Readjusting Business Operations to Cope with COVID-19 Crisis

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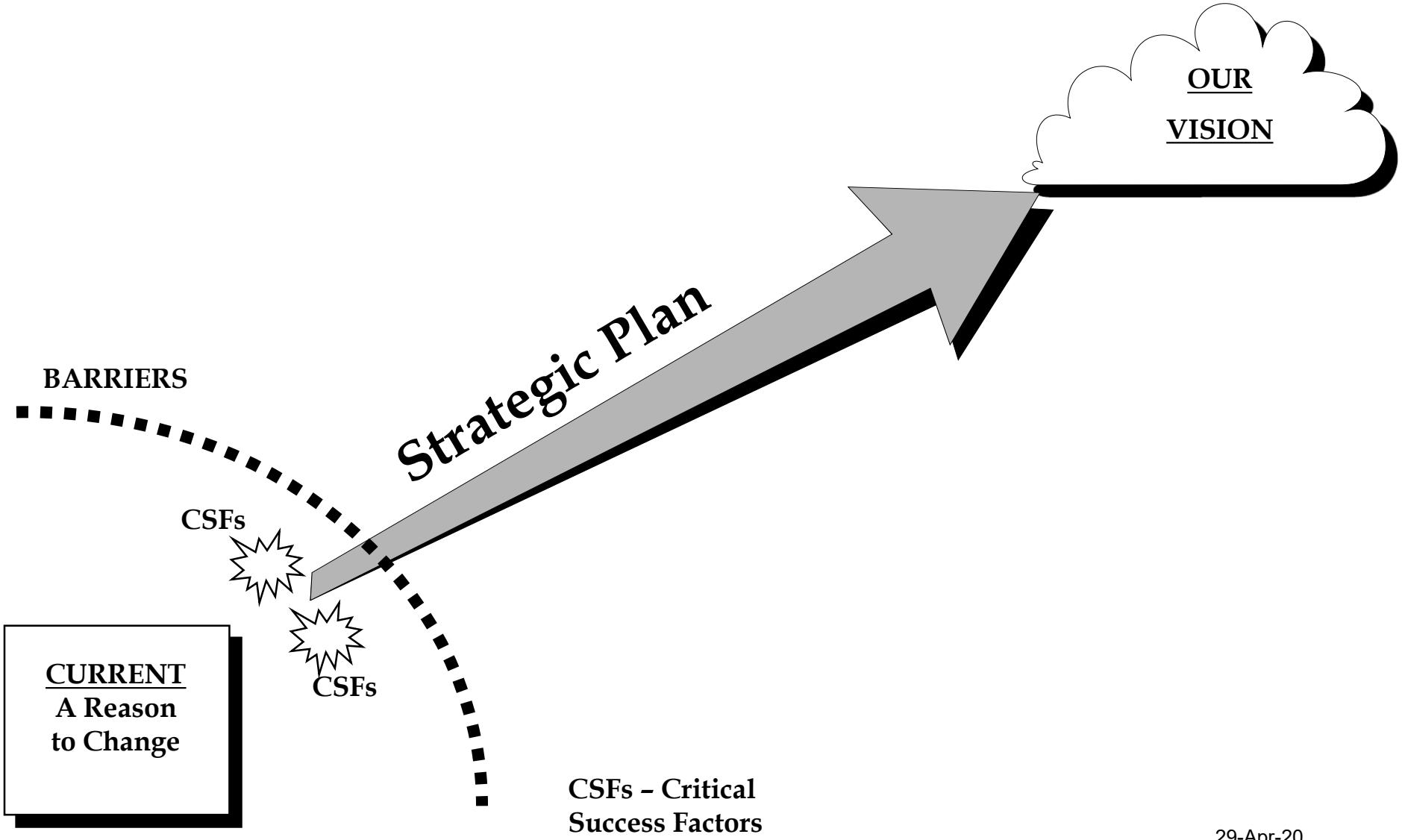
Agenda

