



Recovery Planning: Being Strategic Even Through a Pandemic

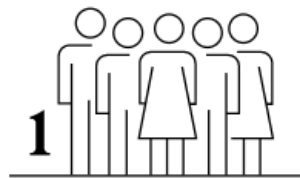
July 28, 2020 – 11 am
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Vice President – Main Street America

ORGANIZATIONAL RECOVERY...HOW TO MOVE FORWARD

Exhibit 2

Companies need to think and act across five horizons.

The five horizons



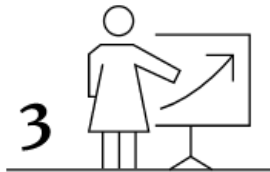
Resolve

Address the immediate challenges that COVID-19 represents to institution's workforce, customers, technology, and business partners



Resilience

Address near-term cash-management challenges and broader resiliency issues during virus-related shutdowns and economic knock-on effects



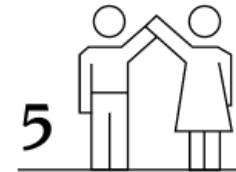
Return

Create detailed plan to return business to scale quickly as COVID-19 situation evolves and knock-on effects become clearer



Reimagination

Reimagine the next normal: what a discontinuous shift looks like and implications for how institutions should reinvent



Reform

Be clear about how regulatory and competitive environments in industry may shift





REIMAGINATION

Informed by:

- Trends
- Customer Interface (Existing and Untapped)
- Competition
- Value Proposition – What Makes Us Unique in the Marketplace?
- Skill Assessment

SUMMARY: BE THOUGHTFUL IN RECOVERY – NO TIME TO SIMPLY FOLLOW – BE STRATEGIC



PLANNING FOR RECOVERY: AN OVERLAY TO THE MAIN STREET APPROACH

Inputs

- ✚ Resident/consumer recovery survey
- ✚ Business recovery interviews
- ✚ Existing Transformation Strategies
- ✚ National trends from COVID
- ✚ Local, state, and national guidelines



Outcomes

- ✚ Recovery activity dashboard
- ✚ Advocacy & messaging
- ✚ Metrics

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STEP 1 – UNDERSTAND THE INPUTS

- + **National Trends**
- + Resident/Consumer Surveys
- + Business Recovery Interviews
- + Existing Transformation Strategies
- + Local, State and National Guidelines

COVID-19 – GENERAL CURRENT STATE

- + The pandemic has both created new trends and GREATLY accelerated existing trends in all sectors of society.
- + Economy vs health – Economy has won and we will need to figure out how to balance as new norm until vaccine is found.
- + Lack of certainty on many fronts: Individuals, Businesses, Civic and Government institutions operating in the grey. Which means there is an intensified need for agility, entrepreneurial thinking, speed, and willingness to fail.
- + Recovery is seemingly rolling, and thus Recovery is somewhat defined by a constant state of the unknown at this point. And what looked like a 3-6 month timeframe is likely to encroach on holiday shopping.
- + If you were an underperforming business and/or organization your demise was likely accelerated as well.

COVID19: CONSUMER DRIVERS FROM STAY AT HOME ORDERS

- + On average it takes 66 days for people to form a new habit... but can range from only 18 days to 264 days. *Stay at home, social distancing, and virus worries have been present in our lives since roughly 2 months.*
 - How we shop has obviously changed...Amazon, WalMart, and Costco are at their stock prices due to ecommerce
 - People are getting used to delivery – Even for groceries
 - Hyperlocal Opportunities at Scale
 - Return to rural and suburban areas
 - Yearning for nature and outdoors (trails, parks, etc)
 - Political division has the potential to now divide our downtowns – Concern about how not to get drawn in
- + We have learned to cook...Food away from home (ie. Restaurants and Bars) will undoubtedly reverse course away from its peak sales last year even after reopen.
- + Tourism shifts....more staycations, more trips by car, more Airbnb rural less so urban
- + A rush to rural....people are already at their vacation homes...will they go back?
- + Self sufficiency movement (backyard gardens, minimalism, etc)

ECONOMIC AND GOVERNMENT DRIVERS

- + Productivity gains from working at home...up nearly 25% - Remote work here to stay
- + Less business travel as companies see the technology can work
- + Consumerism takes long-term hit:
 - Mass layoffs (42+ million and rising) will impact spending in the short-mid term
 - Household savings rates at 13%, doubling over the past 8 weeks
- + 9,700 national retailers last year, 3,000 announced already prior to Covid19 and more bankruptcies in the works – eg J CREW
- + State and Local Government spending shifts to public health, health care, human services, and unemployment
 - 2nd Wave will be schools, workforce, etc.
 - 3rd Wave will be economic development, housing, etc
- + Likely small group formation in non organized downtowns once communities “visualize” the fall-out. Where will they turn?

