

April:

## DYNAMIC, FORCED DIVERSIFICATION

These are not normal times. A classic diversification program is strategic in its creation. It represents a management-devised internally crafted plan for continued growth.

In this case, COVID-19 arrived suddenly and externally. It has imploded into our economy, carrying its impact into all aspects of our lives. Every manufacturing and service business has been hit in one way or another. Three impact areas are particularly noteworthy:

- The employees: Their lives have been altered both domestically and in the office. Many now work from home - a trend that will likely continue.
- Products: Customer demand for longstanding goods and services may have lessened in various intensities. But new opportunities are rapidly emerging in such fields as entertainment, food distribution and healthcare.
- Profitability: In the short term, this coronavirus has had negative influence on all but a few companies. The prime impact has been financial, notably cash flow, receivables, and overall financial stability.

This virus format illustrates yet another of the many ways diversification can impact. Next month's topic will focus on this particular aspect of diversification.