

# Commercial Insights

WINTER 2021

EXPERIENCE FOR BUSINESS LEADERS

REGIONS.COM/COMMERCIALINSIGHTS

One Year Post-COVID:

## Resilience Through Disruption

What's new,  
what's shifting, and  
how to best position  
your business for  
what's next.



# CONTENTS



Over the last year, we've all learned how to be more resilient, both as business leaders and as people.

That journey isn't over yet. In the coming months, resilience will continue to be just as important. Business leaders are rethinking everything from their office space to their financial forecasting in order to incorporate the lessons learned over the last 12 months. Our feature story, *Your Long-Term Plan for Resilience* (Page 10), explores how business owners can bake resilience into their business model and long-term planning. Further, in *Emerging Stronger* (Page 18), we outline what you can do to strengthen your business continuity plan — and how Regions can help.

The last year has reemphasized the importance of diversity and inclusion — two terms that are often tied together as one idea. In *The Difference Between Diversity and Inclusion* (Page 14), we discuss the difference between diversity and inclusion, and why one fails without the other.

Finally, we realize that with so much change in the air, business leaders are hungry for continual conversations about what's new, what's shifting, and how they can best position themselves moving forward. With that in mind, we're thrilled to announce the launch of our new podcast series, *Commercial Insights with Regions Bank*. We hope it will be a helpful resource for you as you navigate the coming months.

Sincerely,

**BRIAN WILLMAN**  
Executive Vice President  
Head of Commercial Banking



## IN FOCUS Your Long-Term Plan for Resilience

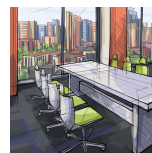
This past year has underscored the importance of business resilience. Here's how to bake it into your business model.

### BUSINESS INTELLIGENCE



#### 4 Connecting With New Hires in a Virtual World

How to adapt your recruiting and onboarding efforts for a remote work environment.



#### 6 Trading Spaces

Weighing the decision to downsize your real estate footprint? Here's what to consider.

**8 BUSINESS STRATEGY**  
**An Ounce of Prevention, a Pound of Cure**  
How scenario planning may help health care organizations withstand continued disruption.

**14 PERSPECTIVES**  
**The Difference Between Diversity and Inclusion**  
Why approaching diversity and inclusion as separate, complementary parts is key to success.

**16 YOUR WEALTH**  
**Persisting in Turbulent Markets**  
How to plan your investments in the midst of volatility.

**18 SPOTLIGHT**  
**Emerging Stronger**  
How to evaluate and strengthen your business continuity plan — and where to turn for support.

**Editorial and Design: imagination.**

**Editor:** Jessica Austin

**Special Contributors:** Josh Fendley, Chris Hurst, Mike Mauldin, Christian White

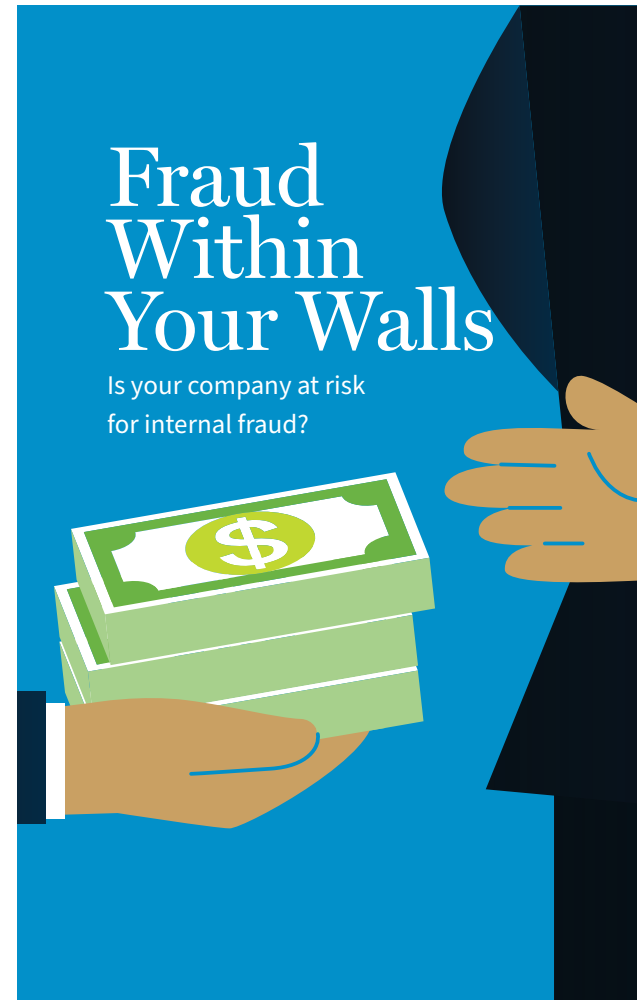
### Investment, Insurance and Annuity Products:

