

“The obstacle in the path becomes the path. Never forget, within every obstacle is an opportunity to improve our condition.”

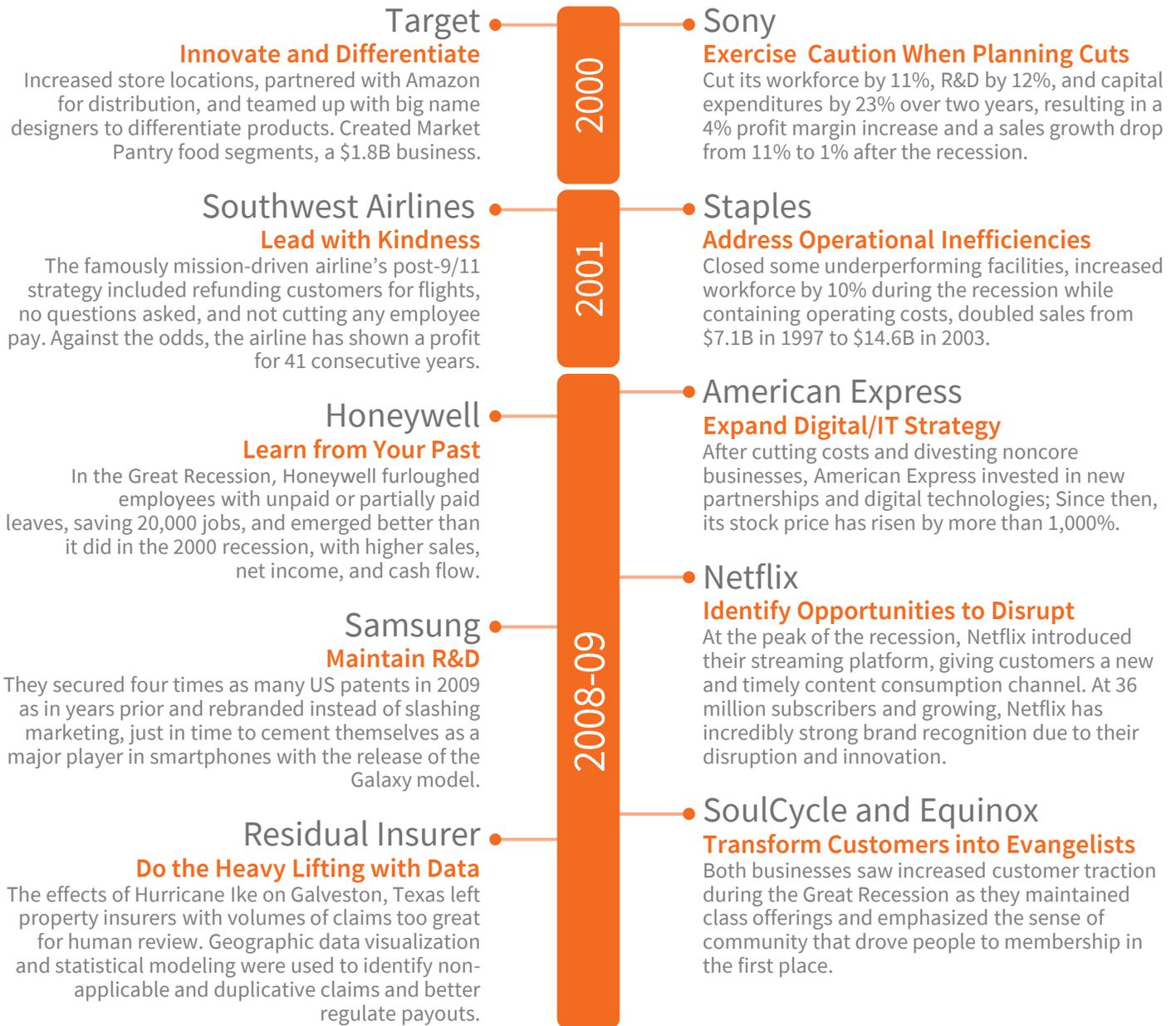
Ryan Holiday

Disruption is here.

Our society and every mode of working has transformed in just a matter of days and weeks. Inspire11 believes there are opportunities to adapt your business and positively impact the world for customers, employees, communities, and yourself – now more than ever.

Disruption is Not New.

Recent shocks reveal opportunities for better short- and long-term decisions



Corporate Social Responsibility

2005

Wal-Mart

Lean on Your Greatest Assets

In the aftermath of Hurricane Katrina in 2005, Wal-Mart donated \$15 million, guaranteed displaced workers' jobs, and leveraged its vast distribution system to deliver relief supplies. The PR goodwill proved fruitful, as it only lost one cent per share that quarter.