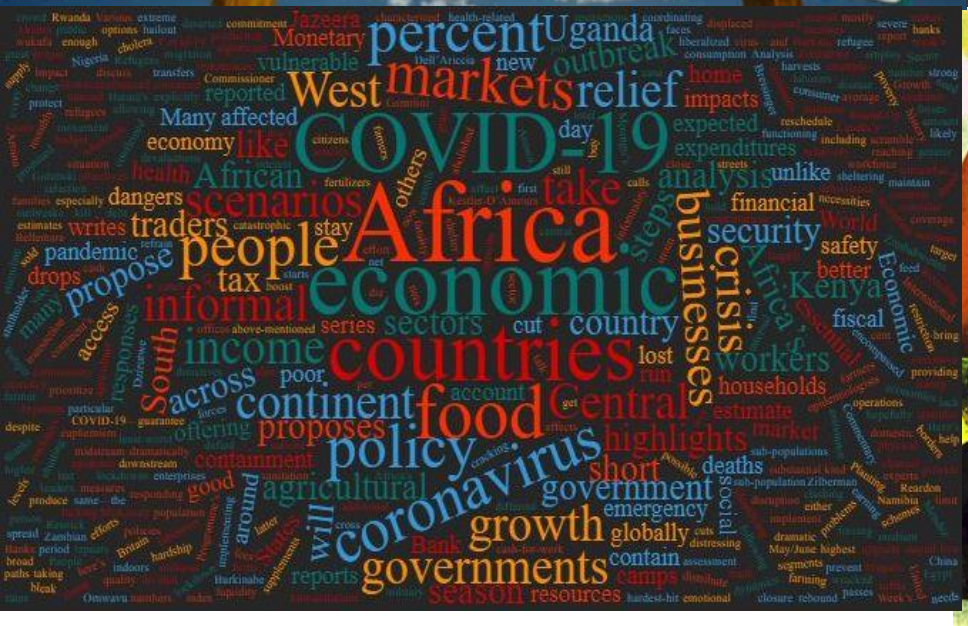
- Current Situation
- Business Resilience
- Business Response
- Operations Post COVID-19
- Recommendations

Focusing on Business Resilience

Current Situation


OUR
VISION
Strategic Plan
BARRIERS
CSFs
CSFs
CURRENT
A Reason
to Change
CSFs – Critical
Success Factors

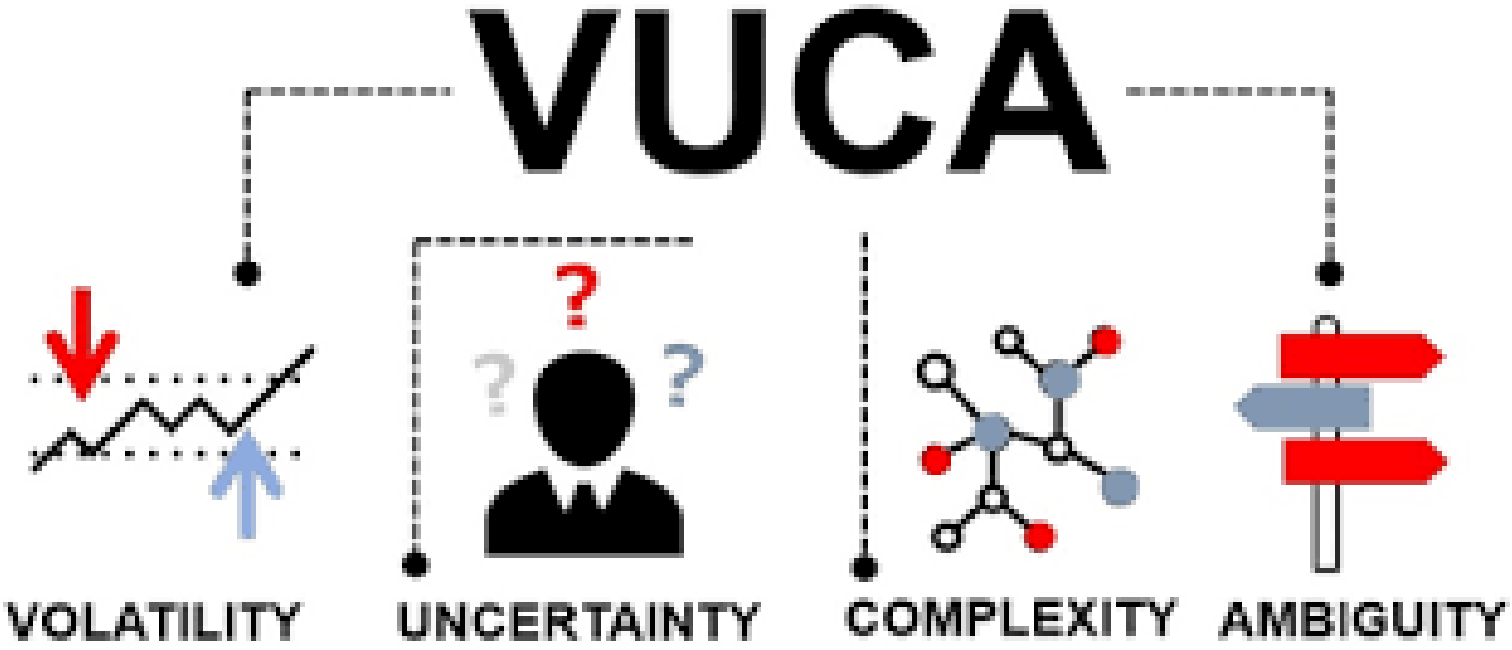
Enter COVID-19



The Journey

1st Cases of COVOD-19
Government Containment measures
The rocky road
Taking steps towards resilience
Mastering Post COVID-19 Future