- ▶ Are not FDIC-insured
- ▶ Are not Deposits
- ▶ Are Not Bank Guaranteed
- ▶ Are Not Insured by Any Federal Government Agency
- ▶ May Lose Value
- ▶ Are Not a Condition of Any Banking Activity

© 2021 Regions Bank, member FDIC, Equal Housing Lender. This information is general education or marketing in nature and is not intended to be accounting, legal, tax, investment or financial advice. Although Regions believes this information to be accurate as of the date written, it cannot ensure that it will remain up to date. Statements of individuals are their own—not Regions'. Consult an appropriate professional concerning your specific situation and IRS.gov for current tax rules. This information should not be construed as a recommendation or suggestion as to the advisability of acquiring, holding or disposing of a particular investment, nor should it be construed as a suggestion or indication that the particular investment or investment course of action described herein is appropriate for any specific investor. In providing this communication, Regions is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity.

Regions Investment Management, Inc. (RIM) serves as the registered investment adviser to Regions Institutional Services. RIM is wholly owned by Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation.

Regions Bank | Equal Housing Lender | Member FDIC | 1-800-826-6933



## Fraud Within Your Walls

Is your company at risk for internal fraud?

In a period of intense change in business operations, the risk of fraud has never felt more potent.

Not all fraud comes from outside the walls. Sometimes referred to as “occupational fraud” or “employee fraud,” internal fraud describes any type of fraud perpetrated by someone inside the victim organization, such as a rank-and-file employee, manager, or executive. Given the level of access available to perpetrators, occupational fraud is often quite damaging, accounting for more than 40 percent of fraud cases with losses of \$100 million or more, according to a 2020 PwC survey.

For more tips on how to safeguard your business against fraud, visit: [regions.com/fraudprevention](https://regions.com/fraudprevention)

Check and payment tampering is **4x more common**



at companies with fewer than 100 employees

**Who's committing fraud?**



**15%**  
Operations staff



**14%**  
Accounting



**12%**  
Senior management



**11%**  
Sales



Internal fraud includes:

- Corruption
- Asset misappropriation
- Financial statement fraud

Internal fraud is often caused by a lack of:

- Awareness
- Internal controls
- Employee training
- Resources

At companies with <100 employees

**43%**

of cases are due to a lack of internal controls

At companies with 100+ employees

**20%**

of cases are caused by overriding existing internal controls

How to protect your business from occupational fraud

- Create an anti-fraud policy
- Conduct ongoing employee training
- Evaluate internal controls
- Establish an anonymous reporting system

If you're hit by fraud, get to the root of how it happened. According to PwC, of the companies that experienced fraud and emerged stronger,

**71% conducted an investigation.**



GETTY IMAGES

“2020 Global Study on Occupational Fraud and Abuse,” Association of Certified Fraud Examiners (ACFE) | “2020 Global Economic Crime and Fraud Survey,” PwC



# Connecting With New Hires in a Virtual World

When it comes to employee retention, first impressions matter. Here's how to effectively adapt your recruiting and onboarding processes to accommodate remote hires.

**A**s a growing number of companies are opting to make remote work a permanent fixture, many of the more traditional aspects of the hiring and onboarding process — such as in-person interviews and training sessions — have fallen by the wayside. The potential impact of these changes shouldn't be overlooked, as studies have shown that the quality of an organization's onboarding program can have a significant impact on both productivity and retention.

Given the steep costs associated with employee turnover, it's more important than ever for organizations to find creative ways to adapt their hiring and onboarding processes to a remote work environment.

## WHEN IN-PERSON INTERVIEWS AREN'T AN OPTION

As many have come to learn, virtual meetings aren't always a perfect replacement for in-person communication. Often, face-to-face interviews

**Given the steep costs associated with employee turnover, it's more important than ever for organizations to find creative ways to adapt their hiring and onboarding processes to a remote work environment.**

can help hiring managers assess intangible traits that are difficult to measure through other methods: Does a candidate seem at ease when engaging with their potential manager? Do they have confidence while presenting? Does their personality mesh well with your office culture?

To help fill the gap, you may consider extending your hiring process to include additional rounds of interviews to garner feedback from potential colleagues as well as managers. While some of these interviews will undoubtedly be more formal in nature, it may make sense for others to be more casual to get a better sense of what a normal interaction with a candidate would be like. Inviting a candidate for a virtual coffee is one creative way to conduct a more casual interview.

