

# Distributor Pandemic Lessons from the Field on April 10<sup>th</sup>

## *Explain the action steps to employees before there is a RIF*

1. Assuming the work demand is still there, the obvious starting point is staying active and highly engaged in current roles.
2. If your work slows you should be assigned “productivity improvement activities” by your Manager. Every department has their own list, there are many things we can do to make us a more efficient company coming out of this.
3. If you reach a point where there is no additional work to be done in your current role, your Manager will try to temporarily reassign work from another department. This assumes current skillsets, or some quick training, will help meet expectations of the required tasks.
4. If, or when, reassigned efficiency tasks are exhausted the next step would be for the employees to be paid any vacation, sick, and/or floating holiday hours they may have in their buckets.

*Unfortunately, new guidance from the DOL states that an employee subject to a quarantine or isolation order may not take Emergency Paid Sick Leave under the FFCRA when the employer does NOT have work for the employee*

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- There is a difference between a RIF and a furlough around management intentions to rehire
  - Set a rehire trigger and share the percent achievements weekly with those furloughed (No commitments either side)
    - Splitting branch/DC staff into gold and blue teams, using some furlough mechanism, allows branches or DCs to remain open when an employee is infected*
- Pay a premium to front line employees with a monthly team bonus if no one on the team gets sick
- If a significant reduction is needed, the evolving mix of cost reduction levers has turned into 65% payroll, 10% margin, and 25% non payroll cost reductions
- It is cheaper to sanitize facilities on a regular basis than needing to close