

POST-CRISIS: SCENARIOS & PLANNING

CORPORATE SUSTAINABILITY & GROWTH

The theme of this update is to analyze how the post-crisis scenario would see changes in global trends. Businesses would need to adopt these changes for tackling the issues that most of them are likely to face. These challenges would include excess inventory, raw material shortage, lapsing orders and supply chain issues for manufacturing-based businesses. The service sector, on the other hand, will have to efficiently manage their human resource post-crisis.



Threat or an Opportunity

Many of you would agree that this situation must be viewed as an opportunity. There are multiple opportunities like new customer behaviors, opportunity to evolve or opportunity for localization. Further it is pertinent to stress upon the most evolving facet of the current scenario which is businesses going digital. It is going to be the most important opportunity as well as the foundation of all future planning.

The world is looking out for not only how the world leaders are going to react, but also how the industry is going to react to this crisis. Being humane towards the workforce, while keeping the sustainability of the business in mind, emerged as the top priority across the corporates. There is tremendous need to view this phase as the opportunity to accrue goodwill; not just with the shareholders and employees, but also with all parts of the supply chain of a business. The industry must evolve and develop maturely taking into its stride innovation and creativity. Overall, we feel that going digital is the way forward and it will be the game-changer.



The Planning Blueprint

The consumer behavior is going to shift from shopping offline in crowds to going online. The future planning needs to be done in two phases: long term and short term. Short term planning would include overseeing the profits, cash flows, and supply chain while the long term plan would include analyzing which

customer segment to focus on. We should lay stress on keeping the humane factor as part of all our planning models. It is not the time for the industry to lay-off but the time to take pay-cuts instead to support the existing and dwindling cash flows. It is time to 'cut the muscle and not the fat', like cutting on travel.

This planning would come with a caveat that trade would recommence with a bias in the short run. Human memory is short-lived. In the long run, the customer might go back to buying imported goods from countries like China if the product is cheap and not harmful. There is also a need for the world governments to focus more on healthcare and education while the businesses need to focus on the safety of their workforce, especially in the manufacturing sector.



The Recovery Curve

Every industry and every business will have a recovery curve different from each other, be it a V-shaped, U shaped or L shaped curve. The recovery path of all businesses will differ based on their dependency on other businesses, industries, states, and countries. Whatever curve a business adopts, it must factor in the investment that needs to be made in relationships. An ideal shape would be a V curve, but with a

stress on building goodwill and trust.

In order to proceed in the post-crisis world, SMEs are advised to re-examine where to innovate, to re-engineer their product and to optimize their costs. While analyzing the financial aspect of the scenario, SMEs are urged to invest in new set-ups with caution and to do so in collaboration with their corporate partners. Since the big corporations will try to outsource to make their costs variable, small businesses should take their support rather than borrowing from the market.

Corporates are advised not to create unemployment but to hold on to the workforce and manage social responsibility along with production and growth. This is the time to increase conversation.

The Balance Between Short Term Bounce Back and Long Term Sustainability

We would like to cite the principle of dividing the funds as per TWCGO (Tax, Wealth, Charity, General and Operating expenses). We suggest through this medium to stop the production of lesser demanded products in the short run and improve the business

model in the long run. We must survive in the short term to thrive in the long term. If we try to thrive in the short term we will not survive in the long term. This is way most businesses must follow in the future.

The businesses are advised to stay calm, explore work from home opportunities in all possible functionalities across their business, and are recommended to have increased conversation within the business. Many start-ups like Ajna lens, marketsN, Deta AI, Senseforth AI, Propstack, and Cleanslate present solutions like AI-enabled dashboards, chatbots and AI platforms which can be evaluated to introduce in the business models and interaction with customers.



Head Office (HO) : Office No. 101, Monika, Near Hariniwas Circle, Naupada, Thane (W) – 400 602

Branch Office (BO) : B-201, Ananya CHS, Babanrao Kulkarni Marg, Mulund (E) – 400 081



7304933498 / 7304993399



info@aaumca.com

Disclaimer: This update-desk is general in nature. The analysis in this publication is subject to detailed revalidation. No opinion / decision should be made based on the content of this publication. It may be noted that nothing contained in this publication should be regarded as our opinion and facts of each case will need to be analysed to ascertain applicability or otherwise of the topics covered in this publication. Appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this publication.