

after
COVID-19

EvolveBPM's

Growth & Change Guide

- A Curation -

during
COVID-19

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COVID-19 Pandemic

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COVID-19:

First, A Human Tragedy,
Then, A War Over The
Global Economy



The past few weeks

have been challenging to all of mankind and the whole world is dumbstruck by the unprecedented rise of a new human tragedy. The COVID-19 outbreak is nothing like the world has ever seen; the two world wars and the history's worst ever pandemics lose face in front of the novel coronavirus disease.

The world health systems took the hit in their continuing struggle to contain the virus. Then, the wheel of business came to a standstill and the very fabric of the global economy is at a survival war with the virus.

In the middle of all this, from one-man startups to the multi billion dollar enterprises are feeling the sharp revenue pinch. For some, it's the survival game; and for others, it's a tree of opportunity.

Like life finds a way even in the harshest environments, so should the business organisations around the world. We cannot give up. To fight the impact of COVID-19, instead of going into a survival sleep mode, we should combine our compassion with the ability to find new opportunities and push the envelope.

So, the the silver lining is that we can and will get through this. We, as mankind, have overcome much bigger challenges and thrived to grow better, bigger, and stronger.

In the words of the ancient Himalayan saints:



"Present moment is inevitable!
Accept situations and people for what they are!
We cannot choose our external circumstances,
but we can always choose how we respond to them."

So, whether your business survives the impact of this pandemic, or grabs new opportunities and rises to the situation, or just succumbs to failure the old-fashioned way -- depends on how its leaders "respond" with creativity, openness to change, and with an innovator's mindset.

Let's explore deeply into the impact of COVID-19, figure out what we should do while we are still going through the pandemic, and what we can do once it's over.

Economic Impact of COVID-19 Pandemic

1

In a few words,



Global recession seems inevitable, possibly in emerging markets too.

Overall, demand effects probably much larger than the initial supply shock.





Uncertainty, panics, and lockdown policies to drive large demand drop.

Investment of many top firms and spending of many households depend on cash flows.



Large drop in demand thus force firms to close. This leads to a rise in layoffs and a further drop in consumption.

Economy enters a depressing loop!



All sectors are impacted, with several seeing severe consequences

Preliminary views based on base case – Subject to change as the COVID-19 outbreak evolves

	 Tourism and hospitality	 Aviation / airlines	 Oil and gas	 Automotive	 Consumer products	 Consumer electronics, semi-conductors
Estimated degree of impact, in terms of duration	Longest					
Estimated global restart (Global slowdown scenario)	Q4	Late Q3 / early Q4	Q3	Late Q2 / Q3	Q2	Q2
	<p>Severe ripple effects (e.g., closures in Paris, tourism down 50% in Vietnam, despite lack of local transmission)</p> <p>Delayed recovery until winter season, when disease might surge again</p> <p>Potential of more localized impact, containing negative demand hit</p>	<p>Sustained headwinds, with global travel acutely impacted; summer season missed – forward bookings for Mar-April down significantly; reports of over 40% in certain airlines</p> <p>Pace of recovery faster for domestic travel (~2 quarters); slower pace of recovery for long-haul and/or international travel (up to ~3-4 quarters)</p>	<p>Oil price decline driven by both longer-term demand impact and short-term supply overhang</p> <p>Rebound expected with resumption of consumer demand, but long-term impact likely if situation persists and depresses prices beyond a year</p>	<p>Existing vulnerabilities (e.g., trade tensions, declining sales) amplified by acute decline in Chinese demand, continued supply chain and production disruption (in China, rest of Asia, now EU)</p> <p>Headwinds to persist into Q3 given tight inventories (<6 weeks), supply chain complexity (therefore, minimal ability to shift)</p>	<p>Overall moderate decline in private consumption and exports of services</p> <p>Demand for certain product segments (e.g., food, produce) resilient; significant online growth (though hampered by labor shortage)</p> <p>Potential of localized impact, containing negative demand hit</p>	<p>Market structure shifts accelerated (e.g., strategic moves to diversify supply chain)</p> <p>Downstream impact due to supply chain challenges in China, rest of Asia (esp. South Korea), causing delays in 5G, product development</p> <p>Pace of recovery to differ by sub-sector (e.g., semiconductor likely faster)</p>