## GETTING THE LAY OF THE LAND — VIRTUALLY

While some of the more general aspects of your traditional onboarding process have likely been fairly easy to take online, it's crucial that employers don't overlook the intangible parts that can't be replicated in a remote environment. For example, new hires who join a company remotely may struggle to feel connected with their colleagues. Ultimately, this can have a significant impact on how engaged they feel at work and may even impact how long they choose to stay with your organization.

One way to help overcome this barrier in a virtual environment is to create a "buddy system" for new hires by pairing them with a friendly colleague who can answer questions and introduce them to new co-workers. You might also consider forming a welcoming cohort — a team of employees who volunteer to engage with new hires and help them acclimate to your company's culture. Likewise, in order to help your new employees better connect with their team, consider setting up virtual social events like team lunches, trivia sessions, or more relaxed introduction sessions.

Finally, if your employees do eventually return to the office, be mindful of the fact that those who have joined your company in the last year will be walking into a completely new environment. Take measures to help them adjust by conducting a follow-up onboarding session focused on helping them acclimate to your office.

### The Regions Approach: Bring Your Whole Self to Work

We have a passion for creating an inclusive environment that promotes and values diversity of race, color, national origin, religion, age, sexual orientation, gender identity, disability, veteran status, genetic information, sex, pregnancy, and many other primary and secondary dimensions that make each of us unique as individuals and provide valuable perspective that makes us a better company and employer. More importantly, we recognize that creating a workplace where everyone, regardless of background, can do their best work is the right thing to do.

OFCCP Disclosure: Equal Opportunity Employer/Disabled/Veterans

Visit [regions.com/commercialinsights](https://regions.com/commercialinsights) for more tips for managing employees and maintaining your culture in a remote environment.



GETTY IMAGES





## Trading Spaces

As companies contemplate their post-pandemic working arrangements, the futures of offices and brick-and-mortar stores are in flux.

**F**or months, coronavirus restrictions limited the size of in-person gatherings and forced CEOs to close their offices. Now, these leaders are faced with a choice of how to return to the office — if at all.

Many offices have opted to downsize as a result of the pandemic. And because of that, some companies are looking at smaller office spaces, while others are considering making remote work permanent. With pros and cons to both options, CEOs should consider what's best for their employees and the financial health of their businesses.

For CEOs who are thinking about transitioning into a smaller office space, there are a few factors to evaluate. First, it will be important to consider how a smaller office could impact employee health and well-being, especially until a COVID-19 vaccine is widely distributed. Likewise, brick-and-mortar stores should consider not only the impact on their customers, but also their comfort with visiting a smaller storefront during this time.

Stricter cleaning procedures, an enhanced ventilation system, and attention to social distancing are all steps to consider so employees feel safe coming back to work, especially in a smaller space. Likewise, you also need to think about how the physical environment will impact productivity and your company's bottom line.

If you've noticed that creativity, collaboration, and the quality of your employees' work has decreased during remote work, it may benefit your company to bring back an office environment. However, if your business is healthy and your employees seem productive and happy — 80 percent of employees report enjoying working from home — then you might consider giving up your office space permanently.

Besides the obvious financial benefit of eliminating your company's rent, there are more nuanced considerations to make before downsizing your office space or taking your workforce remote. Do you have the digital tools for your team members to effectively collaborate? How will working remotely impact employee morale? These are just some of the questions you should answer before making this decision.

Whether you move to a smaller space or stop using your office once and for all, weigh your options before deciding what makes the most sense moving forward for your company, employees, and customers.

GETTY IMAGES



# An Ounce of Prevention, a Pound of Cure

In the wake of COVID-19, health care practices continue to face an uncertain financial future. Scenario planning may help them withstand disruption.

Conventional wisdom has long held that health care is a “recession-proof” industry. Until 2020. The pandemic-driven recession created a host of new financial challenges that many health care providers are still working to address.

The shockwaves are broad, affecting demand for services, supply chains, and payments. From changes in virtual visit reimbursements and ongoing trepidation around lucrative elective surgeries to the skyrocketing cost of much-needed personal protective equipment, COVID-19 caused health care practices to face a different financial landscape than anything they’ve seen in the past.

“There’s a whole lot of uncertainty as we go into 2021,” says Mike Mauldin, Senior Vice President and Managing Director of Group Health at Regions Bank.

In an industry with a mandate to serve and razor-thin margins, staring down an uncertain future means taking a fresh look at the financial scenarios that may unfold in the coming months and girding your finances against a number of possibilities.

