IT Best Practices for Building COVID-19 Resilience

The pervasive presence of IT in nearly all operations warrants continued and decisive leadership attention as portfolio companies and support businesses address the impacts of COVID-19. Building resilience to get through the pandemic and beyond involves focusing on three key areas:

Liquidity Management

Align ERP/financial systems processes, configurations and outputs to optimize 13-week cash flow forecast utilization.

- Adjust anticipated customer-specific invoice aging and collection terms/timing.
- Adjust supplier-specific invoice aging and payment terms/timing.
- Identify and limit any/all automatic purchase or automatic payment arrangements.
- Deploy and enforce more rigorous invoice payment approval rules/roles/routings.
- Revise department/function-specific forecasts and budgets to account for cash preservation objectives.

Review IT vendor services/contracts to identify and prioritize essential services/support and rationalize non-essential functions.

- Suspend non-essential IT capex projects and related services.
- Suspend or discontinue non-essential IT opex services/support.
- Renegotiate all licenses, services and support:
  — switch to concurrent vs. seat licenses wherever possible;
  — consolidate and/or bundle IT services to enable reduced services/costs; and
  — negotiate with common IT license and service providers across portfolio companies.

FTI CONSULTING™

Risk Mitigation

Ensure that heightened work from home (WFH) cybersecurity protections are in place, tested and functioning.
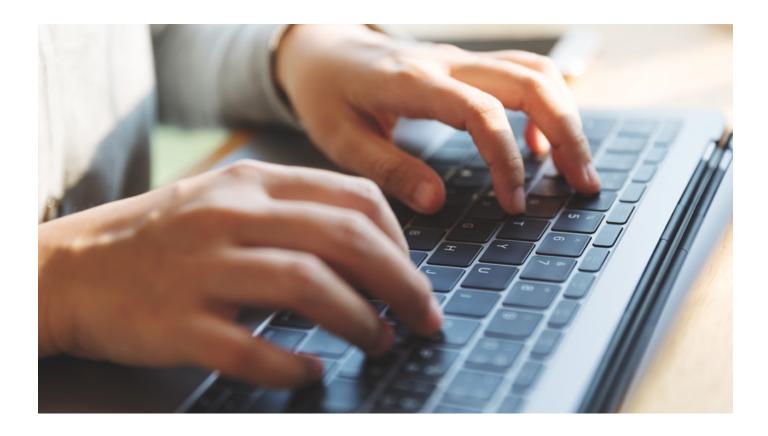
- Stay current on potential security threats.
- Provide training on best practices, policies and procedures.
- Implement and utilize secure video platforms.
- Implement personal device security measures for WFH (e.g., dual authentication).

Ensure disaster recovery (DR) and business continuity (BC) plans and procedures are tested and functioning.

- If not formally created and documented, create and test DR/BC plans.
- Communicate with service providers to confirm capabilities and service-level agreements.
- Update testing procedures, response plans and response procedures.

Ensure HR policies and procedures are synchronized with and supported by IT.

- Maintain staff communication and engagement to prevent isolation.
- Provide updates regarding disruptions, furloughs, etc., arising from changes in protocols and/or responsibilities.
- Ensure HR changes and furloughs are reflected in account/access privileges and/or deactivations, (e.g., Active Directory, e-mail and desktop applications, corporate applications, underlying data, electronic documents).

FTI CONSULTING™

Additional Functional IT Areas

Streamline employee WFH interaction capabilities.

- Provide remote access to document-sharing repositories.
- Provide automated workflow management tools and techniques to facilitate remote document retrieval, sharing, review and approvals.
- Redeploy IT staff from non-essential activities to liquidity management, risk mitigation, cost-saving and remote working activities, as identified herein.

Enable remote work, improve process efficiency and reduce transaction processing costs through electronic/digital capabilities.

- Implement document scanning, optical character recognition (OCR), digital storage, application program interfaces (API) and electronic banking for:
  — customer invoice generation, billing, accounts receivable collections and cash application; and
  — supplier invoice coding and approval, accounts payable processing and payment.

Employing these IT best practices to enhance liquidity and cost management, mitigate operational and cybersecurity risks, and implement or leverage technology will unlock opportunities for portfolio companies to be more effective in the current environment and the post-pandemic period.

JOHN STIFFLER
Senior Managing Director
+1 847.507.7617
john.stiffler@fticonsulting.com

GARY JACOBS
Managing Director
+1 914.260.2851
gary.jacobs@fticonsulting.com

MUKESH SHAH
Managing Director
+1 610.659.8897
mukesh.shah@fticonsulting.com

Learn more at fticonsulting.com/covid19

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. ©2020 FTI Consulting, Inc. All rights reserved. **www.fticonsulting.com**

FTI CONSULTING™