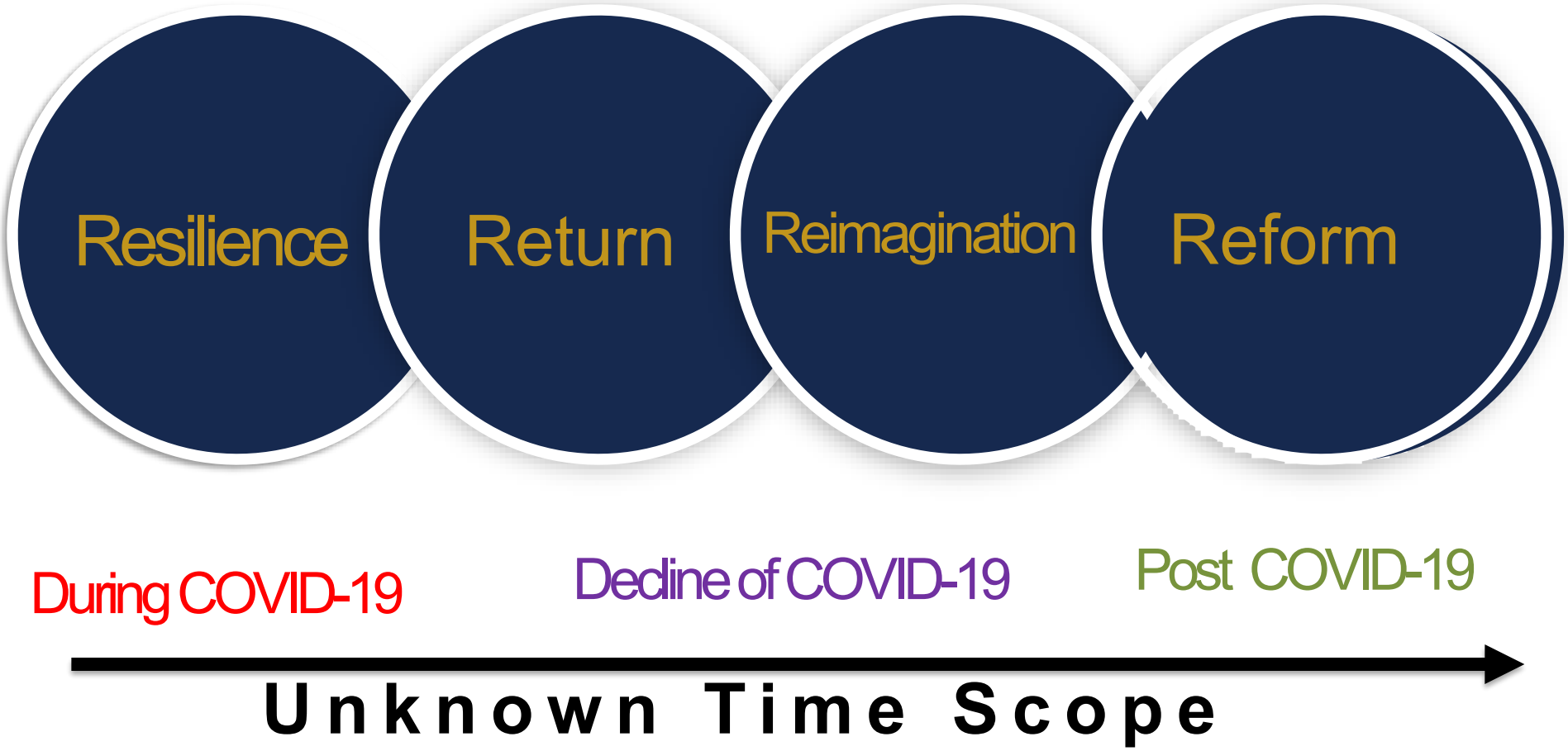
As a Result of COVID-19…..



COVID-19 Business Impact

- Negative Impacts – Reduced business
  - Manufacturing sector
  - Agribusiness Processing
  - Logistics and Supply chain players
  - Restaurants
  - Beauty Enterprises
- Business Shut down – complete cessation of operations
  - Manufacturing enterprises
  - Entertainment joints
  - Restaurants
  - Travel businesses
- Positive Impacts – accelerated business growth
  - Health related manufacturing
  - Agribusiness manufacturing
  - Health business
  - Home deliveries
  - Video streaming and home entertainment

Business Transitions through a Crisis



What will you
STOP
START
Continue?