While the financial impact varies depending on geography and specialty, nearly 6 in 10 health care providers said that they lost income due to COVID-19, according to a 2020 survey by Medicus Firm. That’s *after* the federal government implemented several programs that have helped mitigate losses. Most notably, the Coronavirus Aid, Relief, and Economic Security Act sent \$175 billion in relief to health care providers, while Paycheck Protection Program loans also provided a measure of relief for small to medium-sized practices.

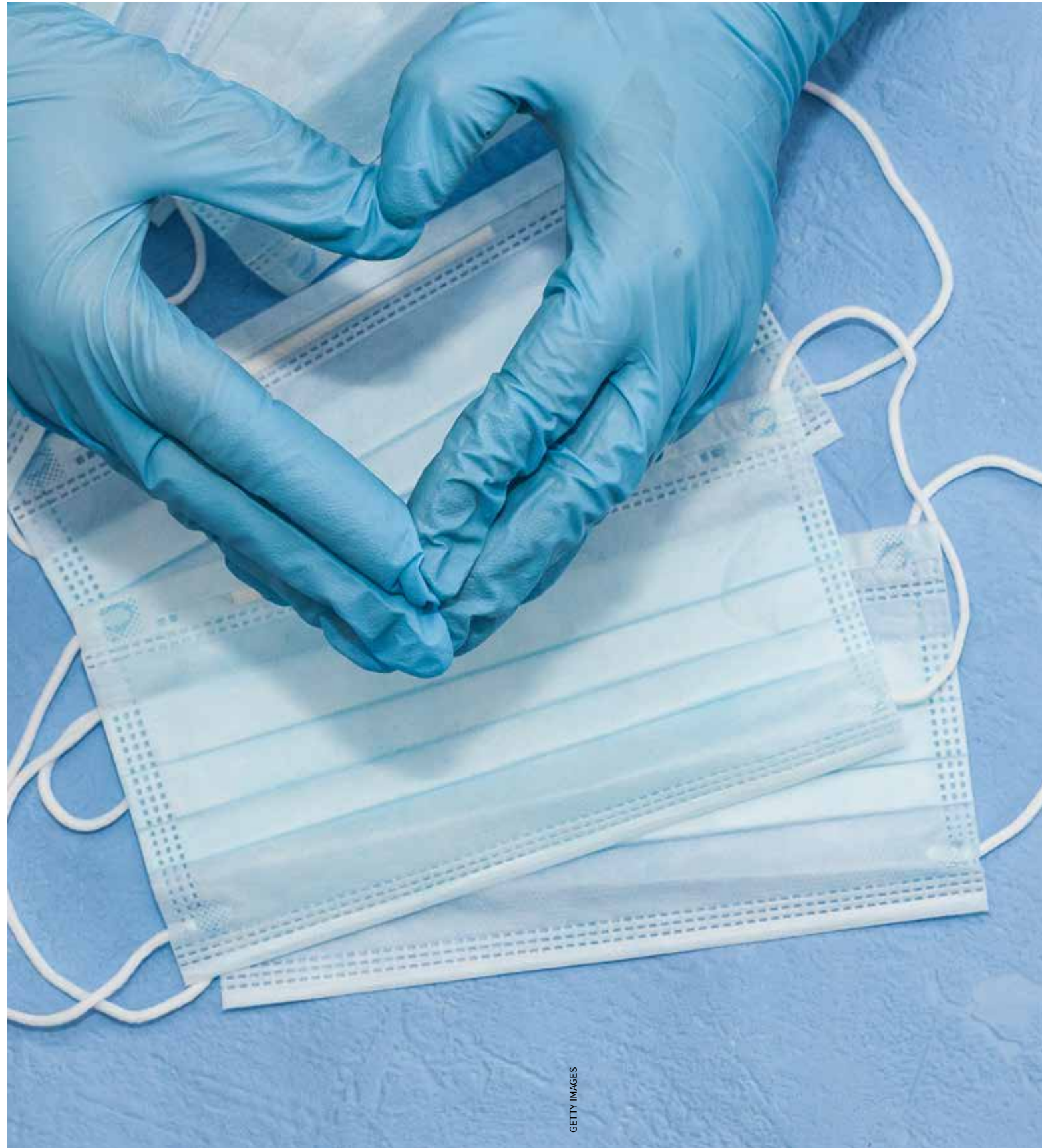
There’s no guarantee of future aid, however, and the unknown duration and availability of many of these programs have made it difficult for many providers to plan for the future. As a result, nearly all health care providers are facing uncertainty ahead.

