

Effectively managing your business through the COVID-19 crisis

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The COVID-19 pandemic is changing the way we live, work, and use technology. As the world adjusts to its new normal, business leaders need to rethink strategies to drive resilience and emerge from this crisis stronger.

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Companies and governments across the world are in lockdown to help prevent the spread of the COVID-19 pandemic. Support packages have been announced, and immediate efforts are focused on ensuring essential supplies and medical devices are available, while shielding the underprivileged from the virus outbreak.

India's economy was already in the grip of a slowdown when the virus hit. Since then, the global lockdowns have resulted in a sharp pullback in economic activity. The disruption to normal business activities and supply lines is likely to have long-lasting repercussions, and the situation might get worse as India grapples with softening demand, shortages of raw material and drying up capital.

Given such a scenario, companies will need to operate differently to effectively manage the crisis. COVID-19 is changing the way we live, work and use technology. As the world adjusts to its new normal, business leaders would need to rethink strategies to drive resilience and emerge from this crisis stronger.

1. Manage what you can control – Given the uncertainty, the only logical course of action is to focus attention on what is in our control. Companies can respond to the crisis in the following ways:

- Resetting business plans, including growth, earnings and spend assumptions
- Deep focus on customer retention, including quality of product or services, and value orientation
- Preserving capital, ensuring spend is only on important items
- Ensuring positive cash flows, which might involve trading off margin for credit
- Maintaining a healthy balance sheet

2. Transitioning to a new way of working – While all business activities that require physical interaction have suffered, the pandemic has presented opportunities for the contactless world of digital business. Many schools and workplaces have been transferring to remote technologies amid the outbreak. However, these technologies have been around for a while, and the key challenge remains to make this form of working more effective and sustainable so that we don't move back to the 'old way' when we emerge from this catastrophe.

While there is a necessity to adopt this form of working now, we need to be careful about how we transition into this 'new way of working'. This cultural change would be driven by respecting each other's time (short/sharp meetings), being very clear in communication (may be send pre-reads and use

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meetings to drive decisions), incentivising adoption of collaboration tools (managing outcomes through e-mail, collaboration tools) and using travel to build/strengthen relationships.

3. Looking for net new business opportunities – In periods of moderate and high growth, companies don't typically focus on areas where the 'effort to growth' is not attractive. These opportunities are largely either left alone entirely or approached in an unorganised manner. In the current economic scenario, firms are more open to exploring these net new revenue opportunities. To drive growth, companies might need to develop alternate channels to tap marginal opportunities amid the uncertainty the pandemic has caused. Companies could, for instance, identify and operationalise white space opportunities that can be tapped through B2B tie ups. For example, KPMG in India has helped large FMCGs and industrial equipment manufacturers diversify.

What is clear is that the pandemic is transforming our social and economic lives, paving the way for a new normal. It has demonstrated the importance of digital collaboration in a period of global self-isolation. While the priority remains to ensure everyone is safe, a crisis of this scale reveals not just vulnerabilities, but also opportunities to learn and adapt. It has forced us to reimagine our business models, not just for short-term survival, but for long-term resilience.

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