

IMPACT OF THE CORONAVIRUS (COVID-19) PANDEMIC ON BUSINESS: LESSONS AND RESPONSES

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Introduction

Businesses, relationships, travel and indeed human activity at every level are all currently going through an-unprecedented period of turmoil as the effects of the Corona Virus Disease (COVID19) continue to be felt and to wreak havoc across the globe. The scale of its impact on a host of entities including private businesses, government functions and programs, the education sector, healthcare systems and facilities, the economies of nations, the mental state of individuals and strain on healthcare first responders will be felt for many years to come. In fact, its memory may linger for a lifetime. For instance, many people will never forget where they were when their respective governments took drastic measures such as imposing restrictions on movement.

Reports suggest that this invisible but vicious enemy mysteriously descended on our planet towards the end of 2019. It was first detected in China but quickly spread throughout the globe. Increased global business and leisure travel as well as movement of cargo seem to have aided the rapid spread of the virus. Governments working together with World Health Organization (WHO) immediately took measures to safeguard lives while ensuring that their citizens have access to basic life needs. In addition, businesses have been given a lifeline to keep people employed and mitigate the effects of the virus. Such measures have included tax breaks at individual and corporate levels.



We are now all familiar with these catch phrases and words: social distancing, proper washing of hands with soap, sanitizing, quarantine, curfew, ventilators among others. The well-intended measures to contain the spread of the virus have in turn resulted in some unintended consequences. Humans are by nature social beings; therefore isolation, quarantine, closure of schools, working from home amongst other measures have denied people the opportunity to gather together.

As a consequence of these measures, there is a growing concern regarding the mental well being of men, women, young and old. For those who are used to the outdoors, and love their freedom, they now find themselves in an uncharacteristic environment either isolated or quarantined struggling to cope with no social activity and travel restrictions in place. Social interaction, An integral part of humanity and which is best exemplified by gatherings- whether at favourite entertainment joints, weddings, office parties, attending sports competitions or places of worship - is now altered for the foreseeable future.

Life is unlikely to get back to “normal”. Our way of life- however you define it- has been altered forever. The constituent elements of the new normal are not even known at this time. This situation is still evolving. The greatest disrupter of all time is not yet done! And yet life must go on. Scientists and researchers in many countries are racing against time to develop containment options. By the time victory is declared

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over the virus, or it disappears as mysterious as it arrived, many lives would have been lost, the health and lives of many altered for good; economies shattered. At this point, no one can even claim to know the nature of the sign which will herald victory or departure of this invisible enemy. At community and personal levels as stated elsewhere above governments and the WHO have developed certain protocols to guide citizens on how to stay safe – and alive. Fewer people are physically in offices; teleconferencing has now become the normal way of holding meetings. Thus technology quickly came to the rescue by ensuring that managers and their staff stay connected and, in a number of cases, enterprises too do not entirely close down.

Implementation or observance of this code of behavior has impacted the workplace as we knew it pre-COVID19.

How we navigate through the downsides and recognize and harness the positive elements which the virus presents us with will ultimately inform the options we choose which will enable us successfully ride the storm.

2. How should Law Firms and other businesses respond to the challenges confronting them?

Survival in the short term will be key to enable you prepare for the resumption of your journey after the virus is, hopefully, defeated. Self-preservation should instinctively become the motive force propelling leaders to search for survival options.

What should leaders of enterprises do?



3. Some thoughts;

i.) The immediate priority should be to undertake a complete analysis of the cost base of the organization.

This will enable you to pinpoint who or which expenses or cash-out flows which may be classified as revenue “thieves”. This will inform specific actions to plug the leakages.

ii.) Suspend or drastically cut down on capital projects. Focus on those projects which will enable the organization assume stability in the short term while providing the foundation required to resume operations when the danger is past.

iii.) Reuse items without compromising image or safety eg envelopes.

Do away with subscriptions for non-essential goods or services. Disbursements should largely be made solely for the purpose of unlocking funds which otherwise could not have been available to the organization.

iv.) Negotiate repayment terms for debts owed.

During this time, negotiating for overhead waivers or discounts however minimal and implementing short and medium term cost containment measures will go a long way in sustaining the organization; the mantra should be- collect and conserve cash.

v) Define precisely the functions of each and every employee- clearly document deliverables and ensure effective feedback.

Impress on all that the organization is on a war path. The very survival depends on all hands on board and to the oars. Functioning under this extreme environment will test the resilience of the workforce. Yet this situation also gives management an opportunity to better understand the skill gaps in its employees and helps to identify training needs thus picking out those with potential and those about to breast the tape in their careers in that organization.



vi) Identify and broaden revenue sources.

Preserve and improve liquidity– intensify collection of debts. Where deemed appropriate particularly the need to improve liquidity, offer discounts to clients/customers. Remember in most cases everyone is struggling. When better times come, they will remember you helped them remain standing.

vii) Rationalize staff deployment.

