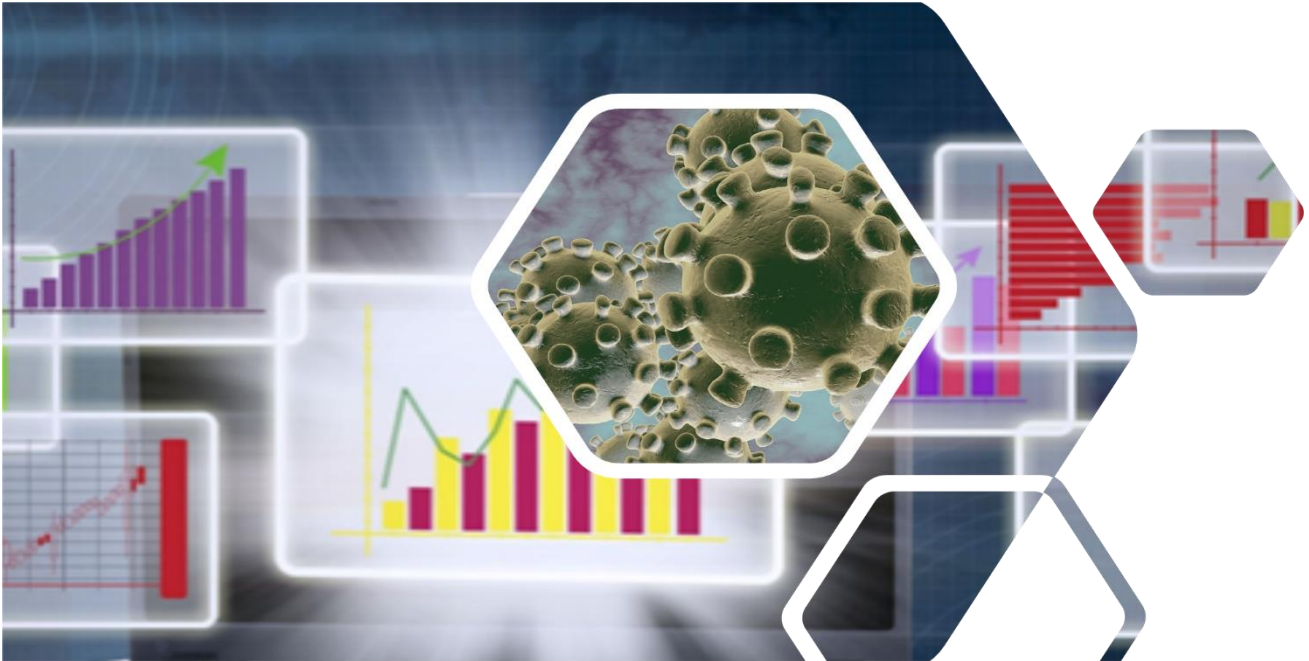


CORONA VIRUS AND BUSINESS PREPAREDNESS



“SMEs and Start-ups are more likely to be susceptible to disruption than large enterprises during sudden disruptive events. Organisations therefore need to develop appropriate Strategic Capabilities that are right for their business to align with the ever-changing environment”

The tragical outbreak of COVID-19 has taken its toll on human life and continues to do so. As it is not easy to bring such outbreaks under control in a short time, taking timely and preventive response is the only option we are left with. While it's easy to say, tackling it on a larger scale can be far more complex.

It is but natural that such a situation has cascading impact businesses. SMEs and Start-ups are more likely susceptible to disruption than large enterprises. In the Indian context, while there is no virus outbreak within the country, the heat is certainly being felt. Reported cases indicate:

- Few individuals who have been infected
- Individuals who are already in affected countries and unable to travel/return home
- Impact on global supply chain, especially from China
- State of readiness to tackle the uncertainties.

If we pan the business landscape, we find multiple scenarios exist. Reports state that the number of new cases in China are declining and factories are resuming work. So, the world will hope for a quick recovery in Q2 of 2020. At the same time, we see increased cases in other countries. Travel advisories and import restrictions are being put in place. This can delay the recovery beyond Q2 by few more quarters. Finally, in case of a full-blown pandemic, the recovery would be undesirably a long one.

This is certainly not good news in an already stressed economy.

Minimising risk related to business disruption becomes paramount. For businesses to wade through this crisis, here are some of the points to consider:

- **Employee wellbeing:** Do not be complacent about this outbreak. Protect your employees (and customers) by adopting relevant measures such as travel control, hygienic practices and response procedures. It is time to revisit the practices you put in place during the H1N1 outbreak, sooner than later. Rely on professional advice from credible sources and not messages circulating in social media.
- **Digital Readiness:** How smart and connected is your organisation? Businesses that have invested in digital technologies that enable real-time and remote monitoring, stakeholder communication and customer support will minimise business disruption.
- **Predictive Modelling:** Data Analysis, especially predictive data analytics, has become a powerful business tool of today's times. As the name suggests, this methodology anticipates (predicts) future state of business by using historical and current data with the help of statistical and digital methodologies. It is certainly not an overnight exercise but one can visualise the power of analytics in planning and decision making.
- **Financial Preparedness:** Check how best you can manage your finances through these turbulent times. Cash flows can get severely impacted in such situations. Securing your financial liquidity in these times need attention.
- **Supply Chain Risk Mitigation:** Mitigate risks in your supply chain to minimise disruption in activities. If you already are a part of the Global Value Chain, you likely have a strategy in place. But if are an aspirant, then it is a new dimension to leverage. Business Planning becomes essential so that business does not halt during a slowdown.
- **Customer Relationship:** Your customers will be as anxious as you are. Ensure they know how you are dealing with the situation.
- **Cross-function Emergency response team and protocol:** In case of eventuality, be it business or health matters, it is vital that procedures and accountability are well articulated and clearly communicated. Large businesses have Business Continuity Planning manuals. It's time to bring them out of their shelves, review and enforce the processes within.
- **Transparent Communication** and regular updates become vital in such scenarios to demonstrate empathy towards people, avoid anxiety and manage business outcomes. Leaders must step up and reach out to the concerned groups personally and frequently.

The current situation is a classic case of the Uncertain World we live in. It certainly not is the only one. Disruptive events are more frequent and are triggered by different sources. While such measures never stop disruption completely, managing business in this age certainly needs different approaches. Data, Digitalisation and Innovation are three key areas that can help in reshaping business strategies for the future.

Organisations thus need to develop new sets of Strategic Capabilities that are right for their business to align with the ever-changing environment. It is no longer enough to have a few leaders who can deal with today's uncertain situations. Rather, the entire organisation needs to be re-oriented to the new business requirements.

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