



140 SALT ROAD, ENOLA, PA 17025

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## **Executive Roundtable Notes 12/15/2020 by Bryan Dilts 717-975-9001**

### **PPP forgiveness – has anyone applied for it?**

Several have applied for forgiveness

No one has received forgiveness from applying 5 weeks ago, 3 weeks ago, one wanted to apply June 30<sup>th</sup> but the banks couldn't handle it. The SBA is sitting on the forgiveness applications for everyone.

The big issues are 1. How to handle it for tax purposes. Will you have a big tax bill before you know if you are forgiven. 2. Basically you can still be under a safe harbor status. 3. How does it affect your covenants with your banks?

The regulations are constantly being changed. Showing it as debt since it has not been forgiven yet may be all you can do right now.

### **How has COVID affected business**

Oil and gas down a little

Refineries are down significantly. One had a fire. Another refines jet fuel.

Industrial food business is down.

Salespeople don't have access to customers. One way to overcome it is to **have salespeople accompany the folks going out to service any equipment. Or the salesperson delivers a needed part.**

### **Hiring during COVID (hired totally remote)**

Hired Engineers

Salespeople

Technicians

Educator/teacher

### **How to keep up attitudes**

Eagle Tailgater in the patio with propane heaters and tailgate cooking.

### **Working remote**

GE engineers are working 100% remote. They can share drawings. Go in the office every week and a half because of the need for large printouts, etc.

Validation engineers often work remote or at customer sites.

Pharma customer engineers are working remote even if the pharma customers weren't comfortable with things being done remote. It just has to be done remotely.

Equipment engineers are struggling more because it is hard to communicate the exact perfect spec. If the specs are not perfect, then they have to chase someone down remotely and that can be a major chore.

Systems engineers are doing well remotely and only rarely come into the office.

### **No comments on doing high security DOD work and COVID**

**No one knew how to get their folks in line for early vaccinations**

**No one knew of a company requiring vaccination to do work or business with them.**



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### **Supply chain problems**

Getting vehicles from manufacturers can take months now.

A bunch of that is because the manufacturers can't get specialty parts.

It is projected to continue until the end of 2021. Particularly trucks.

Computer supplies are taking significantly longer to arrive. Order early.

### **International shipping and receiving**

When there is a set shipping schedule, it hasn't been a problem.

On non-scheduled shipping, it can be more expensive. Also there can be problems getting booking on non-scheduled shipments.

In the first few months of COVID, shipments got stuck at the docks or in customs, but that has gotten better.

### **Planning for Quarantined workers**

It is difficult to plan in advance because you can't tell which team will be affected.

They have 6 temp agencies on line to find needed folks quickly.

Also rotating people out of the office on a schedule. It stops you from doing a whole office quarantine.

They are spinning up a new line for January and so they are hiring for that and over-hiring for other lines.

One plant seems to always have 10% of the folks out. They need to be at a 100% production rate, but just can't hire folks fast enough.

Would like to over-hire but can't.

Also have the problem of not being able to have over 500 employees because of the loan forgiveness opportunities. Are up against over-hiring for COVID but can't go over 500 employees for PPP settlement.

Using temps against the 500 person limit has changed several times. It counted against getting the loan, and right now is a negative towards getting loan forgiveness.

Part of the problem is the distribution centers in the area hiring folks right now. What will happen after Christmas?

Getting rid of all desktop computers and replacing them with laptops for everyone. That way anyone who has to quarantine can take their "desktop" with them.

### **Second round of loans**

May be very focused. For example, bars and restaurants.

### **Where do you park excess cash now?**

Standard places you could before.

Try moving up employee recognition payments before the end of the year.

Buy supplies in advance, pay off your debt early.

### **Changing accounting and computer systems in response to COVID**

1/3 of the company migrated last year, 1/3 has been done this year, 1/3 next year. MS Dynamics 365

It really helped that 1/3 was already converted for what was done this year.

Training is really hard when you can't get together. Training is a big issue. Theoretically it is possible but screens freeze and other problems occur much more frequently when remote.