Multi-skilled, multi-talented individuals should be assigned functions which require more than one skill to accomplish. This will aid management to identify those who will not buckle under pressure. Management should look out for the natural leaders – and those from whom others draw inspiration.

viii) Revisit strategy.

In all probability it is wise to assume that any strategy developed pre-COVID 19 has undoubtedly been made obsolete by the virus. Survival is key here in the short term. It is time for the organization to have a Plan B. As you recast your mind, remember that the ability to be agile in this will give your business the necessary adaptability to both survive and then thrive when fair weather returns.

ix) Create a rapid response team (basically build a warrior team) whose membership should be action and decision oriented members of management and staff. Meetings should be regular focused and short. The team, in addition to responding to current and immediate threats should also be tasked with identifying the necessary cornerstones which will form the foundations for future growth and survivability.

x) The rapid response team should have full contact numbers, physical addresses of all employees so that if need be they can be reached quickly for whatever purpose.

xi) Agree a communication strategy. In most cases, in



the absence of accurate verifiable information, the grapevine takes over. It is always vibrating with news. Staff, clients and business partners may feel that they have been left in the outer lane. They could get restless or disenchanted even. However, of particular concern as regards staff, plunging productivity may be the undesirable consequence. This could make other stakeholders to sense existence of a fire fighting situation which may lead to their reluctance to offer support or additional business. With the looming uncertainty, the organization's stakeholders –internal(staff) and external - are looking for reassurance from leadership. Staff need to feel that they are being protected and that the business is prepared to ride the tide or at least has a plan out of the storm. Key is the timeliness, consistency and accuracy of messaging to all stakeholders. The role of management to steer the ship in this storm cannot be understated.

xii.) Reach out to clients individually and not necessarily through general notices which few people, depending on the medium, may not have access to. In times of a crisis, clients and partners want to feel that their concerns are receiving personalized attention. Leadership must be visible.

xiii) Every situation, however bleak, throws up opportunities for those ready and prepared. Be awake to the fact that this is no different notwithstanding the grim situation thrust upon us. A silver lining may just materialize in the horizon; remember the old adage – “fortune favours the brave”. Be ready and be prepared. These preparations will include resource reallocation, identifying talent required to implement radical changes – remember the paradigm has shifted. The warrior team, previously mentioned, may form the nucleus to lead the business out of this predicament.

xiv) It is good to worry about a situation such as this but spending most of the day stewing, robs you of the ability to stay in the present and focused on the challenges at hand and the critical actions you need to take in order to prevail. Someone aptly stated that “Nothing focuses the mind more than the prospects of



imminent execution”. The virus is the executioner. Let us not be willing to add to its tally. Management should outline those challenges over which it may have control and those it does not. This will ensure that matters which should take precedence actually do. There is no point inefficiently executing that which ought not to have been done at all. This situation is giving us an opportunity to express with clarity what we expect from our colleagues or them from us. Vague statements of goals or other deliverables will not work for the opportunity to interact often is limited.

xv.) Move with the flow- recognize the dynamism of the current state of affairs. Nothing exemplifies adaptation better than water (water refreshes us all without discrimination in the process sustaining life). It is indestructible as it always assumes either the shape of the container in which it is placed or assumes a state consistent with what it is subjected to, for example; when heated, it turns into vapour; subjected to cold it turns into a solid state. Whether it is working from home, meeting virtually for whatever reason, or developing guidelines on how best to perform functions previously executed together from a single physical location, it has now become necessary to adapt to the new norm while making certain that defined goals are met without compromising quality or efficiency.

xvi) Humanity together with institutions it has created down the years and which were meant to handle both foreseeable and unforeseeable situations or events, are now confronted with a faceless adversary the likes of which was last seen a century ago. Structures developed by nations to protect themselves from external aggression have proved inadequate in the face of the onslaught by virus. But this should spur us to adapt styles and develop systems to mitigate the effect of this scourge.

xvii) So, at enterprise level let us not aid the adversary of our business by neglecting to implement strong internal controls, appropriate systems, structures or



processes to ensure elimination of wastage and revenue leakages. In addition, we should deliberately move towards embedding a culture which encourages innovation, working what you have, taking initiative and highlighting solutions instead of emphasizing challenges. The temptation to go easy on internal control environment, predicated on the premise that everyone is hurting, may lead to more wastage and inefficiency at a time when you need to be at your peak.

xviii) Re-think the future; what happens when normalcy returns- if ever? Remember the new normal is not even definable now. But opportunity exists to adopt the lessons we learn not only from our own adjustments to ride the tide but also what others have done. Working from home (or remote working) or adopting flexible working schedules with minimal immediate supervision were mere experiments in many organizations but this is the reality now. This calls for discipline at personal levels on how to allot time to deliver on specific timelines ensuring consistency in productivity and quality of work outputs.