Business Operations

- Strategy
  - Ability to be resilience and plan for the future
- Structure
  - New organizational forms
- Human Resources
  - Redefining skills and competencies
- Systems
  - Technological, Infrastructural and Institutional systems
- Business Culture
  - New ways of doing things
- Business Leadership
  - Sharing the business vision towards the customer

Business Pillars of Resilience

Financial resilience

The ability to withstand the financial impact on liquidity, income and assets.

Operational resilience

The ability to withstand operational shocks and continue to deliver your core business.

Commercial resilience

The ability to respond to changing market and consumer pressures.

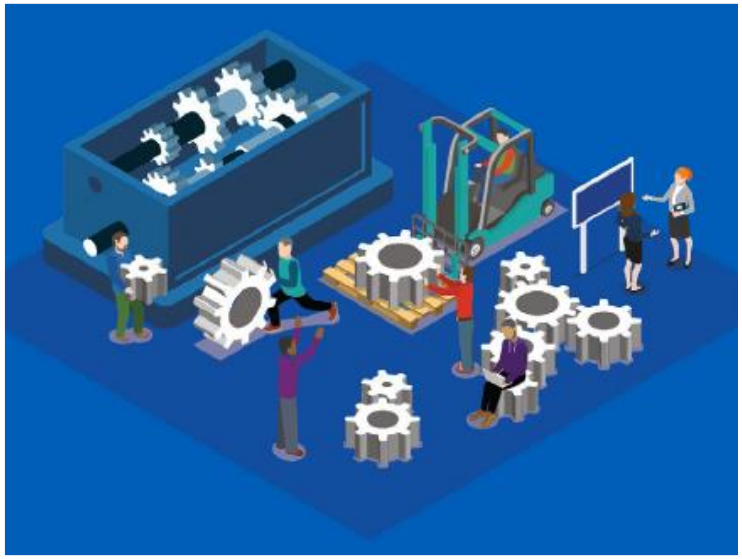
Financial Resilience

“ How do you ensure that your business has sufficient financial resources to maintain stability in the context of commercial and operational disruption?”

Plan and manage your cash flows!

Operational Efficiency

“ How will businesses minimize the operational impacts of COVID-19, adapt to maintain delivery of their products and services, survive the crisis and then accelerate their recovery?”



Business Operations are Affected

- COVID-19 is causing unprecedented operational disruption.
- Organizations are unable to deploy their people effectively.
- Manufacturing organizations operations
- Supply chains are being tested to an extreme extent.
  - Supplies and raw materials affected
- Access to premises and physical assets is severely compromised.

Response

- Flexible working arrangements and prioritizing the direction of resources – often into new, adjacent or alternative activities – to meet new and emerging operational needs.
- Business continuity – succession planning in the event key staff are COVID-19 positive
- Developing new resilient supply chains both upstream and downstream including newer suppliers
- Decide which products, services and processes should be kept operational – develop a prioritization criteria that considers post COVID-19
- Candid, honest and brutal discussions with the employees, customers, financiers and suppliers

Key to Operations

- Minimize reputational damage and financial losses – Credibility and trustworthiness

Employees and Operations during COVID-19

- Empower Employees on new business models
- Monitor Employee burnout and mental state
- Create Integrated Communication Platforms
- Motivate, Coach, Counsel, Support
- Split Employees into on site and offsite teams Allow flexi work
- Develop Simple Reporting Tools

Commercial Resilience

“ How do you monitor, measure and adapt to changes in demand in markets, channels, products and services?”

There are two key themes:

1. Markets, products and services
2. Customer experience and behaviours

Commercial Resilience

- Assess and monitor daily how current and anticipated restrictions, will impact market access, customer demand, supply chains and distribution.
- Identify which products and services are experiencing increasing or falling demand
- Analyze and monitor changes in market, product, service and customer segment demand and behaviours
- Review commercial arrangements - pricing, sales and service requirements
- Decide which activities to stop, start and continue – and assess how resources and capabilities can be reallocated
- Establish information, communication and decision lines through the business to ensure actions are coordinated and agile