Source: IHS Market; McKinsey Global Institute Analysis; Subject matter experts; Press reports

McKinsey & Company 11

Impact on stock markets

Large declines in the stock markets in 2020

% change since beginning of 2020



London Busi

Last update: 2020-03-23

Source: Yahoo Finance, Investing.com, own calculations.

London Business School

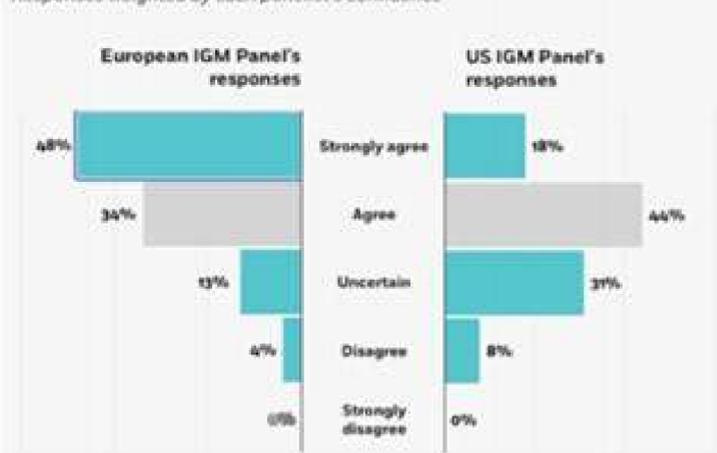
A major recession coming

IGM poll of top economists:

- Majority of European and US economists predict major recession
- Europeans have a stronger view than US
- Less clear in emerging markets

Statement A: Even if the mortality of COVID-19 proves to be limited (similar to the number of flu deaths in a regular season), it is likely to cause a major recession.

Responses weighted by each panelist's confidence



Source: <https://voxeu.org/article/economic-impact-pandemic-igm-forum-survey> (12th March)

Sources: McKinsey & Company, London Business School

However, this event has also thrown open doors for innovation and transformation. It challenged us to think differently and given us ways to live our lives in a more restrained manner respecting nature and co-habituating earth.

We not only survive this pandemic but also carry with us lessons forward that will help us build organizations that are flexible and more responsive to both internal and external demands.

So, to begin our exploration, let's ask 2 top-of-mind questions all senior executives have right now:

- **What's our "During-COVID-19" response to keep the organization relevant and afloat in terms of revenue?**
- **What's our "Post-COVID-19" preparedness/growth strategy to deal with the radical aftermath changes in the economy?**



For many organizations around the world, answering these questions might mean deciding between extinction and survival. It's one thing to come up with strategies and it's a totally a different thing to implement them. And, we surely don't have the luxury to wait!

Besides, all organizations have the responsibility to communicate effectively in this time of crisis to both their internal stakeholders and their customers. The more honest and candid / transparent these communication channels are, the better chances of surviving this situation.

During-COVID-19 Strategy:

How to keep the
organization relevant
& afloat in terms of
revenue?

2

Invest in Y.F.E.C.

Y - You, F- Family, E- Employees, C- Customers



Take Care of YOURSELF!



The most important aspect for senior executives to do right now is to invest in themselves—YOU. These are times when you must be at your best both physically—and more importantly—mentally. Only if you are in the best state of health can you help deal with your family, your company and your customers.

Handhold YOUR FAMILY!



The second aspect is your family. Being stuck inside your home without much opportunity to head out or meet with people can be frustrating for all family members. Including your children and pets.

Especially in countries where we are used to domestic help, it becomes even more difficult during these times to manage the day to day functioning of the household. The family is going to lean onto each of its members for more support and the fragile fabric of the family is bound to be challenged.

