



The reopening of the economy won't be as quick and easy as the flick of a switch. It will carry many considerations and risks. Our panel will discuss what's next for businesses and potential issues ahead.

The panel

Daniel E. Fisher, partner, Dentons

Dan is a member of Dentons' Corporate group and is a co-leader of the Health Care group and a co-leader of the Mergers and Acquisitions group. He has substantial experience with complex mergers and acquisitions and financial transactions, including transactional services for clients in highly regulated industries.

June 9, 2020
1 p.m. EDT
Meeting ID: 849 9191 5188
Password: 212380

Dan's core practice focuses on strategic initiatives at all stages of a business's life cycle. He also serves as outside counsel to several clients, providing legal advice on their commercial and operational needs and on governance best practices.

Dan's transactional experience is principally middle-market, but he has served as lead counsel on large, public-company transactions and several closely held company transactions. His experience extends to transactions for profit and non-profit companies. Dan is very active in representation of health insurers, health maintenance organizations, and health care providers throughout the United States.

(Continued, next page)

Fisher



Martin



Tripathi



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UPCOMING ACG KENTUCKY EVENTS

August 31 | ACG Kentucky Executive Golf Outing | Cardinal Club

Our annual golf shamble is a magnificent networking event and it raises money for Junior Achievement of Kentuckiana. Participation details to be announced soon.

The annual Deal of the Year honors companies, private equity firms and investment groups for a merger, acquisition or capital markets transaction in 2019 impacting Louisville in the past year, and recaps M&A activity in the region. The ceremony will take place this fall.



Reopening Panel: What is Next (continued)

Steven H. Martin, CPA, Transaction Services partner for BKD CPAs and Advisors

He has more than 30 years of advisory experience, including consulting with clients on enterprise change initiatives, business transactions, outsourced management and turnaround, financial modeling and audit services.

His career consists of creating shareholder value in midsize manufacturing and distribution companies with revenues between \$10-\$250 million. One of his focuses is on businesses sold to, or purchased by, private equity groups. He assists in monetizing value through business transactions between \$5 million and \$250 million. Advising to over 175 M&A deals, consulting on over 250 companies and serving over 50 private equity firms. Steve has successfully managed more than 20 enterprise-wide strategic change projects, including 12 implementations of enterprise information technology, some of which were manufacturing and accounting systems.

His turnaround/crisis management experience included responsibility for liquidity, organizational restructuring, sales transactions and negotiation with secured and unsecured creditors. Steve has developed hundreds of data analytics models to quantify significant economic relationships to support strategic decision making.

Sushma Tripathi, VP, Workforce Strategy and Compliance, ADP's Strategic Advisory Services group

Sushman is responsible for actively working with clients to help them develop and execute their workforce strategies. Her experience cuts across many industries, spanning from large multi-nationals to national organizations pursuing global growth.

Sushma brings more than 20 years of experience in leadership, operations and product management in workforce management, payroll, compensation and benefits strategy, compliance, and administration in the fast-paced, high-growth, outsourcing and insurance markets. She is a recognized authority and a noted speaker at industry conferences and events, a frequent contributor to ADP blogs and widely published in news outlets, including SHRM, Employee Benefits News, HR Daily Advisor, HRO Today, Forbes, CFO Magazine, and CPA Practice Advisor.

ADP's Strategic Advisory Services team helps clients develop and execute highly effective Human Capital Management (HCM) strategies in the areas of compliance, benefits, payroll, data analytics, service delivery, workforce management, talent management as well as communications and change management.

Joining ACG Kentucky

ACG Kentucky is the premier association for driving middle-market growth. Our Thought Leadership programs offer industry insights while fostering opportunities for networking and deal-making. **Be a part of this active business-building ecosystem** and interact with investment bankers, private equity experts, bankers, attorneys, accountants and other support professionals, while gaining access to ACG Global's many resources.

RETURN ON INVESTMENT

- ACG Kentucky and ACG Global membership
- Covered admission to ACG Kentucky meetings and special events
- Member discount to attend the Mid-South Capital Connection
- Priority to play in ACG Kentucky's annual executive golf outing
- Discounts to Intergrowth & Eurogrowth
- A wealth of professional networking and business building relationships

Want to join ACG Kentucky? Print, complete, scan and email this form to ACGKentucky@gmail.com.

