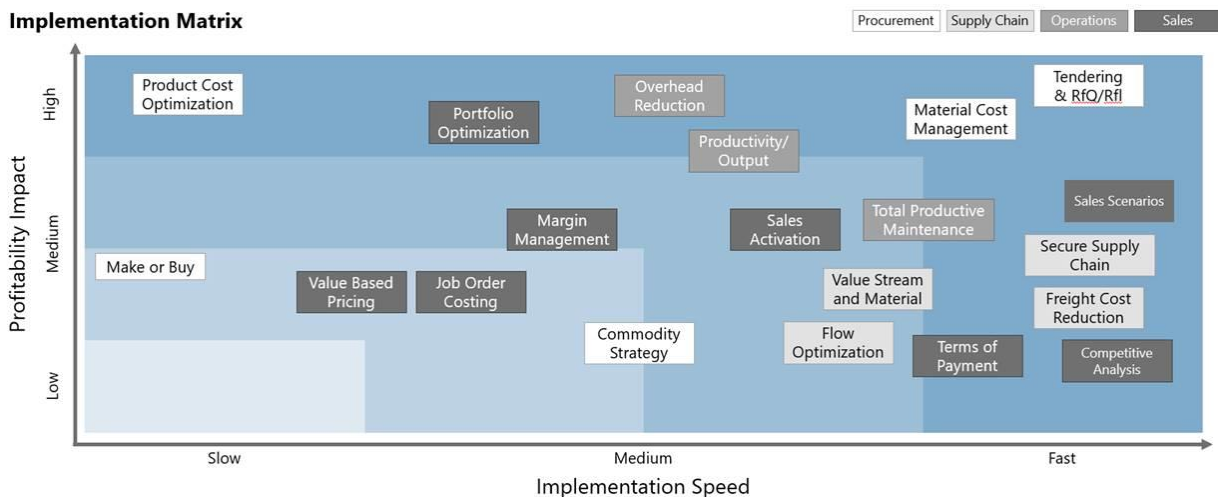
Also consider using this time to eliminate old weaknesses, such as bottlenecks in production or quality problems.

Profitability Improvement

Sales, Costs, and Operational Efficiency

In a crisis, outcomes are unpredictable; however, all effort must be placed on ensuring profitability regardless of external forces. Many of the paths to ensuring profitability in a crisis are the same as achieving profitability when not in a crisis. The only difference between the two are speed and intensity of implementation.

Crisis or not, all possible levers must be reviewed in detail to uncover potential.



Do the Right Thing at the Right Rime

It is not necessary to start all activities in parallel. Some activities must be started immediately, like material cost optimization and OEE improvements. Other activities can start later, like product cost optimization, reorganization, portfolio optimization, and value-based pricing.

Key Profit Driving Focus Areas

- Customers
- Supply Chain Management
- Procurement
- Production Efficiency
- Overhead Improvements
- Process Optimization

Remote Project Management

Embrace the Latest Tools

Mastering the challenges of remote collaboration effectively

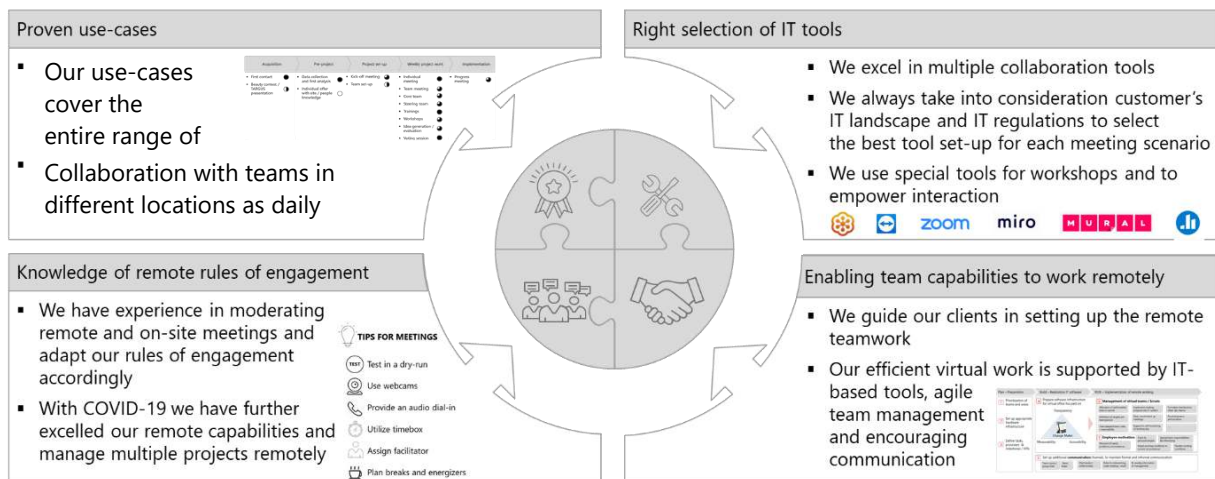
As management consultants, we are constantly working with several teams at multiple locations and often in different time zones. TARGUS is typically on-site, working alongside clients, 5 days a week. However, due to this crisis remote collaboration has become part of our daily business.