STEP 1 – UNDERSTAND THE INPUTS

- + National Trends
- + Resident/Consumer Surveys**
- + Business Recovery Interviews
- + Existing Transformation Strategies
- + Local, State and National Guidelines

RESIDENT/CONSUMER SURVEY

- + Human psyche regarding responses to shopping downtown will be influenced by both personal and environmental conditions, which lead to habit formation. For example, have you grown used to being able to swing past your favorite downtown restaurant and have them bring your food out to your car? Have runs through the downtown and your local park taken the place of a treadmill at the gym?

We suggest that you use a survey platform like Survey Monkey and engage social media, local partner organizations, and the media to distribute the survey link.

- + Analyze the responses for key trends that help you to better understand their shopping needs, concerns, and opportunities that can be addressed through your Main Street *Forward* Recovery Work Plan.



"Supporting Small Businesses through the COVID-19 Recovery"
Survey Questions for Community Residents and Consumers

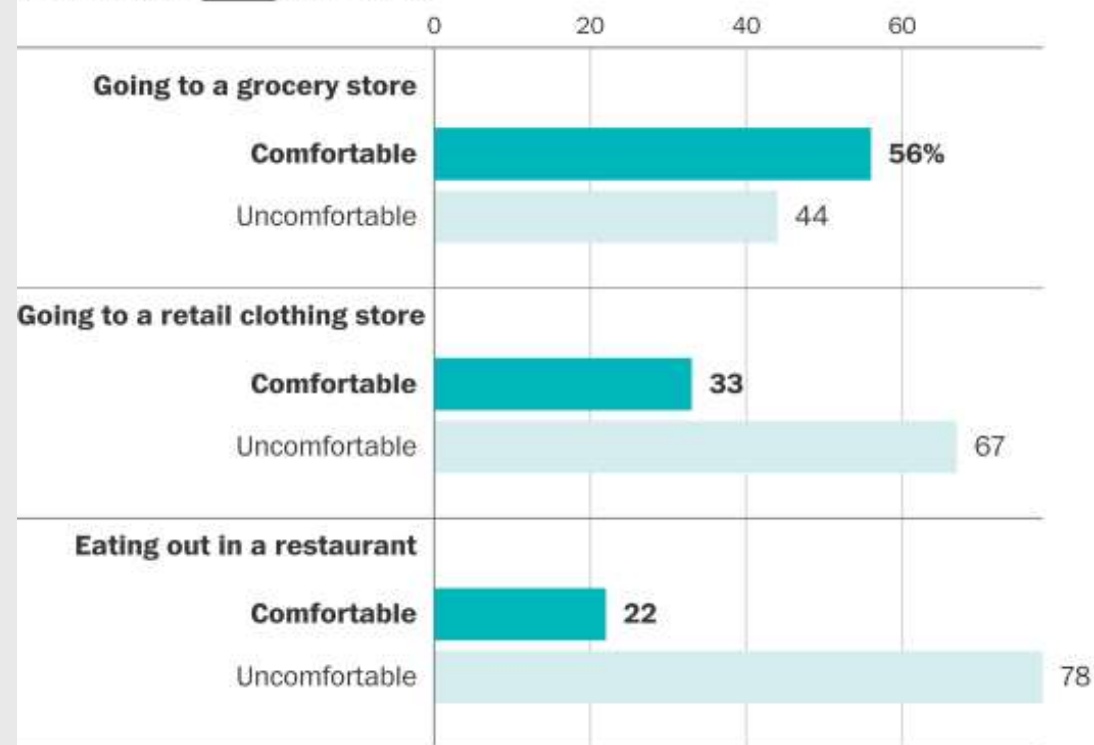
1. As the recovery from the COVID-19 crisis proceeds, how long did/will you wait before dining out?
 - I dined out as soon as local restaurants reopened.
 - I waited a few days after local restaurants reopened to dine out again.
 - I waited a few weeks after local restaurants reopened to dine out again.
 - I waited a month or two after local restaurants reopened to dine out again.
 - I haven't yet dined out in local restaurants, but I will likely start dining out again within the next week.
 - I haven't yet dined out in local restaurants, but I will likely start dining out again within the next few weeks.
 - I haven't yet dined out in local restaurants, but I will likely start dining out again within a month.
 - I haven't yet dined out in local restaurants, but I will likely start dining out again within a month or two.
 - I haven't yet dined out in local restaurants, but I will likely start dining out again within a few months.
 - I haven't yet dined out in local restaurants, and I will likely wait more than a few months before dining out again.