Name

Title

Company

Phone

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Type of Membership (check)

Regular

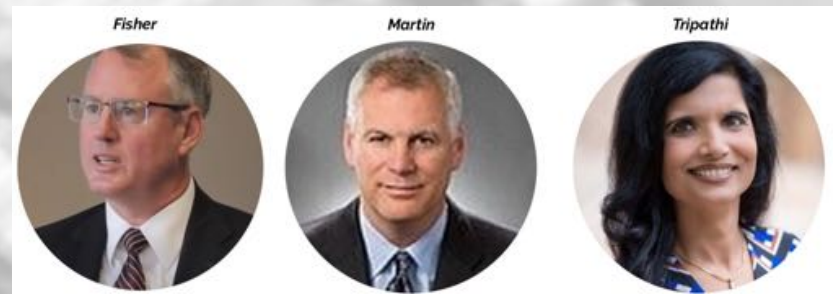
Emerging Leaders (Under 40)



Association for Corporate Growth
Kentucky chapter

Reopening: what's next

Dan Fisher | Dentons
Steven Martin | BKD
Sushma Tripathi | ADP



ACG Kentucky Virtual
June 9, 2020

ACG[®] Kentucky

Association for Corporate Growth
Kentucky chapter



Welcome

Brad Smith

President
ACG Kentucky

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Announcements | Upcoming Events



**ACG Kentucky Golf
UL Cardinal Club
Simpsonville | Aug.31**



Mid-South
ACG[®] Capital Connection

Today's Webinar Agenda

- Everyone muted
- Speaker presentations
- Submit Q's through chat
- Curated Q&A after panel discussion
- Raise hand to be recognized



Raise Hand



yes



no



go slower



go faster



more



Introducing Today's Speakers

Fisher



Dan Fisher
Dentons

Martin



Steven Martin
BKD

Tripathi



Sushma Tripathi
ADP

COVID-19 State Reopening Status



Stay-at-home order expired/lifted*

- Alaska
- Alabama
- Arizona
- Arkansas
- Colorado
- Connecticut
- Delaware
- District of Columbia

- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine

- Maryland
- Massachusetts
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Mexico
- New York

- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Vermont

- West Virginia
- Wisconsin
- Wyoming

Stay-at-home order in effect

- California
- Michigan
- New Jersey
- Oregon
- Pennsylvania
- Virginia
- Washington

*Includes states where no such order has been issued

Date updated: June 02, 2020

©2020 DTI. Stay-at-home orders under 20 — 2/26/2020

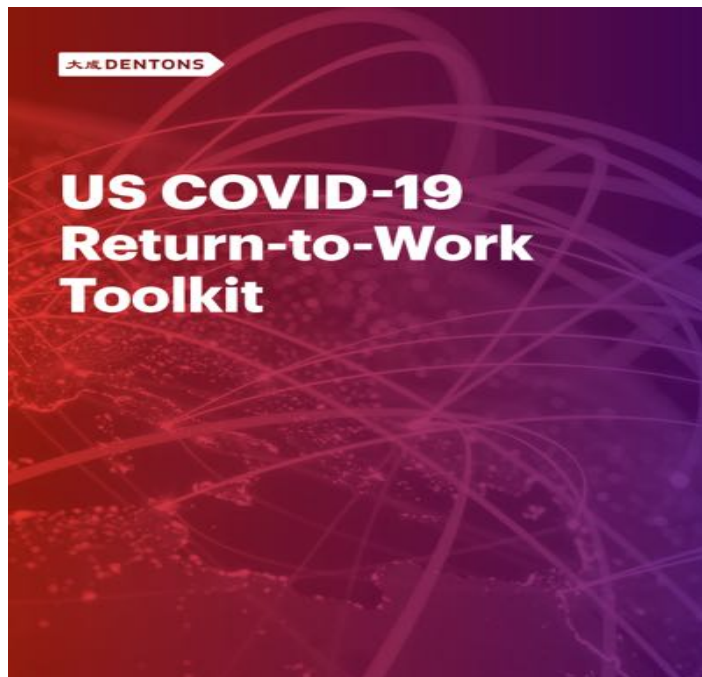
50-State Tracker

- Includes:
 - Reviews of US state and local governmental orders
 - Directives and financial assistance
 - Official links
 - Public restrictions
 - Health and business directives
 - School closures
 - Updates on courts and legislative sessions
- Download the tracker [here](#).



The image shows a screenshot of a spreadsheet titled "COVID-19 - 50-State Tracker" with the A&DENTONS logo in the top left corner. The spreadsheet is organized into columns for different states and categories of information. The columns are labeled with state names: ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, HAWAII, ILLINOIS, INDIANA, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGINIA, WASHINGTON, WEST VIRGINIA, WISCONSIN, WYOMING. Each state column contains a list of links and text related to COVID-19 updates, such as "Alabama State of Emergency", "California Executive Order N-94-2020", etc. The spreadsheet is a comprehensive resource for tracking state-level COVID-19 responses.

