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COVID- 19 and its Likely Consequences – Surviving Mechanism for Growing Businesses

In crisis situations like what the world is facing now, businesses and entrepreneurs are likely to get into panic mode in trying to figure out how best to navigate the turbulence.

Remember this is not the first crisis the world will be facing, and it will not be the last. It is another reset button that will change the economic order as we know it now. Such crisis comes with some level of opportunities and some inherent risks. So, what you see is what you get.

What do you see? Is the probable RECESSION ahead a nightmare, past prayed for or a wakeup call?

What Do You See? Opportunities or Threats?

The world economy will change, businesses will lose some valued customers. Some new customers with new tolerance level will emerge. Customers will need quicker delivery. The whole world in will be in a hurry to recover. Customers will want better value for less than what they were paying pre-COVID 19. How do you think you should react to the changing world? Give up, create the new wave or ride the boom?

Likely Response	Preferred Response
Withhold Information	<ul style="list-style-type: none"> Have open conversations with all stakeholders Tackle issues head-on.
Cut down headcount	<ul style="list-style-type: none"> Consolidate redundancies. Ask the question – “how far more can we stretch ourselves?” Offer intangible perks Empower frontline managers Support employees to manage mental financial and emotional health.

Likely Response	Preferred Response
Reduce marketing spend	<ul style="list-style-type: none"> Optimize marketing spend Get value from every marketing spend Help consumers find you easily Create products they can afford Improve customer experience.
Reduce Capex spend	<ul style="list-style-type: none"> Prioritize Capex spend Invest in cost saving Capex Invest in Capex required to push your core competencies before considering new products.
Pull back on expansion plan	<ul style="list-style-type: none"> Increase customer base Get competition customers by investing in customer experience Upsell to existing customers.
Get into Panic Mode	<ul style="list-style-type: none"> Do long term planning Use data to feel the pulse of your business Be proactive rather than reactive.

In order to make best use of the situation; it will be ideal to approach our responses from a strategic viewpoint. Hence building a simple strategy model for your COVID-19 response will be a wise idea.

There will be three key scenarios: We may not make it through. We may make it, so let us find a right balance. We will make it, but we must come out stronger.

These scenarios will give rise to three focus areas for Crisis and post crisis strategy: **Rescale, Reposition and Reinvent** respectively. Using these, we have tried to create a sample template below. Can you create a one pager that captures your renewed strategy?

Vision	What do you want to achieve post this crisis? <i>e.g. return to 2019 profit/revenues level by end of Q4</i>		
Strategic Pillars/Focus Areas	Rescale	Reposition	Reinvent
	Rescaling must happen during and immediately after the crisis. It will include projects and tasks that will ensure the business can quickly get back on its feet. It is the point of hard decisions. It is about getting the right size. What do you choose of cost and redundancy?	Redefine what kind of service you offer (essential or nonessential), looking at what the market needs. Here the business should try to align with spending pattern of the market. Visibility is key.	Behold! All things are new. What are the fundamentals that we must change in the business going forward? Is it our structure/products? Business Location? Human Capital mobility and virtualization? Focus verticals?
	<ul style="list-style-type: none"> • Reduce spend on non-essential services • Maximize value of every spend • Optimize collection process for receivables 	<ul style="list-style-type: none"> • Implement customer engagement strategy • Intensify optimal marketing strategy that aids visibility and acceptability • Have the right Hands, Heads, and Hearts? 	<ul style="list-style-type: none"> • Develop new structures and features that make prices and quality right for customers • Achieve more with less than you have done in the past.
	<ul style="list-style-type: none"> • Review current expenses to see the ones that are required for survival • HR review (where possible using latest performance scores) to identify key staff. Especially does that can add more than one FTE's value. And those already identified with great attitude. 	<ul style="list-style-type: none"> • Improve one-to-one with customers to get firsthand feelings and views • Invest in finding possible solutions/products that can help customers either as free add-on or at possible least cost • For service firms, now is the time to display thought leadership. 	<ul style="list-style-type: none"> • Create products or bundles that meets the new need of the market (existing customers and new) • Explore necessary collaborations to offer robust bundles • Review workflows to identify how much physical presence required and how much can be done from home.
	<ul style="list-style-type: none"> • Achieve overall operating cost at % of revenues in 3 months. • Maximum of X Receivable days 	<ul style="list-style-type: none"> • Keep customer churn at less than 10% • Keep revenue by customer at 2019 level • Keep customer base at 2019 level as of September 2020. 	<ul style="list-style-type: none"> • Healthier and Happier staff by end of Q4 • Increase customer base by 30% by the end of Q1 2021.
KPI (Measure of progress)			

A detailed thinking through the above focus areas will help businesses make optimal decisions and convert the crisis into an opportunity. Especially post crisis.