According to Mauldin, the best way to prepare for such financial uncertainty is to plan for it. He encourages health care providers to engage in financial scenario planning, in which you explore different plausible futures and test strategic choices for each scenario. This process can minimize financial disruptions and smooth the course toward a new way of doing business.

“Financial planning, through multiple scenarios, is helpful in terms of feeling some level of control in a challenging environment,” Mauldin says.

Mauldin suggests planning for at least three scenarios, beginning with the most likely scenario and then adjusting for a more conservative outcome.

The first variable to consider is a change in patient volume. According to data compiled by Strata Decision Technology, hospitals saw a 55 percent



GETTY IMAGES

decline in traffic at the start of the pandemic, and future waves could create numbers like that again if the country reverts to shelter-in-place orders. Some of those volume declines could be mitigated by increased telemedicine adoption at newer, higher reimbursement rates, but just how much remains to be seen, making it prudent for health care providers to develop a plan for this particular scenario.

In addition to reduced patient volume, scenario planning can also be used to help project the impact of lower collection rates and longer billing cycles. That’s because a continued economic recession could lead to both an increase in patients on Medicaid as well as an increase in those who are unable to pay their bills, Mauldin explains.

Scenarios should also account for higher expenses for supplies as organizations work to maintain an adequate stock of personal protective equipment while continuing to implement costly operational changes in order to maintain safety. Consider other new expenses as well, such as any potential costs associated with bolstering your practice’s telemedicine capabilities.

## EVALUATING YOUR OPTIONS — AND POTENTIAL IMPLICATIONS

Once you’ve assessed the impact of various scenarios, you can also start considering potential solutions.

“Thinking about these things in advance, before you’re in the midst of a challenge, helps take some of the emotion out of it and can get people aligned in terms of thinking about the best next steps in a difficult environment,” Mauldin says.

The largest expense for many practices is labor, so practice leaders might consider whether they would need to furlough or lay off workers or implement across-the-board pay cuts should they need to drastically cut spending. You may want to check in with your lawyer to make sure you’re aware of proper procedure if you need to go this route. In the meantime, instituting a hiring freeze can help reduce this expense.

Real estate and overhead are typically large expenses for many practices. Those that have successfully shifted to a work-from-home model for some employees might consider making that change permanent in order to reduce office expenses. Another solution might be to reduce the square footage by relocating into a smaller space.

Now may also be an opportune time for smaller practices to consider strategic moves such as combining or partnering with another organization, an acceleration of a trend already underway.

“If a practice can align with a larger hospital or health system, or merge with another practice, there could be a synergistic effect of reducing costs on a combined basis,” says Mauldin.

Finally, some practices might consider establishing a line of credit with their bank, if they don’t already have one.

“The best time to do that is in advance of the need,” Mauldin says. “Sometimes leaders put that off, but as capital providers we will react and respond much better to having those conversations in advance, rather than trying to work through them in the moment if there’s a real liquidity crisis.”

While it’s impossible to know what the future will bring, especially in these unprecedented times, using financial scenario planning can ensure that your practice is as prepared as possible for whatever lies ahead.

 To connect with a Regions healthcare banker, visit [regions.com/healthcare](https://regions.com/healthcare).

# YOUR LONG-TERM PLAN FOR RESILIENCE

Running a resilient business isn't about reaction time. The most effective way to improve resiliency is to build it into your business model.

**W**hen the pandemic struck at the start of 2020, it sent a message to business owners across the globe: You can't predict what's going to happen; you can only adapt.

No one wants to think the worst is going to happen, but sometimes, it does.

Over the last year, much of leaderships' attention has been focused on navigating supply chain disruption, changing customer behavior, and liquidity needs. But remember, during periods of disruption, the most successful companies will do more than manage through the crisis — they'll also work to protect themselves from the next one.

Companies that have successfully pivoted their business model by connecting with customers remotely or quickly initiating tech changes didn't stumble into their successes. No matter how "tried and true" your business plan is, you can't be certain things will go the way you plan. But

if you build resiliency into your business model when times are good, it can be easier to adapt when the unexpected happens.

"The speed with which you're able to respond will dictate if you're going to be resilient or not," says Chris Hurst, Commercial Banking Lead and Market Executive at Regions Bank.

That speed is enabled by contingency planning.

## CREATING YOUR PLAN

According to Hurst, one of the most effective ways to improve the resilience of your business is through robust contingency planning — the art and science of mapping scenarios and considering everything from business strategy to cash flow to legal and tax risks. A resilient company is one that has flexibility to address just about any challenge.

A robust contingency plan is broad enough to cover a range of short- and long-

term events, yet designed to evolve with the shifting needs of the business. It also must account for any changes in resources. Finally, robust plans include input from a diverse team of internal experts — HR, IT, operations, and finance — along with any outside legal or financial advisers who might support your company.