Visit mainstreet.org under Main Street Forward for sample consumer survey tool.

WASHINGTON POST/U OF MARYLAND SURVEY

A majority is comfortable going to a grocery store now; larger majorities are uncomfortable going to stores or eating out

Q: Regardless of current restrictions in your area, would you feel comfortable or uncomfortable _____ at this time?



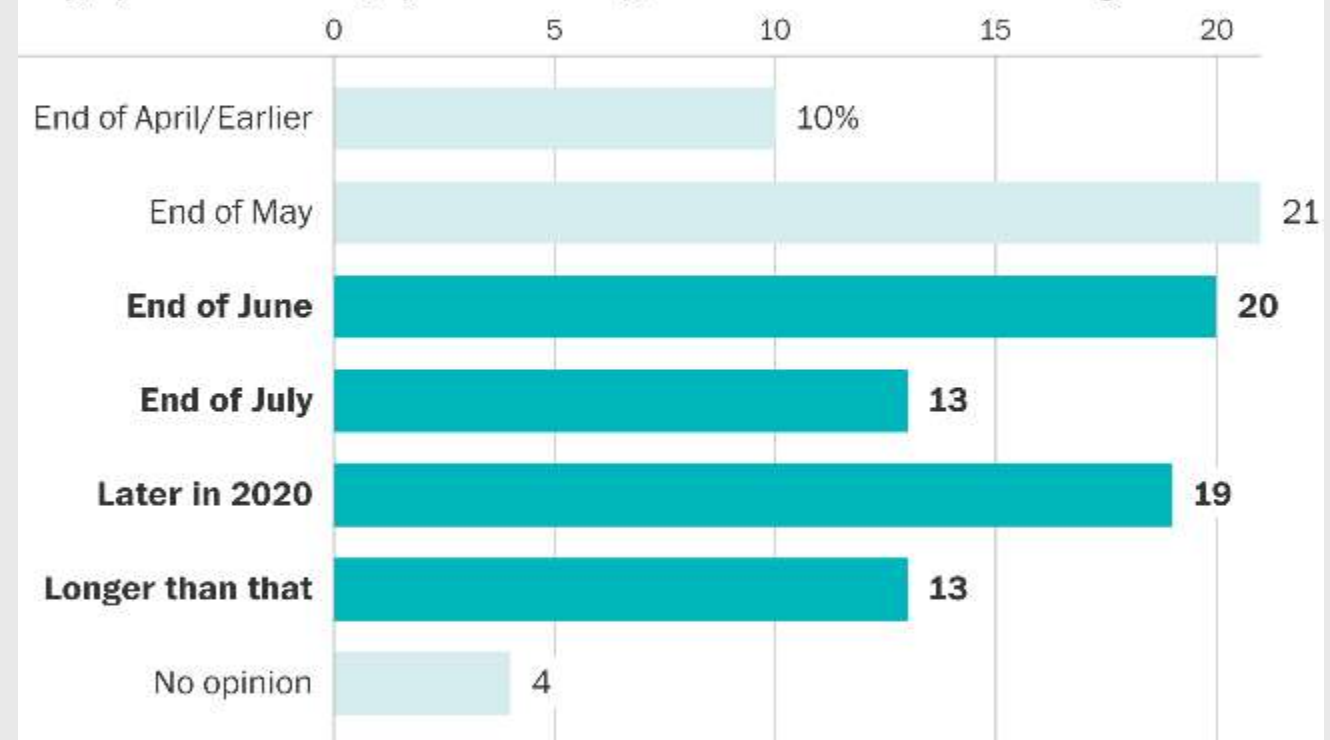
Note: "No opinion" not shown.

Source: April 28-May 3, 2020, Washington Post-U. Md. poll of 502-503 U.S. adults with a margin of sampling error of +/- 5 percentage points.

EMILY GUSKIN/THE WASHINGTON POST

Most Americans doubt gatherings will be safe until at least summer

Q: When do you expect the coronavirus outbreak to be controlled enough that people can safely attend gatherings of 10 or more people? By the end of April, by the end of May, by the end of June, by the end of July, later in 2020 or will it take longer than that?



