Calls to reopen the US economy are growing, and leading some states to lift stay-at-home restrictions. These calls are led by political and business leaders who are concerned that the impact that the economic shutdown has had on individuals, businesses, communities, and society is causing further harm beyond the threat to health and life that COVID-19 presents.

Senior management and boards will now have to make decisions about when, where, and how to reopen their companies—e.g., the process of opening offices, stores, factories, and warehouses and planning for the resumption of business activities such as nonessential travel and customer meetings. Beyond the challenges of adapting to what the new norms of business may be—from workplaces and public transportation to consumer behavior and the accelerated adoption of technology—companies will need to find a way to reconcile the protection of the physical health of individuals with the financial health of the company and the broader economy.

This will force companies to perform a delicate balancing act between employee, social, and economic concerns. But the continued uncertainty that businesses face may be paralyzing for some executives and boards, not to mention employees. The lack of clear guidance from government, the wide range of possible scenarios, and the magnitude of the risk make the decision to reopen business particularly challenging. Yet all business decisions are a balancing act of actions based on limited information and a range of risks. And so, to help boards think through these challenges, directors, working with their senior management, should consider five questions when determining when to reopen:

1. What are the underlying reasons to reopen?

This recession is unique. Unlike the Great Depression and the 2008 Recession, this recession has not been caused by a systems failure. Economic systems have not broken down during the COVID-19 crisis, but health considerations have demanded that the economy shut down to protect life, which in turn created a crisis in demand. In the gap, new methods of commerce are emerging and have partially compensated for the slowdown in business.

For most companies, the question about reopening is around when, rather than whether, to reopen. While principally driven by health concerns, the urgency around reopening will affect the analysis the board and management use to reach the final decision. Understanding that urgency, and understanding what needs to
happen now as opposed to what could be delayed to a later date, are important considerations as boards think about the path forward. Boards will want to revisit pre-COVID-19 strategic decisions and assumptions and consider whether current initiatives, such as digital transformation, should be accelerated to help ensure success in the COVID-19 world.

Considerations for the board

- What are the financial implications of remaining closed or virtual only versus opening now, versus opening in the next three months, versus opening later? Is our industry or business model such that the reopening costs are high and would create risk if the decision to reopen is reversed? Consider, for example, the airline industry, where airplanes will need to be made flight ready again, staffed, and deployed to begin flying. These activities require a significant financial investment upfront in order to reopen.

- Does reopening allow us to quickly resume revenue generation and strengthen our (damaged) financial position? Do we have clear evidence that customers in our industry are ready to spend again and would reopening better allow us to meet this pent up demand?

- What are the crisis implications to our strategy going forward? Will reopening our business allow us to resume critical functions and strategic initiatives that were stalled or slowed down because of the lockdown?

- What is the company’s relationship with customers, suppliers, and other business partners such as joint ventures or portfolio companies? What decisions are our key competitors making and why?

- What is the current sentiment amongst our workforce? Does management understand the engagement of the employees? Has the idea of reopening been communicated to the workforce and has management received feedback from employees on that possibility?

2. How do we determine what the right time frame is to reopen our business, and what criteria or triggers should we consider?

Commerce is a global phenomenon, but it happens locally—in the store, warehouse, or office. The question of reopening may often be framed as an enterprise-wide proposition, but will more likely be driven by local conditions at respective plants, stores, and offices, and in their surrounding communities. Because of this, companies will need to think locally about the rollout. A plant or facility located in a community that has not seen a peak in COVID-19 cases will likely need to be treated differently than an office in a major metropolitan area. Questions about how employees commute to the office, the concentration of employees at the work site,
and the nature of the work performed will inform the decisions made around when and how to reopen. Complicating these decisions may be conflicting guidance from different levels of government or governments across geographies. The board will have to navigate that guidance and those stakeholders’ expectations.

Considerations for the board

- How can we effectively engage with governments at various levels to understand their reopening expectations, concerns, and guidelines?

- How are we managing competing policies and/or positions emanating from different states and/or municipalities? Do we have a policy or protocol in place to make decisions? Do those policies or protocols differ across geography?

- Is there an outreach and communications plan in place? What is our plan in the event we receive negative publicity for reopening?

- Is the company’s supply chain functioning? Are customers ready to purchase goods and services?

- If the company is subject to the Defense Production Act (DPA), which specific parts of the business are subject to the DPA? Which parts of the business can return to core activities? How would that impact core operations?

- If the company is an essential business, what impact would bringing nonessential elements back online have on essential operations?

3. When we decide to return to work, how can we best protect the health of our employees?

As this crisis has unfolded, companies rightly put the health and safety of their employees, customers, and communities first. Unfortunately, due to the unforeseen magnitude of the pandemic, essential employees were often put in the position of working without the appropriate personal protective equipment (PPE) and without adequate prevention standards in place. There is a need for a thorough review by companies to ensure that essential employees will be well protected going forward.

