

Opinion **Coronavirus**

Dear Boss: in case you wondered what you should do

For one, if you're worried about a Covid-19 cash crunch, consider slicing your salary

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London Bridge at 8.30am on Monday, during what would usually be the rush-hour period © Leon Neal/Getty

Ellen Carr 6 HOURS AGO

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Dear Mr Chief Executive (with apologies to the handful of you I should address as Madam):

Greetings! Amid the [coronavirus pandemic](#), I hope that this correspondence finds you and your family safe and well in your cozy, 10,000 square-foot bunker.

You may remember me: I'm the pesky analyst who raises my hand at conferences to ask awkward questions such as: will you allow your workforce to unionise, and diversify your board beyond your seven golfing buddies? Yes, I'm the environmental, social and governance analyst at my investment management firm and — guess what! — I'm really popular these days.

I thought I'd leverage my new relevance into some crystal clear — hand-sanitiser clear — ESG guidelines that my firm would very much like you to consider as you traverse these trying times.

First, let E = employees. Let them work from home unless their job absolutely requires their presence. Just because your wife stayed at home with your four children doesn't mean that your workers, mothers and fathers alike, are incapable of the multitasking that homeschooling requires.

If you close operations, pay your people during their involuntary vacations, whether they're hourly or salaried. ([Boyd Gaming](#), I'd appreciate more clarity on this. Check out [Wynn Resorts](#): it is paying workers for the duration.)

If you're worried about a cash crunch, consider forgoing your salary. That should cover about 300 employees. And you might politely ask your board of directors to forgo theirs. The reason they're there in the first place is because they are one-percenters. After all, no remuneration could truly reflect their priceless contributions to the day-to-day operations of your company.

S = soap. This one is obvious . . . if you're a manufacturer, make it. (Thank you, [LVMH](#).) If you're a retailer, stock and ship it. If you're a corrections facility, buy it — and, while you're at it, fix the sinks so inmates can actually wash their hands. (Hey, [CoreCivic](#) — although you never made my buy list, maybe this is your time to shine!) If you don't need more, don't stockpile — which segues to:

G = good corporate citizenship. I know, Mr CEO: you're not hoarding soap. But you might be considering the corporate equivalent: drawing down your [revolving credit facility](#). If you all do this [at once](#), banks won't have enough capital to keep the system afloat. Maxing out your revolver probably feels like washing your hands with soap to protect yourself from a Covid-19-triggered cash crunch. (I'm thinking about your decision to do this, [Aramark](#).) But keep in mind that banks will also have to provide ventilators, in the form of debtor-in-possession facilities that bankrupt companies need to keep going in Chapter 11.

Mr CEO, I urge you to think of this as your new carbon footprint. Go easy on [Planet Funding](#) — because every dollar you suck out of the system weakens it. Unlike soap and respirators, which are made by different supply chains, lending is concentrated among the banks who graciously agreed to extend you credit at 3 per cent in better times, assuming you would never need it. And under no circumstances should you issue a terse press release about your revolver draw without also telling investors that your [employees will be paid](#) during closures (good job on this, [L Brands](#) — although I would point out that you already had more than \$1bn of cash on your balance sheet).

I realise this is all a bit different from the last set of demands my firm presented. We absolutely want you to shake up your board, and be more transparent about energy saving targets — and we will hold you to these. But when we are on the other side of [Covid-19](#), I'll remember your emergency ESG behaviour when I come up with my buy list.

Consider your hand virtually shaken.

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