Source: April 14-19, 2020, Post-U. Md. poll of 1,013 U.S. adults with an error margin of +/- 3.5 percentage points.

EMILY GUSKIN/THE WASHINGTON POST

MICHIGAN CONSUMER PSYCHE SURVEY RESULTS

	Lapeer	Milan	Owosso	Saline	Howell	Blissfield	Average
2. Once the stay at home order is lifted, do you think you'll feel comfortable shopping local businesses?							
Yes	58.90%	68.60%	63.95%	69.10%	71.43%	68.90%	66.81%
No	23.50%	31.30%	26.78%	30.80%	28.57%	30.70%	28.61%
Other - I would like to answer with a reason	17.20%						17.20%
No answer	0.40%	0.20%		0.10%		0.40%	0.28%
3. Once the stay at home order is lifted, do you think you'll feel comfortable dining Out?							
Yes	40.70%	43.30%	48.18%	43.90%		44.40%	44.10%
No	39.70%	56.60%	34.15%	56.00%		55.20%	48.33%
Other - I would like to answer with a reason	19.30%		17.67%				18.49%
No answer	0.30%	0.20%		0.10%		0.40%	0.25%
4. What dining experience would you prefer in the months after businesses reopen?							
Regular Dine-in Service	48.00%	33.00%	53.02%	32.10%		34.70%	40.16%
Reservation Only Service	20.30%	10.70%	27.64%	13.40%		10.20%	16.45%
Private Events	3.90%	0.30%	4.79%	0.70%		0.40%	2.02%
Curbside pick- up or carryout		48.20%		42.20%		46.30%	45.57%
Other (Please specify)	27.10%	7.70%		11.30%		8.00%	13.53%
No answer	0.80%	0.20%		0.20%		0.40%	0.40%

- Differences in Non Food to Restaurant Retailing
- Business Model Shifts
- Media and Political Influences
- Personal Safety Concerns
- Social Distancing Norms

	Lapeer	Milan	Owosso	Saline	Howell	Blissfield	Average
5. Would you prefer to see curbside options for restaurants to continue?							
Yes	90.60%	94.80%	90.23%	93.40%	91.98%	93.90%	92.49%
No	9.00%	5.10%	9.77%	6.00%	8.02%	5.70%	7.27%
No answer	0.50%	0.20%		0.60%		0.40%	0.43%
6. Will you expect all business staff to wear face masks?							
Yes	61.30%	69.80%	58.43%	75.10%	76.85%	70.40%	68.65%
No	38.50%	30.10%	41.57%	24.70%	23.15%	29.20%	31.20%
No answer	0.20%	0.20%		0.20%		0.40%	0.25%

BUSINESS RECOVERY INTERVIEWS



Small Business Interview Questions

- What are your plans for reopening your business in terms of timing, phasing, and scale? (e.g., Will you reopen as soon as legally allowed? Do you plan to operate at full capacity right away, or will you scale up as time goes by and the COVID-19 situation improves?)
- Moving forward, how will you adapt your business operations in response to COVID-19 and its associated impacts? (e.g., Delivery? Curbside pickup? E-Commerce? Inventory Shifts?) Did you already adapt your business operations during the temporary closure? If so, how did those adaptations affect your revenues and operations?

Visit mainstreet.org under Main Street Forward for sample business interview tool.

- + The attitudes of small business owners have also changed, and thus the support they need in a recovery will depend on a number of factors, including how they feel about existing safety guidelines, employee safety, consumer safety, liability issues, and business model shifts, such as increases in e-commerce, delivery, and pick-up strategies.
- + We recommend an interview format as you can dive deeper into your understanding of issues, which, due to the amount of survey data available, is likely more informative at this point. Be sure to also consider interviewing a highly representative sample of your businesses.
 - For example, select 10 businesses that represent a variety of length of time in business, diversity in gender, age, and ethnicity, as well as diversity of business types.

MAIN STREET FORWARD

- + National Trends
- + Resident/Consumer Surveys
- + Business Recovery Interviews
- + **Existing Transformation Strategies**
- + Local, State and National Guidelines

EXISTING TRANSFORMATION STRATEGIES

- + One of the fundamentals that remains part of previous work plan efforts is the need to be market-based.
- + As you consider your recovery activities, be thoughtful about activities that can be directed to support your selected Transformation Strategies.
- + For example, if your district's market niche was geared to support residents downtown, be sure to direct additional resources and activities that are recovery-related in support of your primary targets and the small businesses that further strengthen those markets.
- + For some districts, shifts due to COVID-19 may cause you to rethink your initial Transformation Strategies.
- + More details on understanding your market and developing Transformation Strategies can be found in [here](#).

