

# Recovery from the Crisis – Plan for Future Success Today

**April 2020**

# The Challenge – the dreadful impacts of COVID-19 continue

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A bleak picture:

- Millions of people infected world-wide
- The fatality rates in most geographies are dropping but still significant
- Restrictions put in place to limit the spread are having a crippling effect on the economy
- Social distancing, travel restrictions and bans on gatherings are impacting well-being and mental health
- And worst of all, there is no clear end in sight

# The impacts?

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No one is immune from the effects:

- Countries, Governments at all levels, charities, businesses, families and individuals are all impacted
- Some may never recover, others will take a significant time to rebound
- There are a number of measures (being inconsistently applied) to 'flatten the curve'
- Some leaders still appear to be in denial about the severity of the situation
- Many geographies with the harshest restrictions now appear to be seeing dividends in reduced infections and death rates

# Light at the end of the tunnel?

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Have we reached the peak of COVID-19?

- We are now hearing talk of easing restrictions – some through reduced infection / death rates, some from community pressure
- Timeframes for any changes are fluid
- Most likely to be industry by industry and international and intra-national boundaries
- Uncertainty about when to start the next steps abounds:
  - Start recovery processes now – too early?
  - Wait for clearer signals – too late?
- Calls for investigations into the source of the virus – a logical step to learn the lessons and increase future resilience

# Our advice? At the very least, start planning!

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Poor planning produces poor performance

- Fortune will favour those who have begun preparation for the post COVID-19 world
- Organisations need to consider their approach and what their 'end game' looks like
- What learnings from the pandemic can inform our recovery and increase future resilience? As is often said 'never waste a crisis'
- Is the target to return to Business As Usual (BAU)?
- Or is there a desire to emerge from this better than before?
- What new opportunities will arise that can be exploited?
- How will you start, and reshape your strategy?

# Points to consider

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Many things are likely to have changed dramatically, if not forever:

- Working from home vs. activity-based working or 'hot' desking (and space allocation in offices generally)
  - Business Travel (especially International)
  - Globalisation of Supply Chains
  - 3rd party supplier dependability and resilience (and in extreme cases, ongoing existence)
  - Team loyalty / engagement – especially amongst those stood down or let go during the crisis
  - Availability of the necessary skills to rebuild or redesign the organisation
  - Tolerance by individuals for the daily commute
  - Community / individual preference for the clear skies, clean air and reinvigorated natural environment resulting from the restrictions
  - Relative 'value' of our essential workers (~\$60,000 pa) versus the 'stars' (\$\$\$\$ millions)
  - Rethinking the security of employee tenure in the gig economy
- What does this look like for your organisation?

# Key Leadership Questions

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Leaders need to consider:

- Did we maintain / live by our core values during the crisis?
- Do we need to revise the core values going forward (as a result of the crisis)?
- How can we manage a future crisis better – enhance our resilience?
- What things do we want to keep doing from our previous way of doing business?
- What is no longer relevant / adding value and therefore should be stopped?
- What new things should we prioritise to start doing as we recommence operations?
- Are there strategic initiatives that we have previously considered / wanted to implement that now may be appropriate as we rebuild?
- Are our employees correctly skilled and capable for the new future?

# A Pathway to Success

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First, scan the environment

- What has changed in our market?
- What changes have we seen / or might we see in our client / customer base? Will our client's needs have changed as a result of their experience in the crisis?
- Can we respond to these changed customer priorities? Can we do more for them?
- What unfulfilled needs do we think will exist post COVID-19? Do we have capability / capacity to meet them?
- Will a portfolio of new opportunities maximise the potential and minimise the risk of us investing in new initiatives?
- What will competitors be doing to 'eat our lunch'?



## Apply a “Risk Lens”

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The previous slide featured a range of what are essentially risk management questions, therefore:

- Apply risk-based decision making
- Use the appropriate tools and techniques (scenario analysis, modelling , simulation etc)
- Consider both sides of the risk coin – the threats and the opportunities
- Challenge the effectiveness of controls (scenario testing)
- Seek the support of risk professionals to help facilitate the process (and before the demand for their services surges post-pandemic)

# Our methodology – R.E.C.O.V.E.R.Y

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A structured approach to the future is key:

**R. Reiterate** the need for current processes and controls during the crisis

**E. Evaluate** client / customer needs and the internal & external operating environments

**C. Consider** actions of competitors and of other industries – what can you learn?

**O. Observe** what is happening in society. What are the new norms?

**V. Validate** the different options and test assumptions. Set key decision points

**E. Examine** and prioritise alternatives. Consider a portfolio of real options

**R. Resource** teams to lead initiatives and recruit for identified skill gaps

**Y. You**– your leadership, enthusiasm, visibility and communication - will make the difference

# Sit back and wait, or get on the front foot?

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What's your plan?

- Do you have an 'exit strategy' from the COVID-19 crisis?
- Is the plan to recover a return to how things used to be?
- Shouldn't you be thinking about the 'new normal' or the 'next normal'?
- The current pandemic will end. You need agility now in order to thrive later

Remember that execution without a plan is likely to result in lost opportunities, duplication of effort and confusion for your people and your customers.

# ABM Risk Partnership

Plan to emerge stronger from the crisis? Call to discuss how we can assist!



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**“From risk comes opportunity”**