Return-to-Work Toolkit



COVID-19 Problem Horizon

Problem Horizon

Immediate

- Immediate liquidity pressure
- Assess need & consequence of government funding

2–4 Weeks

- Covenant violations
- Timing & amount of government funding and forgiveness
- Vendors demand COD
- Customer collectibility

1–2 Quarters

- Customer credit issues
- Debt restructure
- Analyze other sources of capital
- Evaluate forecasted demand & potential reduction in force

1–2 Years

- Potential for slow, long-term growth with muted global recovery

New Normal

- Market segment shift

Planning Horizon

- The COVID-19 crisis and subsequent recovery will trigger a series of problems that will unfold over set time horizons.
- While the unique problem horizons for each company will vary, businesses, creditors and investors must plan across multiple time horizons now.
- The planning horizon should not only include critical business planning steps addressing customers, vendors, employees, inventory and financing options but also should embed scenario planning capabilities to analyze a changing set of business-specific and business environment changes.

Financial Recovery Planning

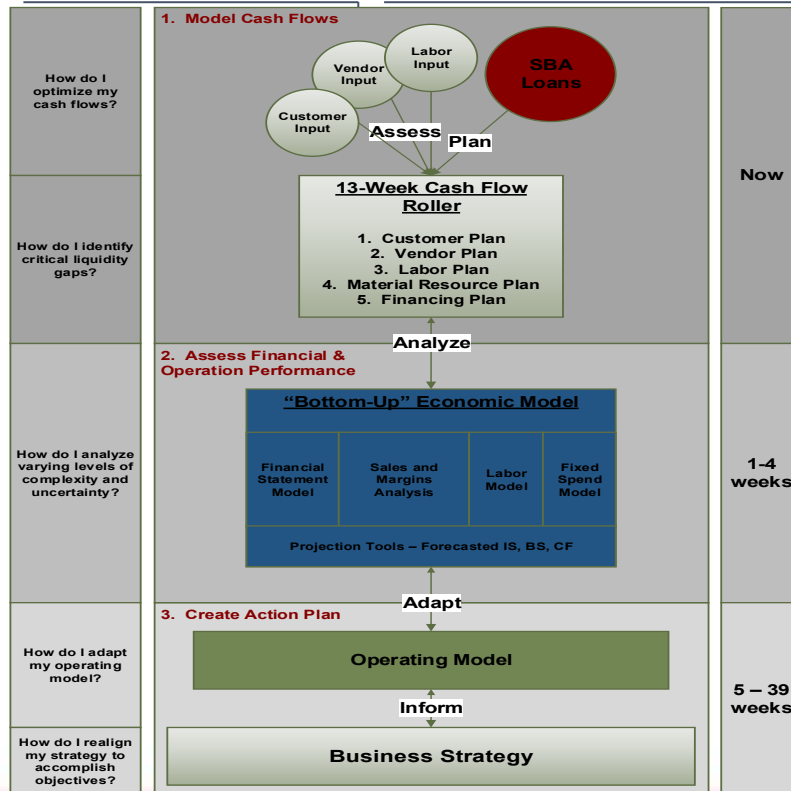


- Develop 13-Week Cash Flow Roller, considering
 - Collection risk and customer terms
 - Critical suppliers and vendor terms
 - Headcount sensitivity
 - Material & inventory requirements
 - Discretionary expenditures
 - Short-term & long-term Liquidity options

- Assess Organizational Performance
 - Sales & Marketing
 - Product Development & Engineering
 - Operations & Production
 - Finance
- Construct “Bottom-Up” Economic Model
 - Sensitivity of Mix and Volume changes on Key Performance Drivers
 - Impact of Headcount and Cost Reduction initiatives
 - Sensitivity to Working Capital changes
- Build Forecasts & Projection Tools

- Recommend Short-Term Action Plan
- Adapt Operating Model
- Realign Business Strategy
- Enhance Business Model
- Establish and Benchmark against Execution Milestones

COVID-19 Business Planning Framework



1. Model Cash Flows

- Construct a 13-week cash flow roller to identify critical liquidity gaps.

2. Assess Operational & Financial Performance

- Understand operations by function through inquiry and analysis of the company's current structure
- Analyze historic operational performance and build a "bottom-up" economic model and projection tools to analyze: sensitivity of mix and volume changes on key performance drivers, impact of headcount and cost reduction initiatives and sensitivity to working capital changes

3. Create an Action Plan for Recovery

- Perform scenario planning to adapt operating model to realign business strategy based on identified opportunities and risks

Identify Risk & Opportunity





What to Consider in Enacting and Managing Your Return to Work Strategy

ACG[®] Kentucky
Association for Corporate Growth

Sushma Tripathi

VP Workforce Strategy and Compliance, ADP, LLC

What key considerations are there for HR during reopening?

