

# Adaptability in the Wake of COVID-19

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Within a matter of months and with virtually no industry excluded, behaviors, routines, and business models have been disrupted as a result of the COVID-19 pandemic. Companies and their leadership teams are making decisions today that will critically impact the future of their businesses, their employees, and society at large. Companies with cultures willing to embrace change, business models that can adapt quickly, and organizations with the liquidity to be nimble while remaining focused on the long-term will be in the best position to withstand the crisis and lean into the opportunities it may present.

Until several weeks ago, companies were executing on and investing capital in their long-term strategic plans. In the wake of the coronavirus pandemic, many of the assumptions and expectations underpinning those plans have become obsolete.

Effective management teams will discern how to adapt their strategic plans to the changing circumstances, where to stay the course despite short-term pressures, and when to accelerate a strategy to capitalize on new opportunities to better serve their customers.

Liquidity plays an important role in providing companies the resiliency they need to weather this storm. Companies with healthy balance sheets and a flexible capital structure are better positioned to withstand negative financial impacts and make decisions that best serve the organization and its employees over the long-term. Financial flexibility also allows leadership teams to focus on the critical needs of their customers, develop creative solutions to meet additional needs, and further strengthen their relationships going forward.

While the situation is evolving rapidly, we have already witnessed several examples of companies responding quickly to serve their customers through the disruption.

Amedisys (AMED), a leading provider of home health, hospice, and personal care services, is preparing for an increase in demand for its services as hospitals look to discharge certain patients earlier to free up capacity for COVID-19 cases. To adapt for this demand and to

continue serving its patients which are dependent on their care, Amedisys has implemented a host of new home visit safety protocols and has promptly sourced additional personal protective equipment (PPE) for its thousands of skilled nurses and therapists. Amedisys has also set up "virtual care centers," allowing the company to provide care remotely and minimize in-person visit cancellations by patients wanting to avoid contact in their home. These virtual offerings have also given Amedisys the flexibility to continue utilizing staff members who have proactively self-quarantined but show no symptoms.

Ecolab (ECL), a global provider of cleaning and sanitation solutions to a variety of industries, has seen a spike in demand from its healthcare and food & beverage manufacturing customers, and a significant decline in demand from the restaurant and hospitality industry. Through heightened process protocols, the company has maintained and enhanced its production capabilities to further serve its customers with its critical products. Investments into digital capabilities, such as remote service and e-commerce functions, will complement its entrenched field associates, benefitting Ecolab and customers in the long run. Equipped with a strong balance sheet, Ecolab is helping customers by reducing select fixed payments temporarily while maintaining high service capacity to help those customers open their stores quickly once the pandemic subsides.

ServiceNow (NOW), a cloud-based digital workflow software company, announced in mid-March multiple new applications to help its customers in the public and private sectors manage complex emergency response workflows. The first application was launched in collaboration with the Washington State Department of Health and gives state and local government agencies real-time visibility into resource allocation during emergencies, replacing a labor-intensive and error-prone process. Through its agile innovation, the company also quickly launched additional workflow applications to help companies track and trace employees who may be infected or exposed.

Companies and their leadership teams will be tested greatly over the coming weeks, months, and even years as the world processes the changes resulting from COVID-19. Riverbridge is committed to seeking adaptable companies that not only minimize the damage in a crisis, but provide creative solutions and spur new innovations to help their customers, employees, and businesses become stronger on the other side.

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