For a reopen to be successful and sustainable, the health and safety of nonessential employees, customers, and communities must also be addressed effectively. Ultimately, this protection will be built upon the foundation of widespread testing and monitoring of individuals, which presently is not available. In the interim, guidance from the Centers for Disease Control and Prevention and from public health experts suggests standards such as social distancing, face coverings, and other individual practices to prevent the spread of COVID-19.
4. What are the ethical and legal issues that we must take into consideration?

The question of whether it is safe to return to the office, store, or factory follows an equally important question: who sets the standards and is responsible for defining “safe” in a COVID-19 world? While many would argue that clear guidelines from government would be the most scalable approach, that guidance has been inconsistent across regions and in some cases there is no guidance from government at all. Further, questions over legal liability for employee health with respect to COVID-19 is being actively debated at the Federal level.

Until clarity is provided by government about safe operating guidelines and protection is given to those businesses that follow or exceed those government-suggested practices, companies will need to ensure that additional attention is paid to the ethical and legal considerations raised by reopening.

Considerations for the board

- What employee health monitoring does the company plan to implement? What are the privacy and compliance considerations around this new policy?

- Does the board have a reporting process to oversee the reopening procedures and health practices? Is the reporting frequency adequate to address issues in a timely manner?
5. How would we restart our company and adapt our workforce to operate effectively in this uncertain environment?

- Are COVID-19 related events covered under the company's insurance?
- Has the company updated its contracts to protect itself and its customers?
- Has the company reviewed its supply chain and other vendor/customer relationships for adherence to applicable government guidelines?
- What is the company's plan to accommodate employees who do not feel safe returning to work?

Whether or not demand will return and employees and customers will feel safe in coming back to offices, factories, and stores will remain significant unknowns. Underpinning that is the potential for exposure to the virus and confidence in the mitigation strategies put into place. Companies have an opportunity to significantly affect the public's sentiment through clear communication and refreshed policies and procedures that put employees, customers, and vendors at the heart of company operations for the foreseeable future.

A significant first step is to understand the current sentiment among employees, customers, and suppliers. Understand what their expectations, abilities, and concerns are, and communicate clearly about how the company is addressing or plans to address those areas. Consider the broader infrastructure questions that employees face, such as commuting, childcare, and access to necessities.

Considerations for the board

- What impact has the COVID-19 crisis had on employee morale and the company's culture? Are interventions needed?
- Has the company developed a comprehensive communications plan for internal and external audiences to help support an orderly and smooth reopening?
- How is the company working with suppliers and industry groups to ensure clear and consistent messaging to customers and the public about the reopening?
- Has the company considered different approaches to opening and completing work, including remote-work models, A/B teams in the office, and office redesigns to facilitate a safe working environment?
- Has the company partnered with local government to ensure that employees are able to safely get to work and that government services are operating? How can the company support employees who may still be struggling to find childcare or those who face transportation challenges?
Key Board Governance Considerations

A best-case scenario recovery from the COVID-19 crisis will depend on building and maintaining trust with employees, suppliers, customers, and the broader public that a return to public life is safe. Business will play a critical role in establishing the practices and communications that can reinforce or regress the public sentiment.

Understand that reopening creates potential reputational and other risks that may conflict with the company’s risk appetite or, even more important, its values and purpose. While it has been rightly said that a company that goes bankrupt has no purpose, a company that survives but breaks the trust of its stakeholders likely has a limited future. If a reopening is done well, the company should emerge stronger than before, with a more engaged workforce, more loyal customer and supplier base, and a stronger brand.

Considerations for the board

- Has the company developed a comprehensive communications plan for internal and external stakeholders to help support an orderly and smooth reopening?

- Does the board believe that the steps the company is taking to protect employees, customers, and suppliers will build trust and strengthen the relationship with those stakeholders?

- At the end of this crisis, will the board’s decisions be seen as having been in the best interest of its employees, customers, communities, and shareholders?

- Do the board’s actions support the company’s strategy and long-term value creation?

Until widespread testing is available, it will be difficult to assess with great confidence whether the current COVID-19 crisis has passed. Questions hang heavy: Can the economy open safely sooner and put people back to work, or would such a move risk a possible “second wave” with further loss of life? Is the economy—and a society and its citizens—better served in the long run by waiting longer to allow the virus to further subside?

Predicting consumer behavior is fraught with uncertainty even in normal times. But rebuilding employee and consumer trust in the safe exercise of commerce is critical to a successful reopen. The consequences of a reopening done incorrectly could prove catastrophic. On the other hand, a reopening done correctly could be lifesaving. This is a balancing act, and one that boards will have to navigate.
Additional Resources


“COVID-19 Update: How to Reopen Society as Soon and Safely as Possible” (The Council on Foreign Relations, April 23, 2020)

Recovery Readiness: A How to Guide for Reopening your Workplace (Cushman Wakefield, April 22, 2020)

“Guidelines: Opening Up America Again” (The White House, April 16, 2020)

Business Roundtable Letter to Vice President Pence (Business Roundtable, April 14, 2020)