Having schedules for each family member including segregation of chores, office time, family time and trying to be as much physically / mentally active as possible is key. Meditating together as a family also helps get through such tough times and builds a stronger bond amongst family members.

Show Compassion For YOUR EMPLOYEES



Employees are a leader's extended family. During crises times, it's natural that your employees have to deal with a variety of insecurities and challenges. And, as their leader, you can help them ease their situation.

So, take the opportunity to regularly and honestly communicate with them and share them the company's present challenges, expectations and decisions. It would help them understand the company's situation and prepare themselves to what may come.

Communicate With YOUR CUSTOMERS



Lastly, your customers.

Again, the simple mantra is: Regular / Honest / Transparent communication.

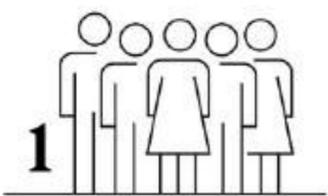
Establish a communication framework for all levels of your customer organizations, including all stakeholders.

The Five Horizons Response To Crisis



Companies need to think and act across five horizons.

The five horizons



1 Resolve

Address the immediate challenges that COVID-19 represents to institution's workforce, customers, technology, and business partners



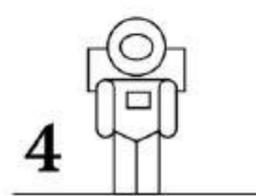
2 Resilience

Address near-term cash-management challenges and broader resiliency issues during virus-related shutdowns and economic knock-on effects



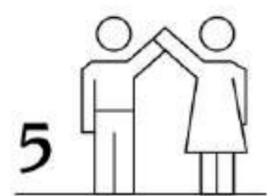
3 Return

Create detailed plan to return business to scale quickly as COVID-19 situation evolves and knock-on effects become clearer



4 Reimagination

Reimagine the next normal: what a discontinuous shift looks like and implications for how institutions should reinvent



5 Reform

Be clear about how regulatory and competitive environments in industry may shift

Quick fixes are not going to help when dealing with a pandemic of this proportion. Instead, we need robust, holistic approaches that address the complete system.

While we're still in the middle of the outbreak, we should start with developing specific teams whose job is to plan ahead for crises like this and enable the decision makers.

Create A Mastermind Team To Plan Ahead

2.2



Some organizations act proactively, some take their chances, and yet others underestimate the impact of an impending crisis. However, by now, as the pandemic still on the rage and swallowing up the business day by day, you might realize that you should try and restore what's been lost, avoid more losses, and even find new revenue streams to grow.

Whether it's survival or growth that's your focus right now, playing with the same rules during a crisis as in ordinary times has no power to move the needle. Extraordinary times demand extraordinary measures.

So, it's time for you to invest in a Mastermind Team: a team whose complete focus is to dive deep into understanding various factors of the crisis, collect relevant info, develop possible scenarios, identify threats and opportunities, and help executives make tactical and strategic decisions.

The Mastermind Team starts with making the "day one" crisis action plan and moves on to develop it for:

- 1) two, four, seven days
- 2) two, four weeks
- 3) one or multiple quarters
- 4) one or more years

In a sentence, the M-team stays on top of the spiraling issues to make the uncertainties less daunting and enable the decision makers to take the right path into a less ambiguous future.



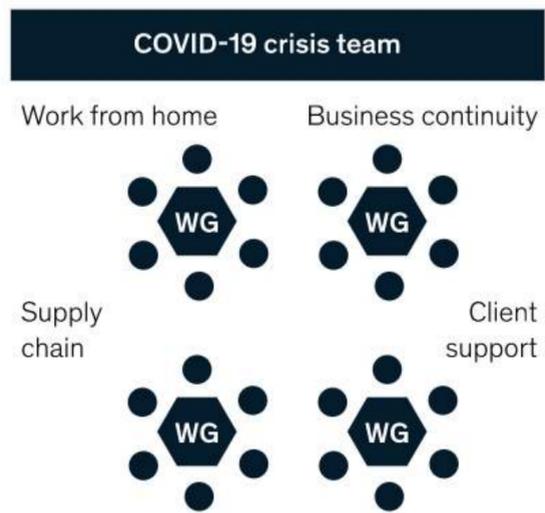
Wondering how to get together such a team?