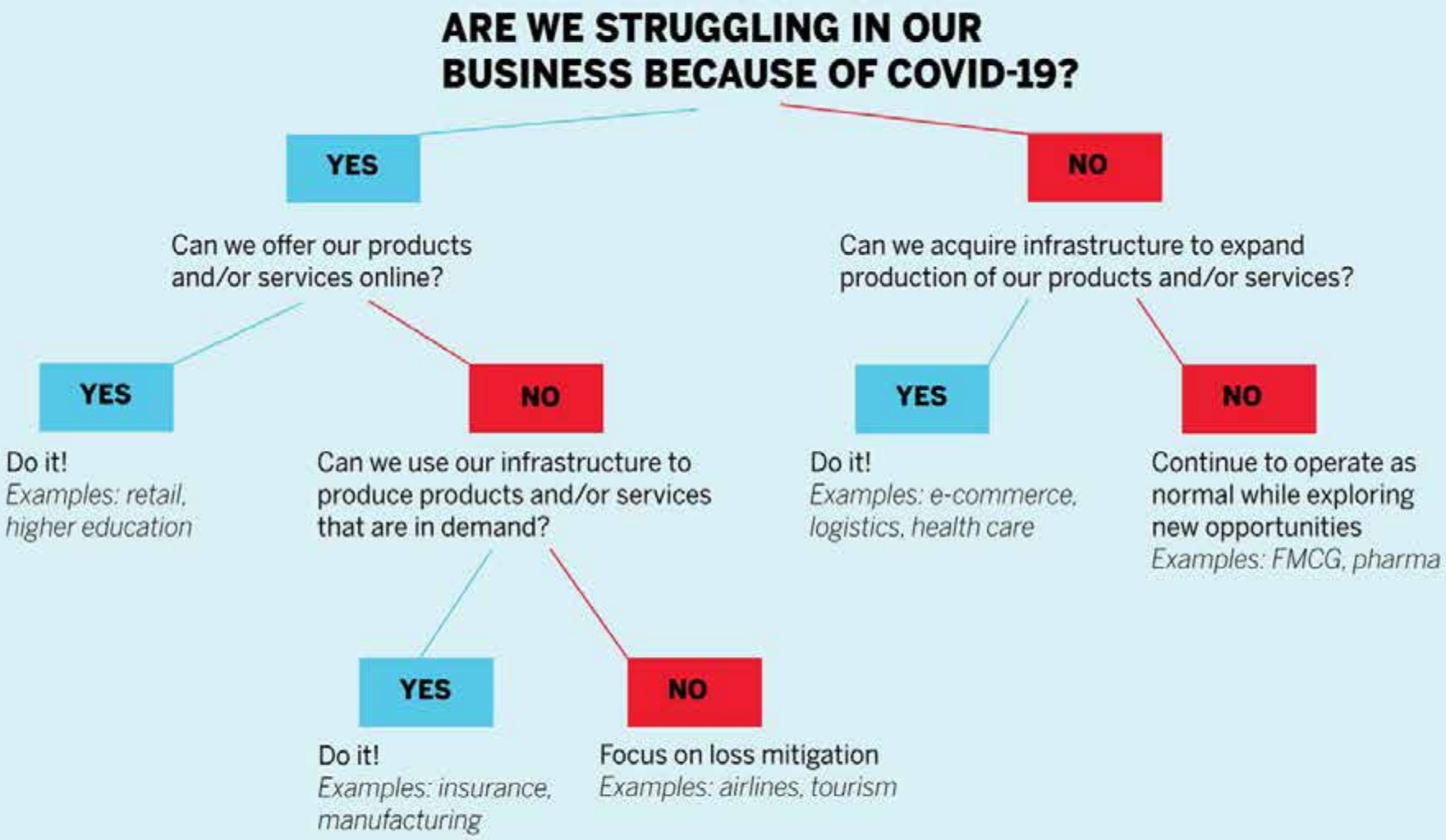
Commercial Resilience

- Identify and segment customers in response to immediate changes in demand and buying behaviours
- Empathetically understand your customers and their immediate needs
- Review customer journeys for crisis resilience – identify and resolve opportunities to automate and reduce costs.
- Develop customer contact mechanisms such as WhatsApp or social media pages such as Facebook
- Develop new digital marketing and communications platforms to engage customers directly and respond to their needs
- Initiate innovation teams to respond creatively to customer needs