2011

IBM

Start a Movement

Governments in Japan and Nepal, which suffered severe earthquake damage in 2011 and 2015, have partnered with IBM as part of its Smarter Cities initiative to implement disaster-oriented public safety and budget management preparedness measures.

2012

Airbnb

Prepare for the Worst

Hurricane Sandy's toll on New Yorkers prompted Airbnb to launch its Global Disaster Response and Relief program, which lets hosts volunteer their homes for relief workers addressing needs related to terrorism or natural disasters.

Navigate Obstacles: Keys to Resilience

Maximize Your Efficiencies

- **Optimize.** Enhance business models for savings now and profit in the future.
- **Be Agile.** Adopt quickly to rapid change with IT nimbleness.
- **Digitize.** Automate for savings and data-driven decision-making capability.
- **Sharpen Your Tools.** Take advantage to re-train, re-factor, and re-invent.

Count on Your Data

- **See the Bigger Picture.** Use visualization tools to identify affected data-driven workflows; address high-impact processes first.
- **Bridge the Gap.** Calibrate analytics to align with current conditions.
- **Be Flexible.** Ensure models have robust monitoring and aren't static.
- **Plan.** Strategize for the transition back to normalcy and the treatment of data generated during the pandemic.

Focus on Your Customer

- **Think Personal.** Treating employees and customers like family extends beyond a unified company vision.
- **Drive Loyalty.** Your existing customers are your biggest asset during these tough times.
- **Foster Community.** Corporate Social Responsibility (CSR) commitments pay companies back through lasting positive reputations.

Don't Forget About Yourself

- **Control What You Can.** Increase positive actions to get to 5 positives for every 1 negative.
- **Be Kind to Yourself.** Fear and stress are natural right now.
- **Get Creative, Literally!** It can help reduce stress.

Maximize Your Efficiencies

Take an agile and lean approach to focus on operations, investments, and technology

“

Technology can make
your business
more transparent,
more flexible, and
more efficient.

”

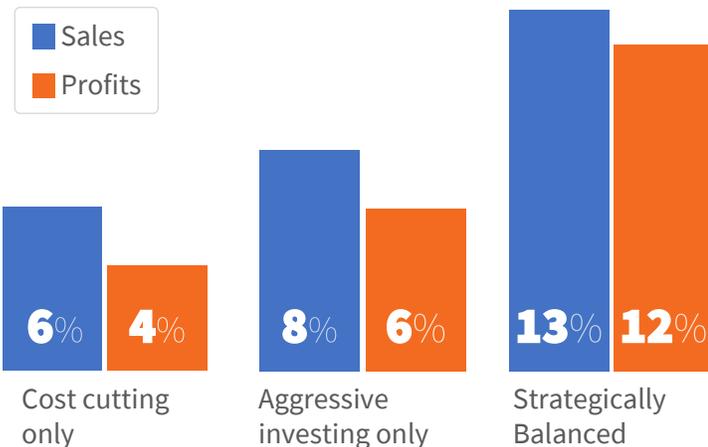
Walter Frick

Harvard Business Review

Focus on MVP

Relying solely on cutting the workforce is not the answer. You need to understand and protect what is most essential to your business. Re-examine business models for cost efficiencies, and then enhance and maintain them for faster profit growth when customer demand returns. Seek partnerships in order to increase efficiencies in supply chain and operations, which yield greater customer satisfaction and profit in the mid to longer term.

Company growth (on average) post-recessions, by strategy during recession:



Reinvest Strategically

Now is an opportune time to liberate cash tied up in surplus inventory and underperforming assets and re-invest it for the future. Reallocate to sensibly fund R&D and marketing on products and driving customer loyalty. Strategically invest in equipment, plants, or property at depreciated prices to enable faster response to a rise in demand post-recession, resulting in higher earnings.

Recent pandemic developments may have revealed pain points caused by technological stagnation such as an abundance of manual processes, or security issues with data, application deployment, or on premise software. Capitalize on current market fluctuations by modernizing and securing systems and migrating them to cutting edge cloud providers.