"McKinsey & Company" has published a comprehensive team structure for such a mastermind team, as quoted below:

"Importantly, the structure of the plan-ahead team is modular, with individual cells focusing on specific issues across time horizons. As new issues come up or time horizons expand, you may need to add new cells. This will enable the team to scale in line with the magnitude of the crisis."

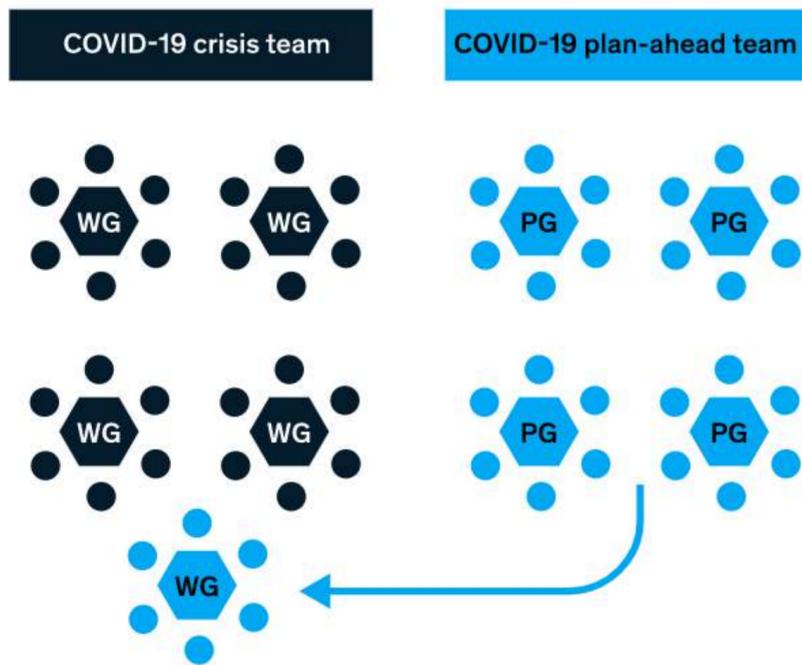
A plan-ahead team is modular, with cells focusing on specific issues across time horizons.