When building a contingency plan, Hurst recommends that company leaders start by considering what impact different crises would have on their business, and how they would respond. While most contingency plans focus on how to deal with a short-term crisis — like a hurricane forcing the business to shut down for several days — it's equally important to plan for long-term events like pandemics, deep economic recessions, supply chain disruption, or tariffs on your most important raw material. As recent events have shown, while these kinds of occurrences are exceedingly rare, they're so monumentally

GETTY IMAGES



disruptive that it's worth taking the time to plan for them.

Companies also need to consider shareholder expectations, fixed versus variable costs, access to suppliers, and how easily the company could access resources to respond to a crisis. "All of these issues inform the cash flow conversation to think about contingency," Hurst adds.

Most of these questions can't be answered by looking at a balance sheet, Hurst says. Robust planning requires "quality accounting and tax planning

**Flip to page 18 to learn more about planning for disruption.**

advisers, consistent legal counsel, and an engaged and consultative banking relationship." Each of these specialists will have a unique perspective on hurdles you may face in certain situations.

#### READYING YOUR TEAM

In times of turmoil, leaders need to be able to rely on their entire workforce. To help accomplish that, it's important to create a culture where employees are trained and empowered to respond to shifting needs.

"You can't *become* resilient during a crisis," Hurst notes. "It's something that has to be embedded in the culture and leadership of the company so that employees know how to respond when a crisis occurs."

In general, resilient companies recognize that people are their most valuable asset, and they invest in them accordingly, he says. That means offering competitive salaries, providing training and



#### FINDING OPPORTUNITY IN UPHEAVAL

Ultimately, the most resilient companies are also adept at finding opportunities in a crisis and having financial strategies that allow them to respond.

"Wherever there is upheaval and risk, there's also opportunity — you've just got to keep your head above the waves a little bit and look a little bit farther," Hurst explains. "If you've positioned your balance sheet and you've got reserves, maybe there are opportunities that you can easily pivot to."

In the early days of COVID-19, the companies that successfully adapted — like the restaurants that shifted to curbside take-out models overnight and grocers that hired teams of remote delivery shoppers — proved the value of this approach.


However, for many businesses, this might require having enough liquidity, cash flow, and a clear view of your financial standing to be sure you can make it work. "Whether you're a mom-and-pop shop or a publicly traded company, you can't make good decisions unless you've got current, accurate, actionable information," Hurst says.

That includes understanding what liquidity means for your business and how quickly it can be achieved. A company with little leverage, no debt, and healthy margins will require less liquidity than a company that is highly leveraged, relying on razor-thin margins, or burning through cash in a high-growth phase.

"Cash equals the ability to make moves," Hurst explains. "If something happens and you've got plenty of cash, you've got the ability to be patient and to make a smart decision on what to do."

Leaders also need to look beyond the workforce when planning for resiliency and consider who else in their network can be leveraged to support their needs. Hurst notes companies that have strong relationships with their bankers, suppliers, auditors, and regulators have been better able to navigate the pandemic.

When business leaders prioritize contingency planning for an unknown future, resiliency will become an inherent part of the culture.

 Visit [Regions.com/commercial-banking](https://www.regions.com/commercial-banking) to speak with a Commercial Relationship Manager for more guidance.



When it comes to contingency planning, small businesses have a few unique considerations.

**BUILDING AN AGILE AND EMPOWERED WORKFORCE** gives companies the ability to adapt in a crisis. But in smaller companies where the owner has been in control of every decision from the outset, doing so can often be difficult.

"[In many small businesses], the CEO, who often wears many hats, thinks they can do everything forever," Hurst says. "But at some point, the company gets too big, and the number of hours in the day stays the same."

At that point, owners need to diversify their leadership and focus on surrounding themselves with good people who can be trusted to make decisions about the company's future. "It's hard to let go, but it's a critical piece of growing a company," Hurst explains.

This is especially true when firms are thinking about resiliency and contingency planning. Business owners need to involve their rising leaders in building plans for the future while working to mitigate risks that could derail those plans.

Hurst points out that oftentimes, employees can identify hidden problems that a CEO might not be aware of. For example, if a small manufacturing firm is relying on a single global supplier to fulfill its needs, a new tariff or supply chain issues could destroy its margins or make it impossible to meet demand.

If a small firm doesn't have legal, financial, or risk management experts in house, Hurst encourages it to involve its banker, accountant, and other advisers in the contingency planning process.