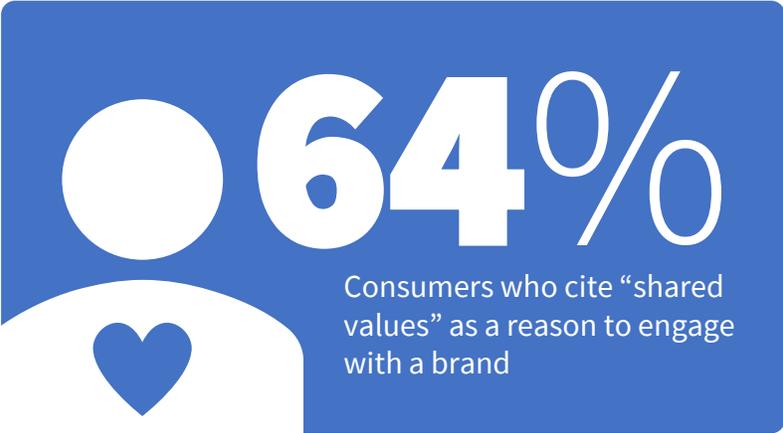


Empower Digital Initiatives

Reduce costs with digital technology and analytical improvements. Recessions can be a good time to invest in IT, as opportunity costs are lower. IT investments make companies more agile and better able to handle the uncertainty and rapid change that comes with a recession. Prioritize "self-funding" transformation projects that pay for themselves, like automation and data-driven decision making.

Focus on Your Customer

Supporting customers now will foster branding and loyalty for years to come



64%

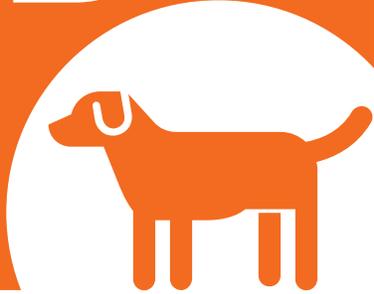
Consumers who cite “shared values” as a reason to engage with a brand

Drive Loyalty

Now more than ever, companies should know their customers. During this short-term shock, aim to answer questions like “What customer needs are currently going unmet?” or “How can we personalize rewards to our most loyal customers in this stressful time?”. Your existing customers are your biggest asset during these tough times.

Think Personal

In times of crisis, businesses that emphasize core values putting people first repeatedly fare better. But treating employees and customers like family extends beyond a unified company vision. Communicating and designing products with empathy and optimism solidifies a sense of trust that can become synonymous with the brand.



\$41B

Lost every year due to bad customer service



60%

Consumers who attest Corporate social responsibility (CSR) would contribute to their loyalty to the brand.

Foster Community

Economic downturns emphasize the need for operational efficiency, maintaining quality, and planning for disaster scenarios. Moreover, they expose the companies who’ve actively chosen to play a pivotal role in the broader recovery as well as those who’ve had community outreach strategies all along. As the COVID-19 saga unfolds, Inspire11’s core doctrine has never been more relevant: “Do the right thing”. History has shown that Corporate Social Responsibility (CSR) commitments pay companies back through lasting positive reputations. It’s not only doing good, it’s good marketing.

Don't Forget About Yourself

Free your amygdala and make sure you can be flexible and creative at a time you need it most

Humans are hardwired to fear. Fear and stress live in some of the oldest parts of the human brain. As we've evolved, these responses helped us survive as we learned what



dangers to avoid. To reinforce these learned behaviors, the reward center of our brain triggers when danger has successfully been avoided.

Similarly critical to our survival is the ability to share and align with other humans with our feelings and innate senses. Known as emotional contagion, we can communicate and pick up on others' emotions. Perhaps the most well-known example is yawning when you see someone else yawn.

\$300B

The cost of stress to American businesses each year

While helpful in our evolutionary past, our brains have not adapted to the rapid pace at which the world changes today. Our 24-hour news cycle and social media feeds can trigger anxiety and stress that impact our personal and professional lives by hindering our decision-making abilities and creativity.

It is estimated that stress alone costs American businesses \$300 billion per year. While stress can decrease creativity, research shows that creativity



can decrease stress. What creativity means is different for everyone. Find what works for you, whether it is writing, picking up an old hobby, or throwing yourself into work a little bit more.

< 1 second

The amount of time it can take to pick up on another's emotion

Positive Psychology research recommends maintaining the "Golden Ratio" of five positive experiences for every one negative to ensure a healthy mentality. Currently, that probably feels off balance. With news coming in during this pandemic, our brains are responding with fear to help us survive. To mitigate this reaction and its impacts on our personal wellbeing and business functions, we need to actively work to increase the positives to bring the Golden Ratio back in line.

COVID-19 has put us in uncertain times. Now more than ever, it is important to do what is in our control to help prevent not only the spread of the virus but also the negative emotions that come with it. Practice creativity and positivity, and pass it on.



