

Vision 2020

Dreams, Reality and Going Forward

This article talks about **how corporate plans set in motion years before the current pandemic are in peril**. The novel coronavirus has taken a massive swing at corporations around the globe and corporate leaders are faced with hard choices that will essentially determine whether they remain relevant or not in the current market place. Consumer behavior is at a turning point and new societal norms are on the horizon.

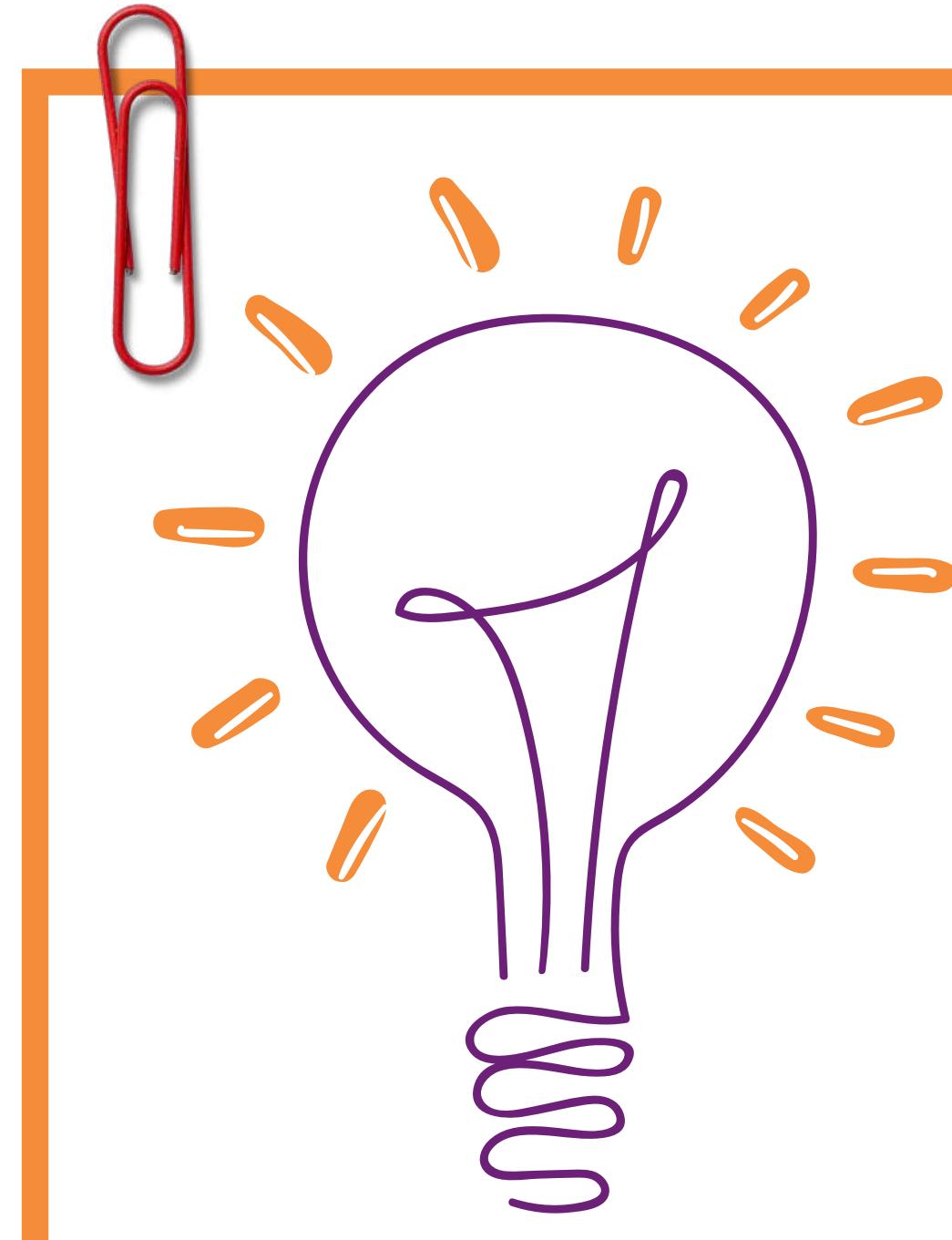
What current studies do not yet unveil is the actual toll this will take on our day to day lives and how this translates into new corporate risks. **We take look at the current trends and driving forces in the market and anticipate what impact this will have on existing companies that want to remain relevant in the marketplace.** The conclusion of this article shows what steps corporate leaders can take in order to avert potential blows to their current position on the market.



Vision 2020 – Dreams, Reality and Going Forward

More than five years in the making, Vision 2020 was the “poster child” of large corporations around the globe. Everyone dreamed of the achievements they would accomplish by 2020 and how the world itself would be unrecognizable due to the disruption caused in the market by the introduction of their technology, products, knowledge or services.

Less than a decade after the 2008 financial crisis, the global economy was making significant headway and the hard times of 2008 were slowly becoming faint memories. It was a great time for start-ups to begin their journeys into disrupting the perceptions of our normal day to day lives. Some have actually accomplished this through the introduction of their innovations in the market place in the last 5 years.