He notes that large companies have boards of advisers and in-house experts to address these concerns, but smaller firms often have fewer resources to rely on.

"That's why it's important to have good relationships with your advisers," Hurst says. "Family-owned companies can lean on their attorneys, CPAs, and bankers to serve that function and to be there when they need help."



## One Year In: The Post-COVID Reset

**IT'S BEEN ONE YEAR** since COVID-19 landed on our shores and buffeted our economy and business landscape. In episode one of our new podcast series, *Commercial Insights with Regions Bank*, we examine how the pandemic shaped the outlook for business in 2021 and how to take an active role in positioning for what's next — as opposed to letting it happen to you.

**COMING APRIL 2021**

GETTY IMAGES

mentoring opportunities, and giving high performers the chance to move into new roles and take on stretch assignments to build their skills. That might not seem directly related to building a resilience plan, but it creates a more agile workforce that is better able to tackle obstacles as they emerge. "This way, when there are times of stress, you'll have the right people on the team who can emerge as leaders to solve problems quickly."

GETTY IMAGES

# The Difference Between Diversity and Inclusion

Although these two terms are often used in tandem, understanding how they differ can help elevate your teams.

**D**iversity and inclusion are often tied together as one term — one idea that companies should focus on to create a thriving work environment. However, reconsidering diversity and inclusion as separate, complementary parts can help create a welcoming environment, reduce turnover, and boost productivity.

## DIGGING INTO DIVERSITY

Diversity refers to the variety in the actual people who make up your teams, reflecting differences in age, gender, ethnicity, education, veteran status, and more. Building a diverse workforce starts with your company's active recruiting.

When recruiting, consider looking outside your traditional networks for new talent. For example, you might participate in job fairs hosted by historically Black colleges and universities, or engage with local women's professional organizations. Widening your geographic search for new employees can help you engage with a more diverse pool of talent as well. With many companies still operating remotely into 2021, consider that the right person for your job might not live within a certain distance of your company's headquarters, and

the job may be one that can be performed remotely long term.

## BUILDING TRUE INCLUSIVITY

Making a commitment to hiring different types of people is an important first step, but just as important is fostering *inclusion*, or making sure you are creating a sense of belonging within your organization.

Do your employees feel physically and psychologically safe in the workplace? Do they feel empowered to do their best work and share their ideas? Are all employees treated with respect and dignity, as valuable members of the team? Does everyone have equal opportunities to advance within the company?

Here are steps you can take to help answer "yes" to those questions:

- **Unconscious bias training:** Teach your employees about the ways they might unknowingly harbor or act on stereotypes in the workplace.

- **Flexible working conditions:** When a position allows for flexibility, consider allowing people to complete work as it benefits their own schedule. This will help employees who might be caring for children or sick relatives, or



**Remember: Diversity doesn't just have to be about your employees. Look for opportunities to introduce diversity in your client base and vendor relationships as well.**

those pursuing a degree. Make sure that expectations are clearly communicated and that work is completed timely, while giving discretion where you can.

- **A diversity and inclusion manager:** Hire someone who can help eliminate pressure on individual employees to become an unintentional "go-to" for any questions about diversity. This will show your commitment to diversity to your employees, customers, and community, and it will also mean the employees who may have historically been the "go-to" people are able to focus more attention on their work.

At Regions, we strive every day to elevate our performance as a team to better serve our customers and communities, and building the best teams requires a strong commitment to diversity and inclusion.

**The Regions Approach: Bring Your Whole Self to Work**  
We have a passion for creating an inclusive environment that promotes and values diversity of race, color, national origin, religion, age, sexual orientation, gender identity, disability, veteran status, genetic information, sex, pregnancy, and many other primary and secondary dimensions that make each of us unique as individuals and provide valuable perspective that makes us a better company and employer. More importantly, we recognize that creating a workplace where everyone, regardless of background, can do their best work is the right thing to do.  
OFCCP Disclosure: Equal Opportunity Employer/Disabled/Veterans





GETTY IMAGES

# Persisting in Turbulent Markets

How to plan your investments in the midst of volatility.

**S**ince they were established, stock markets have made it through every crisis the world has known. There are up days and down days, but the markets keep chugging along. So while stocks have been particularly turbulent this year, keep your eye on the eventual recovery and stabilization.

“While we’re in unprecedented times and facing a lot of short-term risks because of volatility, we’re eternally optimistic about the U.S. stock market,” says Josh Fendley, Portfolio Manager for Regions Bank in Little Rock, Arkansas. “We base that optimism on empirical data and deep knowledge of the markets. We believe, by sufficiently managing risks and liquidity, investors can be rewarded in the future.” Here is how we suggest holding onto a positive outlook.