5:1

The recommended ratio of positive to negative experiences to offset the human negativity bias

Sources

- Shawn Achor and Michelle Gielan, “Make Yourself Immune to Secondhand Stress.” Harvard Business Review, <https://hbr.org/2015/09/make-yourself-immune-to-secondhand-stress> (accessed 24 March 2020).
- Judson Brewer, “Anxiety is Contagious. Here’s How to Contain it.” Harvard Business Review, <https://hbr.org/2020/03/anxiety-is-contagious-heres-how-to-contain-it> (accessed 24 March 2020).
- Deepak Chopra and Kabir Sehgal, “Science Shows How Creativity Can Reduce Stress.” Entrepreneur, <https://www.entrepreneur.com/article/300347> (accessed 24 March 2020).
- Bill Conerly, “How A Business Can Survive An Economic Crash.” Forbes, <https://www.forbes.com/sites/billconerly/2018/12/15/how-a-business-can-survive-an-economic-crash/#12d811236aad> (accessed 24 March 2020).
- Walter Frick, “How to Survive a Recession and Thrive Afterward.” Harvard Business Review, <https://hbr.org/2019/05/how-to-survive-a-recession-and-thrive-afterward> (accessed 23 March 2020).
- Matt Glynn, “Ex-Southwest Airlines CEO offers lessons in leadership from post-9/11 crisis”, The Buffalo News, 19 May 2014, <https://buffalonews.com/2014/05/19/ex-southwest-airlines-ceo-offers-lessons-in-leadership-from-post-911-crisis/> (accessed 25 March 2020).
- Ranjay Gulati, Nohria Nitin, and Franz Wohlgezogen, “Roaring Out of Recession.” Harvard Business Review, <https://hbr.org/2010/03/roaring-out-of-recession> (accessed 19 March 2020).
- Rick Hanson, “Hardwiring Happiness.” TedxMarin, Nov. 2013, <https://www.youtube.com/watch?v=jpuDyGgleh0&feature=youtu.be>.
- Thorsten Hennig-Thurau et al, “Are All Smiles Created Equal? How Emotional Contagion and Emotional Labor Affect Service Relationships.” Journal of Marketing, vol. 70, 2006, pp. 58-73.
- Tom Holland and Jeff Katzin, “Beyond the Downturn: Recession Strategies to Take the Lead.” Bain & Company, <https://www.bain.com/insights/beyond-the-downturn-recession-strategies-to-take-the-lead> (accessed 23 March 2020).
- Jason Kelly, Sweat Equity: Inside the New Economy of Mind and Body, Wiley, 2016. pp. 21-25.
- James Manyika et al., “Digital America: A tale of the haves and have-mores.” McKinsey Global Institute, <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/digital-america-a-tale-of-the-haves-and-have-mores> (accessed 27 March 2020).
- Philip Mattera. "Disaster as Relief: How Wal-Mart used Hurricane Katrina to Repair Its Image." Corporate Research E-Letter No. 55, September-October 2005, <https://www.corp-research.org/e-letter/disaster-relief> (accessed 24 March 2020).
- Meg Prater, "19 Brands with a Cult Following (And What You Can Learn From Them)", HubSpot, July 28, 2017, <https://blog.hubspot.com/marketing/brands-with-cult-following> (accessed 24 March 2020).
- Martin Reeves et al, "Advantage in Adversity: Winning the Next Downturn." Boston Consulting Group, <https://www.bcg.com/publications/2019/advantage-in-adversity-winning-next-downturn.aspx> (accessed 20 March 2020).
- David Rhodes and Daniel Stelter, “Seize Advantage in a Downturn.” Harvard Business Review, <https://hbr.org/2009/02/seize-advantage-in-a-downturn> (accessed 24 March 2020).
- Megan Ritter, “5 Businesses That Survived the Recession and Why.” Business 2 Community, <https://www.business2community.com/finance/5-businesses-survived-recession-01137706> (accessed 20 March 2020).
- Tony Schwarz and Emily Pines, “Coping with Fatigue, Fear, and Panic During a Crisis”, Harvard Business Review, March 23, 2020, <https://hbr.org/2020/03/coping-with-fatigue-fear-and-panic-during-a-crisis> (accessed 25 March 2020).
- Ned Smith, “Employees Reveal How Stress Affects Their Jobs.” Business News Daily, <https://www.businessnewsdaily.com/2267-workplace-stress-health-epidemic-perventable-employee-assistance-programs.html> (accessed 24 March 2020).
- Thierry Steimer, “The Biology of Fear- and Anxiety-related Behaviors.” Dialogues in Clinical Neuroscience, vol. 4, no. 3, 2002, pp. 231-249, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3181681/> (accessed 24 March 2020).