The novel coronavirus hit businesses around the globe in a way that nobody could have accurately predicted. Overnight, countless businesses saw that the way they had functioned for years become instantly obsolete and had to adapt to a new and often hostile environment. **Teleworking from home became the new global norm as more and more countries adopted social distancing in an effort to stop the uncontrolled spread of the virus.** Despite the lack of corporate planning towards this goal, the transition occurred almost seamlessly due to year on year increases in global connectivity and technological capability that enabled companies and their employees to adapt to the teleworking model.

The markets today tell us that consumerism has morphed and consumption has dropped dramatically. Most experts would argue that this was caused by the systematic closure of non-essential businesses and implementation of Shelter in Place Orders (lockdowns).

From a corporate or manufacturing point of view, the makers and providers of goods and services are striving to quickly adapt their working models and counteract emerging friction points and bottlenecks with regard to organizational finance, tax, legal and operational challenges. This has resulted in corporate leaders being forced to address near term challenges at the cost of losing the pulse of emerging trends in the market.

In 2020 consumers have been forced to make significant changes in their daily lives and norms. Products that consumers have taken for granted for years have faced significant issues with their supply chains and as a result the “Invisible Hand of the Economy” has caused adjustments to pricing. Products have been hit from all sides and had to contend with massive fluctuations in terms of availability, delays, price gauging, price plummeting and demand that resulted from the almost synchronized political response from governments around the globe.

Consumers are slowly coming to realize that their actual need for a wide variety of products is not really a need but rather a want; And it's not always a personal want but in some cases merely a socially driven want. Consumption in the average household has dropped dramatically when it comes to non-essential items which has led to significant savings in household expenditures. This phenomenon has also been influenced by the sudden surge in prices and lack of availability/ production of “essential items”.

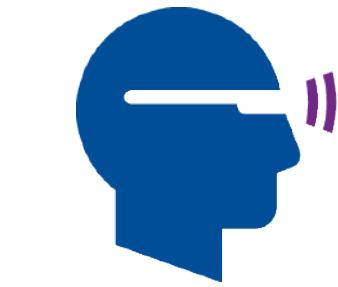
The Internet has slowly but surely become a mainstay in households over the last 5 years and has played a very important role in the environment we find ourselves in today.

The fact that people are not solely dependent on their local shops for products and services became more obvious when they were faced with decisions such as paying \$10 for an N95 mask from their local shop (which could be backordered) or looking online and finding the exact same thing for less than half the cost. Customer loyalty with regard to retail businesses has become almost nonexistent and the impact of this change in consumerism has not yet fully been realized.

There is a realization of a need for less and that the greatest inconvenience is not the lack of a specific non-essential product or service but rather the limitations put on socializing and freedom of movement. This has had the unintended benefit of increased savings in household budgets and that may lead to many consumers redefining what are their actual **needs** (essential) versus **wants** (non-essential items).



There is no guarantee that this paradigm shift will take a hold in the long run, but it's clearly a part of the consumer calculus in the near future.



As corporations adjust, this change in consumerism will become more visible once the turmoil of current world events becomes more stable and they are able to see their customer base more clearly.



The realization that large numbers of their customers are now unemployed (with less money) and that the need for their products has diminished coupled with the fact that the Internet offers cheaper buying opportunities will leave many corporations bracing for impact and seeking mitigation.



The days where a manager could simply hire someone to do a part of their job that they did not want to do or hire employees to do jobs that were more mechanical in nature and that could easily have been automated are long gone.

Redesigning processes with a focus on technology and developing solutions to alleviate employees from repetitive and no value-added tasks bridges the gap between successful companies that are here to stay and the ones that with time will become uncompetitive and irrelevant in the marketplace.

Today's environment presents unique opportunities for companies to realize (if they are looking closely) whether or not sought-after employees will bring value or unnecessary cost to their product or service. This is also the moment where company policy with regard to teleworking must be reconsidered and revised.

It's important that corporate leaders objectively answer the following questions: “Do we really need to have employees at the office and live with the associated risk or can we work remotely just as well? ”

In order for companies to survive they will need to adapt, and in order to adapt they must look at what the future is saying. Locally driven consumerism is on the brink of becoming extinct and the longer we endure the current environment it will continue to be replaced through internet sales.

When local consumerism drops, the need to become global arises. When looking at the global scheme of things, the best product or service offered at the lowest price will always win (eventually). Having 20 more employees than your competition might not mean better quality but rather a lack of vision of the future and a lack of local experts to help you automate.

With automation, the need for huge numbers of employees decreases and the need for jobs that bring real added value to your processes emerges. Lower operation costs to produce or provide your product or service means the flexibility to adapt to a more competitive price, maintain or increase your customer base and expand your product or service lineup.

If you want to stay competitive, if you want to remain relevant and if you want to be successful you will have to take these steps. There are many places in the world that offer such services. KPMG is one of these with an already proven track record of success. If you would like to have a detailed discussion on how you can achieve these goals, do not hesitate to reach out and we can take the journey together and prove we are the Clear Choice.



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