Immediate response to COVID-19 crisis:
Safeguard your day-to-day business



Working group (WG) for issue

Getting ahead of next stage of crisis:
Launch your plan-ahead team

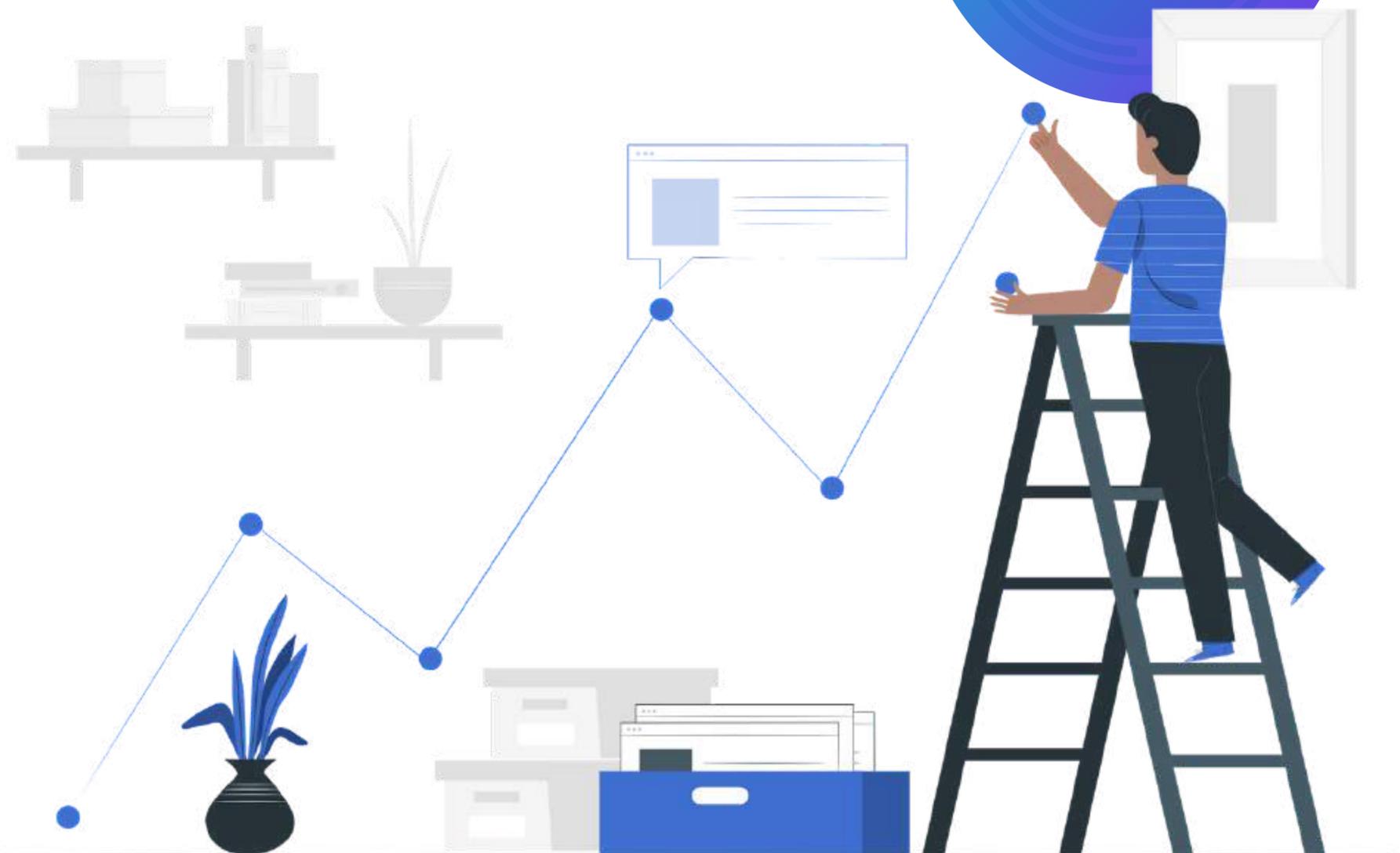


Modular, scalable planning group (PG) for issue

McKinsey
& Company

Post-COVID-19 Strategy

3



What to do once the
pandemic is over?

Will everything go back to normal? Or, will there be irreversible damage to the way organisations operated and sustained? Will there be new unpleasant surprises that would put the company between a rock and a hard place?

How to deal with all the unknowns and the uncertainty that follow the COVID-19 aftermath?

Well, there is no definite answer, as we do not yet fully comprehend the things that might follow. But, trying to keep all your people safe, staying up on top of your business, weighing on the constantly changing conditions and dealing with it as they come -- IT'S NOT ENOUGH!

COVID-19, the biggest economic shock since the World War II, is head on to disrupt customer behaviour and business models at an unprecedented magnitude. And during times like this, assuming the worst and operating at the extreme caution is necessary.





Once you have created the Mastermind Team whose complete focus is to plan ahead, it's time for you to set them off a direction that makes the most sense.

And slowing down at any point of this initiative means sabotaging the opportunities to keep the organization relevant.