- Continue to allow remote work wherever possible to keep your employees safe
- Consider the logistical challenges, e.g. maintaining proper social distancing, consider flexible work hours, including staggering weeks in office and at home
- Review and update employee's job descriptions to address changes in job duties and essential job functions
- Evaluate and update technology to support both onsite as well as remote workforce including pros and cons of long-term cost savings for permanent remote work
- Partner with employee relations and legal department to review any potential for discriminatory practices



What key considerations are there for HR during reopening? (continued)

- Be compliant with local, state and federal orders and guidance
- Train employees on new policies including safety measures, protocols and rules, establish governance to ensure safety and compliance
- Manage employee absences and leave cases, while complying with wage and hour laws, administered by ADA, DOL, EEOC, etc.
- Establish a multi-disciplinary team for developing, implementing, monitoring and governance of your return to work plan
- Designate a Safety Manager or return-to-work leader
- Communicate regularly with employees, gather feedback and make sure they know about the actions you're taking to respond to their feedback in keeping them safe

How do you handle an employee's refusal to return?

Step 1: Determine the reason

Step 2: Is the employee entitled to stay home pursuant to a state or local order?

Step 3: Is the employee entitled to leave pursuant to the federal law (FFCRA or FMLA)? State or local law?

Step 4: Is the employee entitled to leave as a reasonable accommodation under the ADA because of a disability (physical or mental)?

Step 5: Does the employee have any company PTO/sick/vacation time that could be used?

Step 6: If none of the foregoing are applicable, engage in an interactive process regarding the reason and consider reasonable alternatives.

- Is remote work possible?
- Flexible schedule? Unpaid leave?

Step 7: Refusal to return where there is no protected reason, could result in dismissal

How Will The Workplace Change After COVID-19?

Organizational agility and business resiliency is key, organizations that are seen as doing the right thing by their employees, will earn priceless capital in the form of strengthened employer brand and employee loyalty.

Onsite workers: New workplace policies and practices

- Maintain social distancing and sanitation, i.e. avoid touching shared surfaces
- Will workstations be spaced differently?
- What is the requirement on the use of PPE? Employees and visitors?
- Will PPE be made available by the employer?
- New rules for elevators, use of common spaces, printers, cafeterias, one-way hallways, any limits on visitor access to office sites,?
- Plan for continuous maintenance / cleaning protocols?
- What is the process and protocol to address individual employee requests?

Remote workers: New telework policies and practices

- Virtual meetings, events etc.
- Interaction with customers – need to strike the right balance
- Set boundaries on work schedule, allow for breaks
- Employee well-being -- social distancing does not mean social isolation, show empathy and understanding, recognize the impact of isolation
- Stay connected for regular check-ins and allow teams to connect with one another
- Raise awareness – Telehealth, EAP, communicate benefits, website links and phone numbers

Consider updating or revising your policies and procedures

- Accommodations (ADA)
- Attendance and leaves
- PTO / sick / vacation
- Start and stop times (staggered start times / days in the office)
- Off-the-clock work, meal and rest periods
- PPE requirements (company supplied or bring your own)
- Diagnosis and exposure response protocol
- Security
- Privacy
- Dress code
- Flexible worksites (e.g., telecommuting)



Next steps

Communicate and educate your employees.

- Understand and follow the laws that apply to your business
- Evaluate your policies, practices, compliance and business risks
- Ensure policies are up-to-date and available to employees and managers
- Continuously monitor CDC, and other health agency guidance
- Stay tuned for future updates



Key Distressed Acquisition Structures

- Asset Acquisition
- Purchase from Foreclosure Sale
- Purchase Debt/Loan to Own
- Buy from Receiver or Assignee for the Benefit of Creditors
- Section 363 Bankruptcy Purchase
- Chapter 11 Plan
- Modified Equity Purchase

Finding Distressed Business Sale Opportunities - Active Diligence and Networking

- For Strategic Buyers
 - Know your Competitors – their financial strength, key assets and business lines
 - Look for Vertical and Horizontal Growth Opportunities
- Develop Networks of Investors – Investment Bankers, Traditional Lenders, Mezzanine Lenders, Venture Capitalist, and Private Equity
- Develop Networks of Specialized Professionals – Restructuring Lawyers and Accountants
- Participate in Industry Groups – Network
- Call-Mail-Call