

Practical Steps to Help Manage COVID-19 Market Volatility

The issues posed by the COVID-19 pandemic are unprecedented, yet some of the market volatility created by the current crisis is something that our Business Restructuring Group has worked through many times before. Our substantial work during the “Great Recession” and similar downturns has provided us with insights into the types of practical measures that can be taken to mitigate the dramatic impact the pandemic is having on the business and lending environment. Our message to you is simple, businesses are often able to do more than they realize to proactively manage and minimize this type of risk. It is especially true of the current situation, when it is not clear when normal operations are likely to resume.

We recommend considering the following practical steps to help manage this complex, uncertain and rapidly evolving situation:

- Managing working capital to release liquidity and preserve cash flows
- Evaluating the supply chain and engaging in scenario planning
- Managing, and negotiating with vendors and creditors, including reviewing contractual rights and assessing force majeure clauses
- Customer account analysis and management.

All businesses, even businesses which are in demand at the present time, are being deeply affected by a very troubling situation. The pandemic is affecting all aspects of the supply chain. Despite this, it is possible to proactively negotiate and modify agreements with your lenders, borrowers, customers or suppliers. Businesses should identify how to benefit as Congress and the states put relief packages and other laws in to effect to help businesses and individuals. What is clear is that managing through these difficult and complex times will almost certainly require the assistance of counsel.

Dinsmore’s Business Restructuring Group across the US has deep expertise and acts as trusted advisors to a broad range of participants in the restructuring industry – including debtors, creditors, financial institutions and lenders. Our national team of professionals is also complemented by the expertise of more than 650 other attorneys located throughout our 27 offices. Contact details for our core team members are listed below. Please feel free to reach out to any of them if they can be of assistance.



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COVID-19 Business Strategies Hub

In an ongoing effort to help business leaders sort through information regarding the COVID-19 pandemic, we have created a user-friendly hub with updates, insights, and best practices. On our hub, you will find articles to help you prepare and respond to the legal, regulatory, and commercial implications of this pandemic. For specific questions regarding your business situation, please contact your Dinsmore attorney.

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