So, with your instrumental Mastermind Team and dedication to stay relevant in the economy, let's dive into the detailed steps your organization should take:

5 Steps To Deal With The COVID-19 Aftermath

STEP #1



Assess What Has Changed & Pivot On Your Starting Point

STEP #2



Formulate Possible Outcomes Of The Present State Of The Pandemic

STEP #3



Establish A Vision That Can Drive and Direct Your Strategic Response

STEP #4

Create Optimal Set of Strategic Moves Relevant Across Possible Outcomes



STEP #5

Set Triggers Points That Checks A Specific "Possible Outcome" As Active





STEP #1

Assess What Has Changed & Pivot On Your Starting Point

The goal of Step #1 is to bring the critical issues of the organization into the foreground by organizing your existing initiatives based on their importance and making strategic choices.

- 1) Let your Mastermind Team note
 - a) company financial assumptions
 - b) current initiatives, and the
 - c) strategic choices made

- 2) Categorize each of the above based on their relevance to the present situation:
 - a) Relevant,
 - b) Not Relevant,
 - c) Unsure of Relevance

*Strategic Choices = sustain a price premium, keep investing in a physical network, and invest faster than the competition |

(Mckensey & Company)





STEP #2

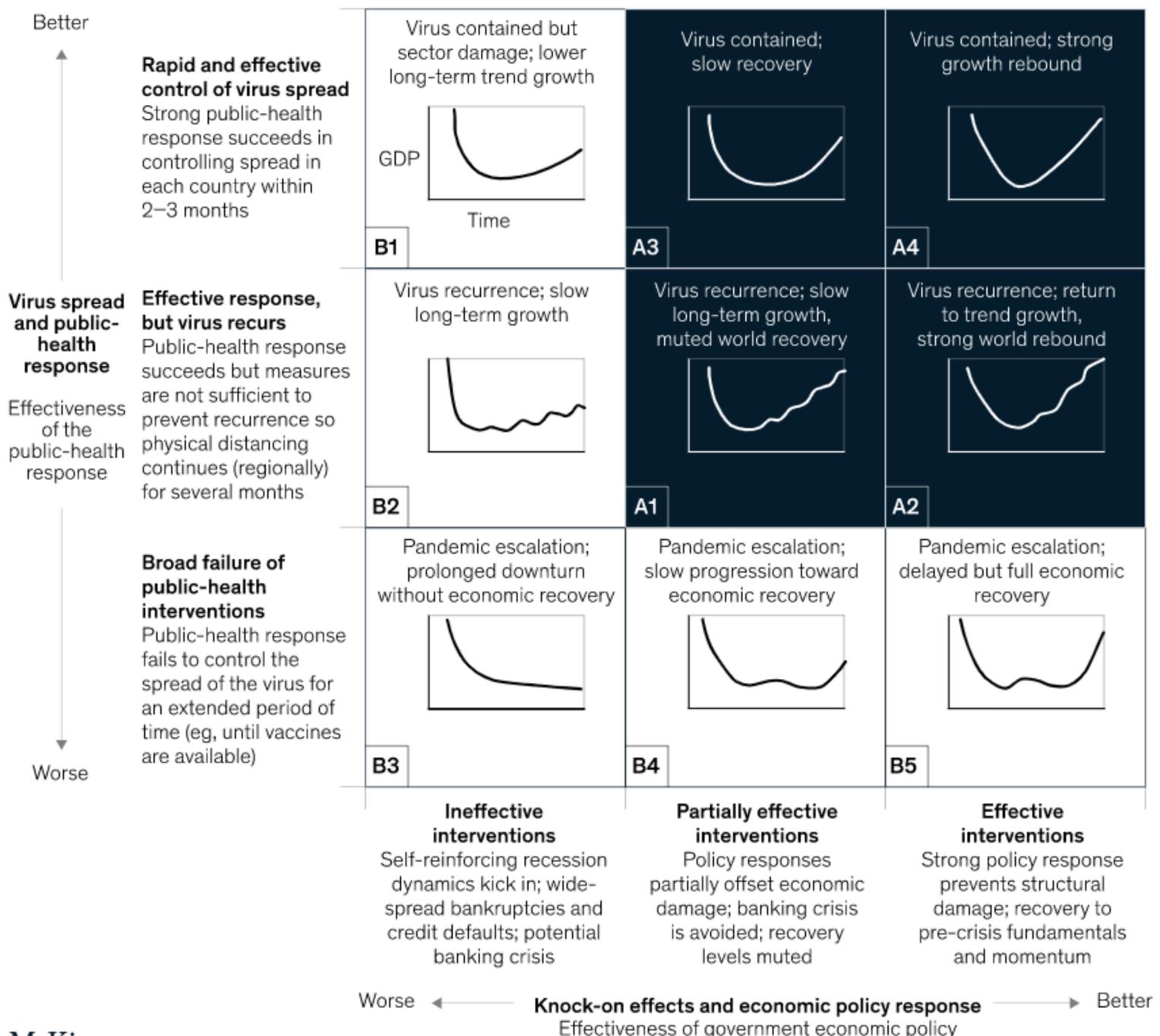
Formulate Possible Outcomes Of The Present State Of The Pandemic