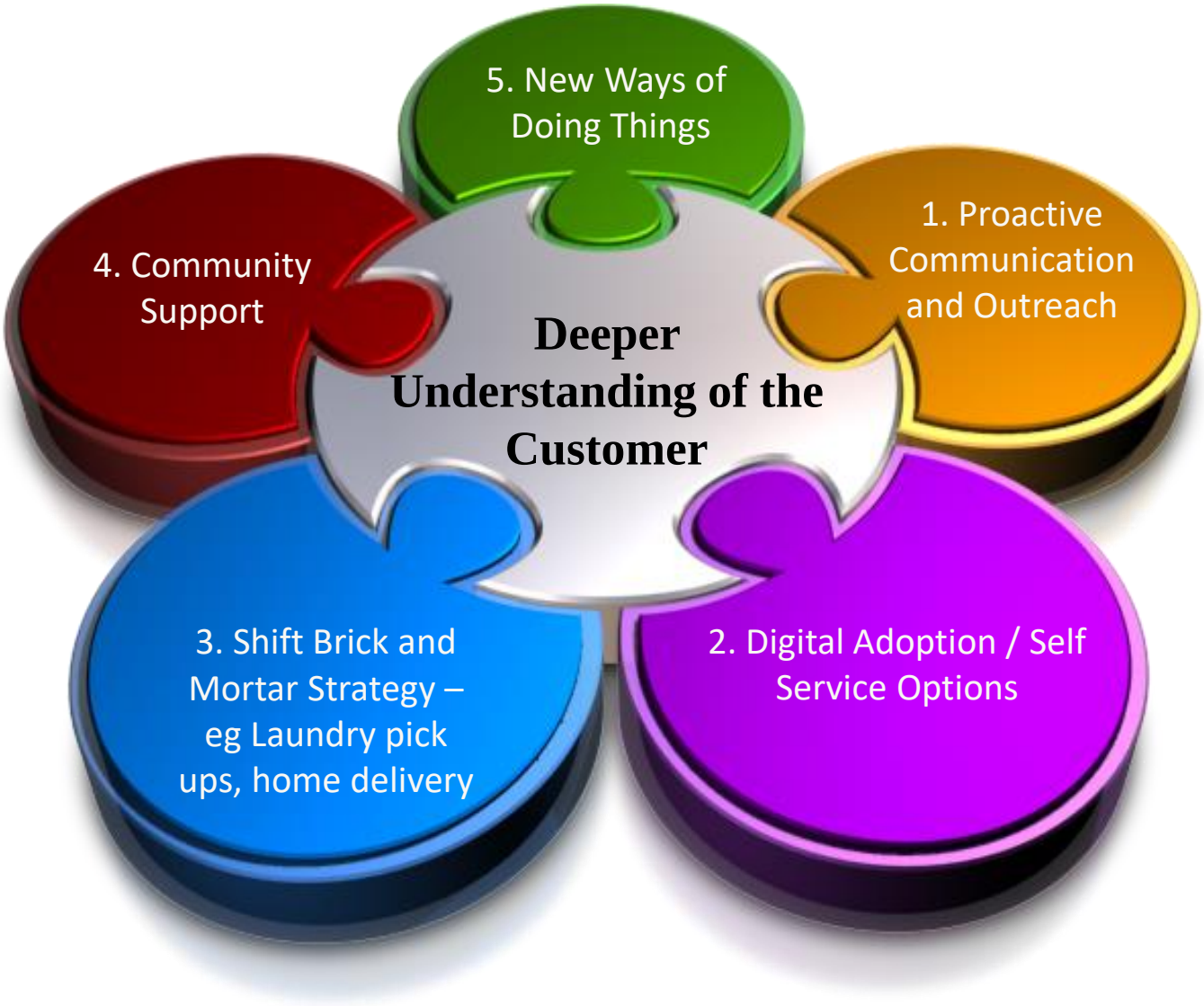
Business Response

- Reevaluate how and where you sell your products and services - utilize creative approaches to e-commerce
- Consider digital advertising tools to expand your reach
- Ensure timely and effective internal communications
- Improve your website visibility
- Embrace marketing automation
- Use customer relationship management to its highest potential
- Integrate video into the sales process
- Operations/processes must be relevant to customers – relevant value proposition

COVID-19 Decision Tree



Summary of Key Elements in Business Resilience



Business Response Cases:

From Reactive to Proactive

Proactive Business Operations

- **Same Products, Different Channel**
  - **Twiga Foods / Jumia**
  - **Health Products Manufacturing**
- **Same Infrastructure, Different Products**
  - Deploying existing infrastructure to produce different products or to offer new types of services
    - Sanitizers, face masks and other PPEs
    - Ventilators, Body Bags.
    - Hospital beds and other requirements
- **Same Products, Different Infrastructure**
  - Quickly augment infrastructure to increase production and/or delivery capacity as a result of increased demand
    - myDawa
    - Restaurants
    - PPEs

Manufacturing

- Sanitization Equipment
- Cleaning and sanitizing products
- Social distancing products – seats, tables, masks, shields, etc
- Health commodities – PPE, Ventilators, beds
- Agri Processing Products
- Textile industry
  - Issues facing second hand clothes
  - Newer needs for textiles

Other opportunities?

Market Growth Strategies

- Focus on the current market
- New products development
- New markets development
  - Local and Regional
- Diversification

Traditional Food Supply Chain

Implications

- New processes
- Integration of technology
- New partnerships
- Relevancy of middle men
- Local supply
- Community collection centres
- Fear of contagion – MUST trust the source/supplier

Twiga

JUMIA

JUMIA FRESH

Powered by Twiga

Get your fresh produce in one box

Save 50% over supermarket prices

Product	Size	No.
Banana	1 Hand	2
Potatoes	3kg	2
Tomatoes	2kg	1
Onions	1kg	2
Watermelon	5kg	1
Pineapples	1.7Kg	1
Capsicum	2kg	1
Local Oranges	2kg	1
Avocados	1kg	1
Carrots	1kg	1

*Image used for representation purposes only.