xix) Will anyone say with certainty that the virus has been overcome? Nobody knows what event or events or sign which will enable us recognize the moment when this happens or what the next steps of the virus will be. We are throwing darts blindfolded – but one will hit the bull’s eye. Until then survival of the organization is key and should be emphasized.

xx.) Will its devastating effect be experienced again? After the great plague and the Spanish flu, very few business people foresaw the Corona Virus coming and prepared for it. No one can predict its pace, direction or when it disappears. Let us remain vigilant. Businesses need to use the lessons learnt from this pandemic to thoroughly stress test their business plans for any future and unforeseen eventualities.

xxi) How will the workplace change? For a number of professions, the workplace has changed forever. Necessity, down the ages, has been the mother of invention. Everywhere people



are discovering that you do not have to be in “an office” to accomplish tasks before you. Meetings need not take place in the physical presence of one another. Experience is showing that in virtual meetings people remain focused with small talk a major welcome casualty.

xxii) Those who are responsible for managing our operations at different levels must now ensure that productivity is not lost or suffer. They should think more on measurable tasks with definitive feedback timelines – otherwise, if not met, the offender should know that they will be subjected to deterrent actions, the old stick and carrot approach may be making some serious comeback. Non-essential activities should be eliminated or phased out with the inevitable consequence of employee rationalization.

Downsizing is apparent. Rethinking human resource skills spread and deployment will become vitally important. When analyzing the existing stock of skills against requirements to effectively deliver expected outcomes there must be a harmonious balance. Populating your human resource base with multi-skilled individuals could be the smart move post COVID19. This move enables managers to be adaptive and flexible in their approach to human resource deployment. This approach may also force managers where skills gap exist to identify quick learners and specifically develop training courses to arm them with the addition skills required.

xxiii) Develop different scenarios of what the situation is or could be and be aggressive with how to respond in order to lay firm foundations for recovery. How do we, for instance, improve our internal control environment? Reengineering Processes, rewriting policies and procedures, recasting priorities and ensuring compliance are some of the solutions.

xxiv) What vital lessons do we take from this crisis which struck with such stealth and rapidity that neither nations nor their leaders (not to mention most businesses, their leaders or indeed humanity everywhere) knew what was hitting them? Even those whom the world thought may have answers to a catastrophic calamity like this were equally lost. It took time to realize



that the invisible enemy was actually real, vicious and merciless!

xxv.) Vital lessons;

- A** That effective, reassuring leadership in a time of crisis is central to avoiding panic, hopelessness;
- B** That forward planning, proper analysis of what could go wrong and mitigating actions prepares a team to confront any situation; enables them to think on the hoof.
- C.** Importance of effective utilization of resources, proper activity planning at all levels; encouraging leadership development, broadening horizons, keeping hope alive.
- D.** Human capital - capacity, preparedness, motivation, diversity of skills etc- assumes a critical and central role to ensure return to the new normal- whatever that will be. Find a happy balance in the composition of staff between generalists, specialists, leaders and followers. Three dimensional way of viewing issues requires multi-skilled people.
- E.** Retooling for the future – what are the critical resources we need to survive and be ready to resume our journey? Cash takes centre stage in times of a crisis. Build a cash reserve which will enable you ride a business disruption for at least six months.
- F** Technology has suddenly come to the aid of humanity; we must continue to innovate; broaden your horizon; Learn to communicate better so that your staff can make informed decisions.
- G.** Post COVID19, not everyone will need an office to work from.
- H** Working from home or other remote location requires greater personal discipline in time utilization.

4.Summary And Conclusions

- 4.1.**The Inevitability of long term difficult times and the need to be prepared to see opportunity and seize it;
- 4.2.**To be agile and ensuring the plans we make can bend with



the situation without losing the ultimate objective (the bigger picture) of building a vibrant client centred and quality conscience legal/ business services enterprise.

- 4.3.** The Importance of a coordinated effort and characteristic of a response team;
- 4.4.** Doing all the planning with the end in mind and being open to how that end might look different than the pre-COVID 19 operations;
- 4.5.** The role of leaders in an organization to keep morale up, keep hope alive and keep work moving forward;
- 4.6.** The importance of a robust internal control environment in ensuring that revenue does not leak; that every single cent collected is accounted for and is used to embed and support a growth trajectory.
- 4.7.** Functions are documented and clearly spelled out and everyone accepts responsibility and is held to account for deliverables within their docket.
- 4.8.** If need be take the hard decisions in order to preserve the enterprise.
- 4.9** Revisit your strategy. The virus has opened opportunities for those ready and prepared. It is telling us to see the rose in the thorn bush; not the thorns in the rose bush.

No doubt exists that the COVID19 has wrecked lives and devastated economies across the Globe. It has, with the force of a mighty invading army, rearranged the way we work, travel, relate, eat and socially interact. It is perhaps, a sign, that time is here for us all to rethink and recast our priorities.

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