Focusing on possible outcomes—including the extreme ones—is better than coming up with best-case scenarios that totally avoid considering "uncertainty" or not focusing on predictability.

McKinsey & Company has created multiple scenarios that we advice to consider:

Scenarios for the economic impact of the COVID-19 crisis.

GDP impact of COVID-19 spread, public-health response, and economic policies



STEP #3



Establish A Vision That Can Drive and Direct Your Strategic Response

Once the pandemic passes, we see organizations making big, strategic moves; some reinventing themselves; some rebuilding themselves slowly, some making use of the short-term opportunities and still some taking up long road to sustainability.

To make this easy and right for your organization, we suggest you to start with developing a vision that will drive and direct your strategic response to the aftermath.

The vision takes of the burden created by the uncertainty and help boost your efforts towards achieving that one most important goal.

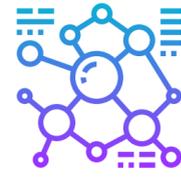
During-and-post-crisis will present the organizations with shocks to demand and business models. Sticking to a vision can help you shift your game, make restructuring smooth, provide sustainable solutions, and help recover and gain the ground faster.

Consider and discuss adapting to crisis-initiated business model changes such as remote learning, remote working, remote services, and remote consumption. Also, if not already, consider accelerating the company investments on digitizing your business on all levels.



STEP #4

Create Optimal Set
of Strategic Moves
Relevant Across
Possible Outcomes



- 1) Create a portfolio of strategic moves—small, big—that will work in coherence as a collective. It's uniqueness is that the collective is far stronger than the individual moves, as each of them complement each other's strengths and weaknesses suitable to a possible outcome.
- 2) Organize an optimal set of the strategic moves based on each what would the individual possible outcome require as it unfolds.
- 3) Use Opportunity-Threat Filter on the before-the-crisis initiatives and finalize the ones that can stay and remove the ones that can't.



STEP #5

Set Triggers Points
That Checks A
Specific "Possible
Outcome" As Active



No matter how smartly we planned, delayed decision making and the consequent lack of action would make no difference. It can be detrimental to the organization.

To avoid such a delayed response, setting trigger points that activates the action plan for a possible outcome is essential. This means, the teams should start creating detailed plans and execute on them at once.

The CEO, along with the Mastermind Team, should be responsible for deciding the trigger points and executing on them as necessary.



Conclusion: Begin Now!

4

Be sensible to the changing circumstances.

Create a mastermind team to deal with the uncertainty and plan ahead to meet the challenges head on and meet the aftermath well-prepared.

And let the Mastermind Team do its wonders, by supporting it, investing on it, nurturing it, respecting it and taking action on the suggestions quickly.

Begin now!

References: London School of Business, McKinsey & Company

About EvolveBPM's Digital Marketing Platform **INNOVATOR**

EvolveBPM's INNOVATOR helps you discover a truly transparent view of your marketing activities and start realizing value you weren't even looking for -- especially during a crisis like the one we are going through now.

Some of the organizations we are empowering:

DocuSign  **rackspace**  **poly**

[Request Demo](#)

THANK YOU!

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