Whether routine team meetings, management status reports, or a demanding workshop with several working groups and breakout sessions, we regularly tackle all sorts of scenarios during our project work. Especially in the current COVID-19 crisis, working together with our customers in remote workplace settings for entire projects has increased significantly.

Using webcams in video conferences alone is not enough for effective collaboration. Teams need to be led and managed effectively from their home offices as well. Having the right communication tool is more important than ever. Advanced IT tools enable effectiveness and team collaboration.

Selecting the correct tool for your team should not be taken lightly. You are committing to a new way of working. Evaluate your options and identify the tools which fit your organizations way of working to avoid suffering a loss in productivity due to new challenges.

Remote collaboration made right

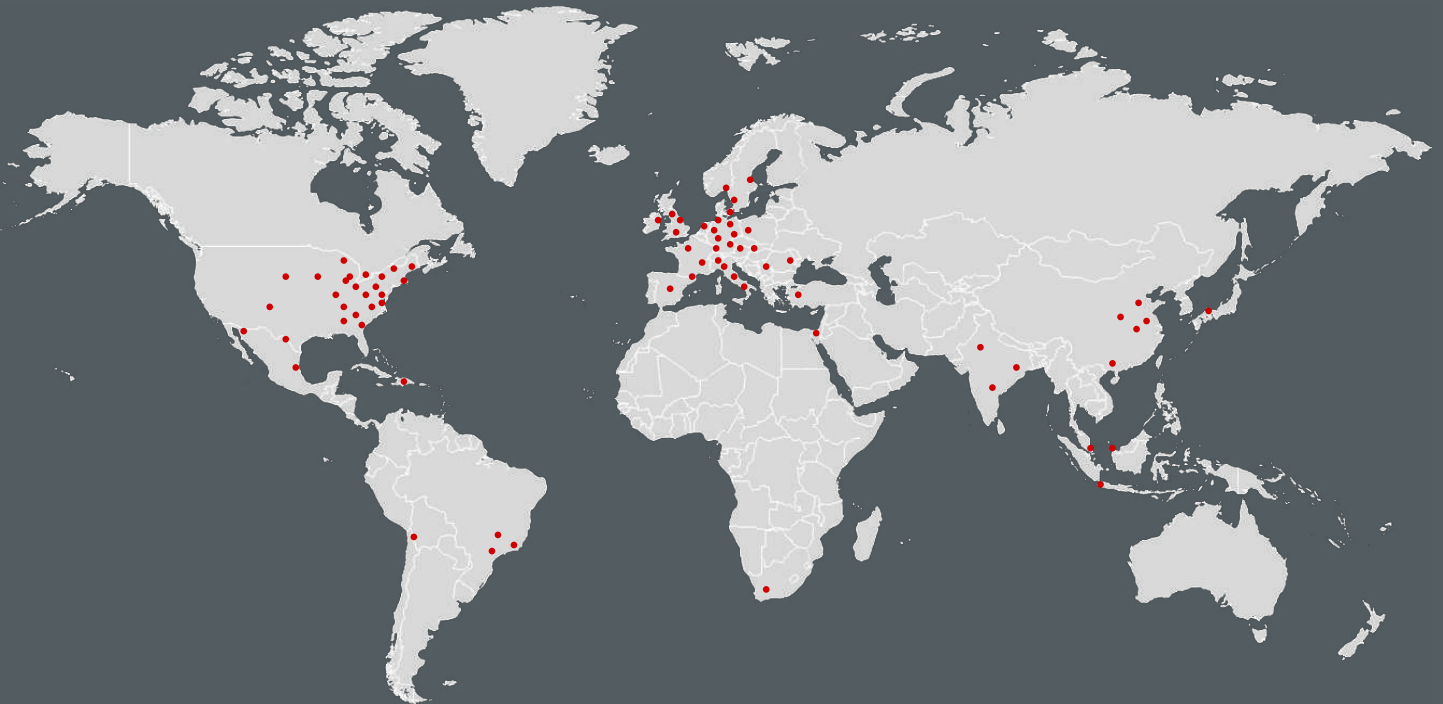


Get to know TARGUS

Risk Free Projects

We make it a priority to ensure our project teams are serving you and adding value. Therefore, we offer to cover the cost of a preliminary project, which normally lasts two to three days. With this pre-project you can get to know us, our methods, and our consultants. Together we ensure a tailored approach which best fits to the challenge at hand and the special requirements of your company. To secure your continued satisfaction, we operate our projects on a gate review basis, so that we may earn the next stage of your project by outperforming expectations through every stage.

TARGUS Works.



Typical Results with TARGUS

- Cost and lead time reduction of more than 20%
- Creation of individual customer-specific solutions
- Organization and process development
- Empowerment of your personnel





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