

Recovery from the Crisis – Plan for Future Success Today

April 2020

The Challenge – the dreadful impacts of COVID-19 continue

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?

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?

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!

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

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

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

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”

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

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?

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”