LOCAL, STATE AND NATIONAL GUIDELINES

- + The last input as you are designing your Main Street Forward Recovery Work Plan is to consider any restrictions and guidelines imposed at each policy level.
- + For example, if guidelines on gatherings of more than 10 people are in place or occupancy levels in retail and restaurants, more considerations will be needed as to any special event plans or even short-term design assistance programs for store layouts.
- + Consider industry guidelines as well to work with specific retailers as part of your plan.



Reboot Kit: How to Reopen Your Fitness Business Post COVID-19



STEP 2 – WORK PLANNING



PLANNING FOR RECOVERY: AN OVERLAY TO THE MAIN STREET APPROACH



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STEP 2 – PLANNING “VIRTUAL” PROCESS

Webinar 1 – Facilitated meeting with Board and staff to review the survey and recovery interview findings. Dialogue about their meaning, how it relates to national trends, and local reopening guidelines. (1.5 hours)

Webinar 2 – Facilitated meeting with Board and staff to evaluate current workplan for activities that should remain short-term to address COVID-19 recovery, and then construct key goals within each of the Four Points. These goals will serve as the framework for Four Points meetings. In addition, review any known activities by partner organizations. (1 hour)

Webinar 3 – Facilitated meeting with Organization group (this may be a committee, task force, loose cadre of individuals) to review activities identified as relevant given COVID-19 recovery and address new activities conforming to the goals identified by the Board. (1 hour)

Webinar 4 – Facilitated meeting with Promotion group (this may be a committee, task force, loose cadre of individuals) to review activities identified as relevant given COVID-19 recovery and address new activities conforming to the goals identified by the Board. (1 hour)

Webinar 5 – Facilitated meeting with Design group (this may be a committee, task force, loose cadre of individuals) to review activities identified as relevant given COVID-19 recovery and address new activities conforming to the goals identified by the Board. (1 hour)

Webinar 6 - Facilitated meeting with Economic Vitality group (this may be a committee, task force, loose cadre of individuals) to review activities identified as relevant given COVID-19 recovery, and address new activities conforming to the goals identified by the Board. (1 hour)

Webinar 7 – Facilitated meeting with Board, staff and Committee/Task Force Chairs to review finished “Recovery Dashboard” and discuss advocacy messaging and metrics. (1 hour)

WORK PLANNING ACTIVITIES TO CONSIDER

+ ORGANIZATIONAL SHIFTS

– Shifts in How We Work and Communicate

- Technology Use and Training to Manage Meetings and Communicate with Members and other Key Stakeholders
- Continuing shifts to project teams and task forces versus standing committees

– New Partnerships and Potential Board Members

- Community colleges...during times of high unemployment, community college/technical college enrollments will skyrocket.
- Emergency Response and Public Health Officials

– Shifts in Resources

- Promotion Sponsorships to Operation Sponsorships
- SBDC Partnerships through CARES Act Funding
- Contracts to Administer Pass Through CARES Act to Small Businesses
- Community Foundations



WORK PLANNING ACTIVITIES TO CONSIDER

+ DESIGN SHIFTS

- **Street “infrastructure” additions:** Hand washing stations along district streets as common as benches, trash cans and bike racks.
- **Redesigning interiors** – smaller footprints (eg. Less seating in restaurants and multiple pop-up options in existing stores; layouts for social distancing)
- **Reclaiming Streets and Push for Trail Connectivity**
 - Permanence to parklets to allow for more outdoor dining to assist restaurants with social distancing
 - Dedicated pick up and delivery spots and lanes



WORK PLANNING ACTIVITIES TO CONSIDER

+ PROMOTION SHIFTS

- Day trips and “staycations” more prevalent – Opportunities to create activities designed to create get-away feelings for locals and regional visitors.
- More niche, highly targeted events to narrow crowds
- Farmer’s markets likely see growth but may require business model shifts (drive through and pick up; CSA style deliveries)
- Inability to host large indoor special events for the short to mid-term
- But may be ability to consider outdoor events if managed