KSh 1,925

Free same day delivery in Nairobi. Order by 3pm

- Online pharmacy MyDawa is seeking Sh200 million in additional capital to boost operating capacity as Covid-19 pandemic driven demand rises.
- CEO Tony Wood said the decision was informed by last month's surge of 20,000 new users. Clients are sourcing drugs, family planning products, personal care such as sanitary pads, soaps and sanitizer liquids via the app

Airbnb – New Product: Online Experiences

Featured for World Book Day

UNITED STATES
Learn to Craft a Pop-Out Book
From $16/person · 1.5 hours
★ 5.0 (7)

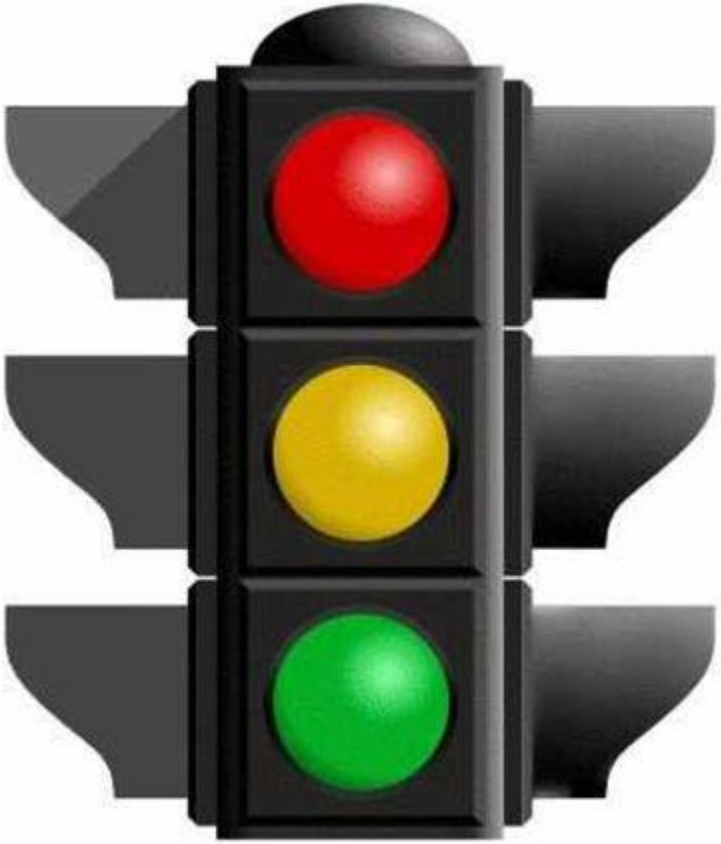
UNITED STATES
Story Time with a Children's Book Author
From $7/person · 1 hour
★ 4.92 (12)

UNITED KINGDOM
Pasta Grannies Masterclass
From $26/person · 1 hour
★ 5.0 (5)

UNITED KINGDOM
Drag Queen Story Time with Singalongs
From $13/person · 1 hour
★ 5.0 (1)

UNITED STATES
Propagating Plants with Hilton Carter
From $35/person · 1.5 hours
★ 5.0 (15)

- Product Modifications: Monthly Stays
- New Product Target: Frontline Healthcare Workers



Stop

Start

Continue

andyhanselman.com

Response to Business Operations

Improve Internal Efficiencies - TAT

Review and cut down on costs

Internal Systems Integration

Government Containment Measures

Scenario planning

Response to Business Operations

Supply chain management

Collaborative relationships

Technology

Identify potential points of failure.

Get communication right.

Don’t lose sight of other risks.

Beyond coronavirus:
The path to the next normal

New Operating Environment

- All decisions will be pivoted around **HEALTH**
- Distance is Back
- Reluctance to gather in public as before
- The prospect of more border restrictions,
- Greater preference for local over global products and services
- Need for resilience across supply chains driving a move to bring sourcing closer to end markets
- Renewed resistance to globalization

As a result

- The rise of the contact-free economy
  - Digital commerce,
  - Telemedicine
  - Automation
- Changing
  - industry structures,
  - consumer behavior,
  - market positions,
  - sector attractiveness.

Operational Response

1. Launch a PLAN-AHEAD TEAM to get ahead of the next stage of the crisis.

2. Direct that team to work across *multiple time horizons*.

- Develop *scenarios* for multiple versions of your future
- Figure out how your operations will be affected
- Identify new capabilities and resources that will be required

Post COVID-19

"Those who will capture that world are already preparing for it. They will not wait for the dust to settle and for governments and medics to give the go-ahead. They are already ***imagining*** the landscape to come, its ***shape*** and its ***needs***; they are ***learning new skills*** in readiness; they are ***preparing*** themselves for ***different ways*** of working".