## AVOID RASH MOVES

We have a human tendency, as uncertainty increases, to become more certain of our own opinions. Yet making big financial decisions when there is so much volatility often leaves investors with lost returns in the long run.

They might sell at a low point and miss out on a recovery, for example. “Humans have the tendency to overweigh the likelihood of high-impact-but-low-probability events,” Fendley says. “Confirmation bias starts to build up.”

In the midst of uncertainty, portfolio managers at Regions put emotions aside and focus on data. Our investment portfolios are designed for the long term, with

a focus on your timeline, your goals, and everything we know about the financial markets. While individual crises come and go, our plan is always aimed squarely at achieving your long-term goals.

## DISCUSS YOUR OPTIONS

Double-checking your liquid assets might be a good place to start a portfolio review with your adviser. Do you have enough to weather additional tumult? “We’ve been having planning meetings with our clients to identify their cash flow needs for the next 18 to 24 months,” Fendley says. “If something unforeseen happens, we don’t have to make trades when we don’t want or need to.”

Remember as well that there is often the silver lining of inexpensive stock when markets are down. “As there’s more uncertainty, there’s going to be more volatility. That means opportunity too,” Fendley says.

## GET A STRESS TEST

Each of our client portfolios is run through computer simulations to measure its resilience against possible future financial situations. The simulations determine the probability of success, based on your goals and time frames.

“We revisit this simulated probability in good times and bad, and that is the driver behind whether anything needs to be changed,” Fendley says.

If your portfolio hasn’t been evaluated yet, contact your portfolio manager to schedule a consultation.



# Emerging Stronger

Though disruptions may occur, our team can help ensure that your business continuity plan works for you.

In a world full of uncertainties, there's always a chance that your business could face disruption, whether it's caused by a change in regulations, supply chain disruption, or even a data breach.

"Disruptions occur all the time, and for businesses to continue to be relevant in today's environment, they must begin to anticipate different changes that may impact their business," explains Christian White, Commercial Banking Leader for South Alabama and the Florida Panhandle at Regions Bank. "We always say, it's better to recover from a disaster by implementing new components to an existing plan rather than having to create one in the midst of a disaster."

Even if you already have a continuity plan in place, there's more you can do today to make sure your business can withstand tomorrow's disruption.

Many business owners may view continuity planning in the context of natural disasters or other large-scale events like the recent COVID-19 pandemic, but White explains there are many disruptions that could set a business back, such as technology failures, cybercrime, fraud, or security breaches.

"The hard part about business disruption is that you never know what could come next," White explains. "That's why it's really good to have a broad plan that addresses any kind of disruption. Once you know what the disruption is, then you can tailor it to the specifics of what you're dealing with."

## EVALUATING YOUR CONTINUITY PLAN

According to White, businesses should work with their bank to review and strengthen their continuity plan regularly — ideally on an annual basis. Their commercial banker can help identify gaps in the plan and offer solutions or ideas on how to make relevant updates. Likewise, for companies with very specific concerns — such as accessing capital or paying vendors and employees during a crisis — a commercial banker can work with you to identify potential solutions.

"We can address gaps that we may see from a technology standpoint or a risk standpoint, and we can talk to our customers about ways to mitigate those risks," White says.

By leveraging local teams with industry and area knowledge, Regions' Commercial bankers take the time to get to know your business and its needs, as well as any particular threats you may need to plan for.

"The local team is able to use all the things that they know about the customer and all the things they know about the industry to create a continuity that is fit specifically for that customer," White explains. "It really goes back to the relationship that we have, the knowledge of the business, and the knowledge of the industry that allows us to put together a good and solid plan."

GETTY IMAGES



“  
For companies with very specific concerns — such as accessing capital or paying vendors and employees during a crisis — a commercial banker can work with you to identify potential solutions.  
”

Explore how Regions can help your business persevere through whatever disruption might come next at [regions.com/treasurymanagement](https://regions.com/treasurymanagement).





1900 Fifth Avenue North  
Birmingham, AL 35203

# Fraud prevention resources to help reduce risk.



Fraud prevention is vital to securing your company's finances. That's why Regions is helping you find even more ways to safeguard your business's accounts. When you bank with us, you have access to a full suite of resources to help you protect your finances from fraud. Our online content includes articles, podcast episodes and informational guides so you can learn the best practices to stop fraud before it starts. Whether guiding you to grow your business and its finances or giving you the resources to protect them, we're always here to help.

For more resources or to  
learn more, visit [regions.com/  
fraudprevention](https://regions.com/fraudprevention).



Regions Fraud Prevention