WORK PLANNING ACTIVITIES TO CONSIDER

+ ECONOMIC VITALITY SHIFTS

– **Impacts from Remote Work:**

- Housing Diversity
- Shift from Smokestack to People Recruitment
- Relocation Grants (Tulsa, State of Vermont)
- Co-working space of remote workers reimagined with more individual offices
- Evaluating large office vacancies
- Training and Grants more aligned with needs (it will evolve through recovery)
- Property Owner Rental Leases – less standard leases and move toward percent sales agreements.
- Need to re-envision office spaces



WORK PLANNING ACTIVITIES TO CONSIDER (EV CONT)



- Businesses Needing to Get Back to Fundamentals by Re-examining Their Business Models
 - What should your business model be when you come out of this?
 - Is your current business model viable? If so, how can you hang on until it's viable again?
 - Are there ways you can pivot all of your expertise into a better revenue stream?
- More Entrepreneurship Programming – in times of unemployment we see increases in rates of entrepreneurship

WORK PLANNING ACTIVITIES TO CONSIDER (EV CONT)

+ New Business Opportunities to Examine

- Health and Fitness (we've come to learn about immune systems) but maybe not in gyms and fitness centers but in home tech equipment, bike and run stores.
- Small Scale Production (opportunities for greater e-commerce sales)...think those that may need kitchen equipment with restaurant closures
- Home Gardening and Natural/Organics – Do it yourself....don't get stuck going to the grocery



WORK PLANNING ACTIVITIES TO CONSIDER (EV CONT)

+ New Business Opportunities

- Delivery services for downtown (POSSIBLE Social Venture for Main Street Program to offer as a co-op service)
- Restaurants with Bars make first comeback....Americans likely need outlet and diversion from potential round 2 of virus. Restaurants need to shrink sit-down portion of the business. Create experiential component (cooking classes).
- Many restaurants shifting portion of business to prepared foods to make at home.
- Home Improvement (kitchen and cooking exclusive stores) – Our home time has revealed flaws and greater interest in cooking at home (or need) and home comfort items
- Home Tech – Desks, desk chairs, lighting, etc.

STEP 3 - OUTCOMES



PLANNING FOR RECOVERY: AN OVERLAY TO THE MAIN STREET APPROACH



OUTCOMES - COMPONENTS

- + The final step in developing your Main Street *Forward* Recovery Work Plan is to assemble a list of your program's existing activities that are relevant to recovery, any newly identified activities, and partner organization activities that will contribute to your district's recovery efforts.
- + The products that result from this workplan provide the critical framework of the next 90 days of your work,
 - serve as an advocacy tool for the resources needed to implement your plan,
 - and provide metrics for you to measure what success looks like for your district over this phase of recovery.

OUTCOMES – PRODUCT TEMPLATES



Community COVID-19 Recovery Work Plan Dashboard (Three Months)

Board	Organization	Promotion	Design	Economic Vitality
KEY GOALS:	Current Initiatives:	Current Initiatives:	Current Initiatives:	Current Initiatives:
METRICS:	Partner Initiatives:	Partner Initiatives:	Partner Initiatives:	Partner Initiatives:
ADVOCACY MESSAGING:	Priority of New Initiatives:	Priority of New Initiatives:	Priority of New Initiatives:	Priority of New Initiatives:

OUTCOMES – PROJECT TEMPLATES



Work Plan: [Insert District Name]

Activity:

Lead Committee/ Task Force:

Budget: \$

Event date or project completion date:

Anticipated results/ measures of success:

Chair/ person responsible:

Phone:

Email:

Project team members:

Tasks	Responsibility/ Person or Committee	Timetable	Cost	Revenue	Volunteer Hours	Staff Hours Needed	Progress/ Completion/ Comments Measurements of Success

Total: \$____ \$____

RECOVERY PLANNING – TAKING THE FIRST STEPS

- + Just because we say we are “reopen” doesn’t mean things go back to February 2020. Be thoughtful and strategic in your approach....proclamations and marketing are one piece but others will be needed.
- + Develop your Recovery Plan
- + “Sell” your plan in order to advocate for resources
- + Work with Local and State Officials on recovery measures – there will be task forces established...we need to be positioned as connectors, conveners and as direct service providers to support our communities and business stakeholders. (Advocacy support)
- + Be innovative in your activities...in the short to mid-term we can’t be doing the same things. We will need space for experimentation and entrepreneurial thinking.
- + Avoid the political...Downtowns have always been for everyone, a gathering place for community. Not red, not blue, so respect the differences in how consumers and businesses will approach. Our work needs to be as a resource, connector, educator, provider and convener.
- + Stay well in not only your health, but your spirit. Our collective good energy is much needed.



Q&A
Thanks!

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