Sunny Bindra, Daily Nation 26th April 2020

New opportunities

- Fabricators
  - New buses and matatu seats, internal automated fumigation kits
  - Office seats
  - Classroom seats
- Meeting and Events
  - Virtual Weddings
  - Virtual Graduations
- Gyms and Health Spas
  - Online Zumba and fitness classes
  - Online coaching classes
- Baking, Crafts Training schools eg Beauty
  - Online classes – higher reach, more geographical scope

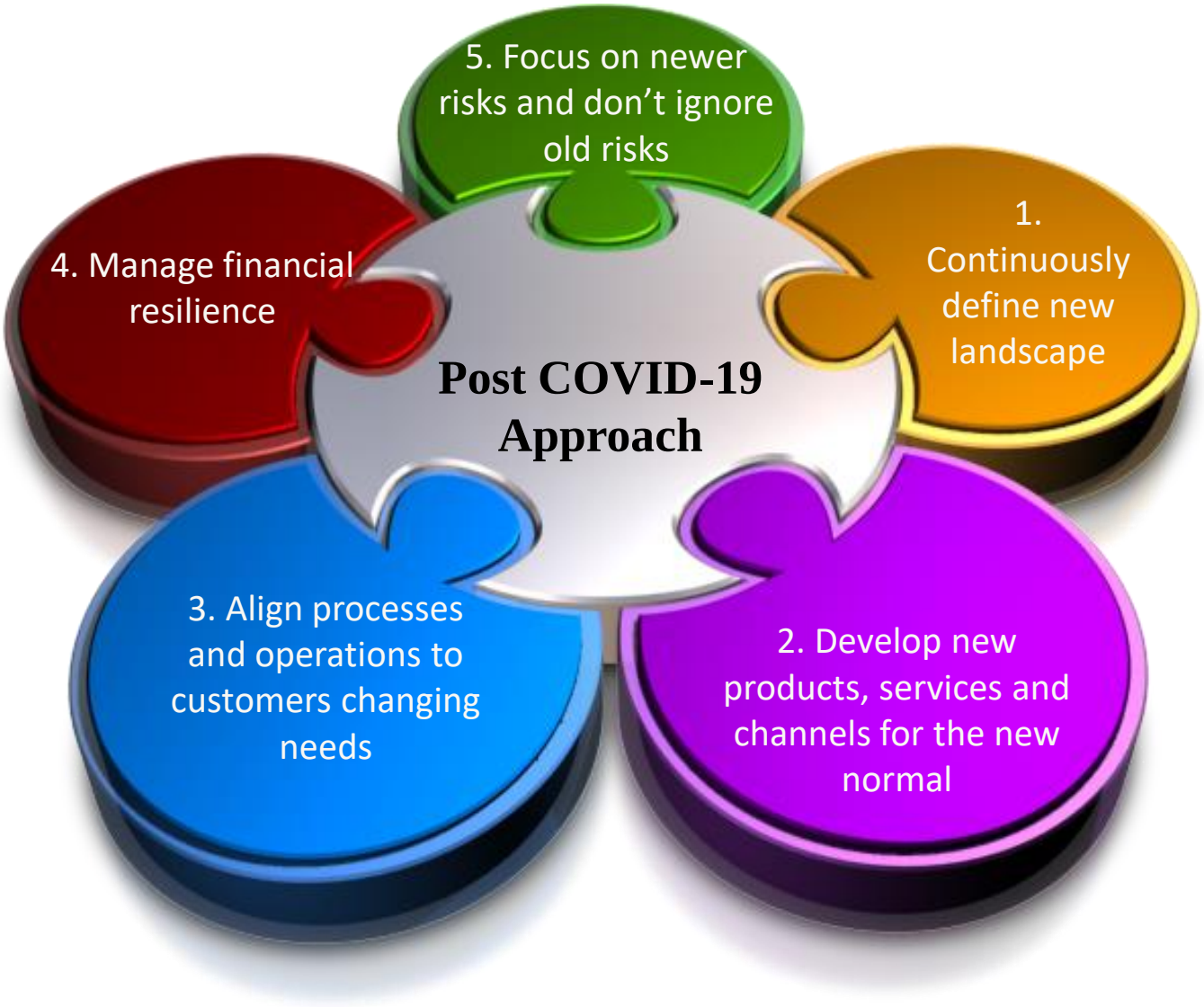
THE City gym

DONT WORRY

when its all over
we shall help you
flatten the curve

#StayHome

AVIO INTERIORS


5. Focus on newer risks and don't ignore old risks
4. Manage financial resilience
1. Continuously define new landscape
Post COVID-19 Approach
3. Align processes and operations to customers changing needs
2. Develop new products, services and channels for the new normal

STAY CALM. STAY FOCUSED. STAY SAFE.