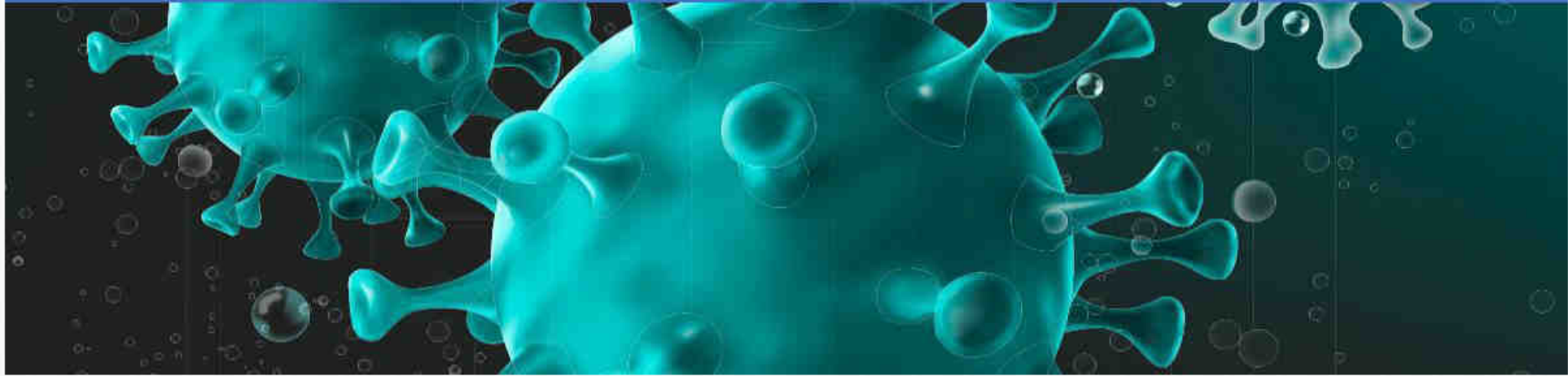


Online Rapid Survey of the Impact of Covid-19 on Gambian Businesses



Researched & Presented by :

Amadou Gaye

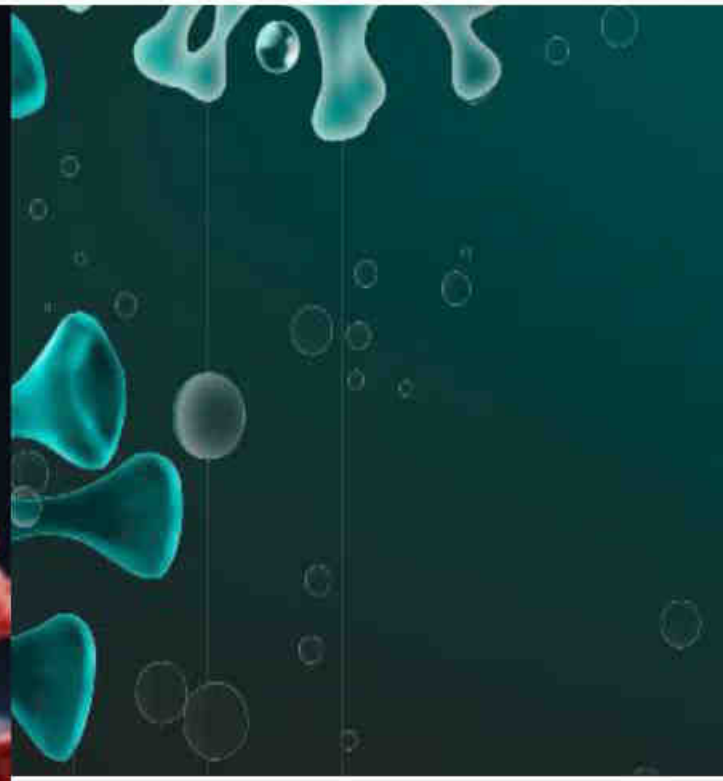
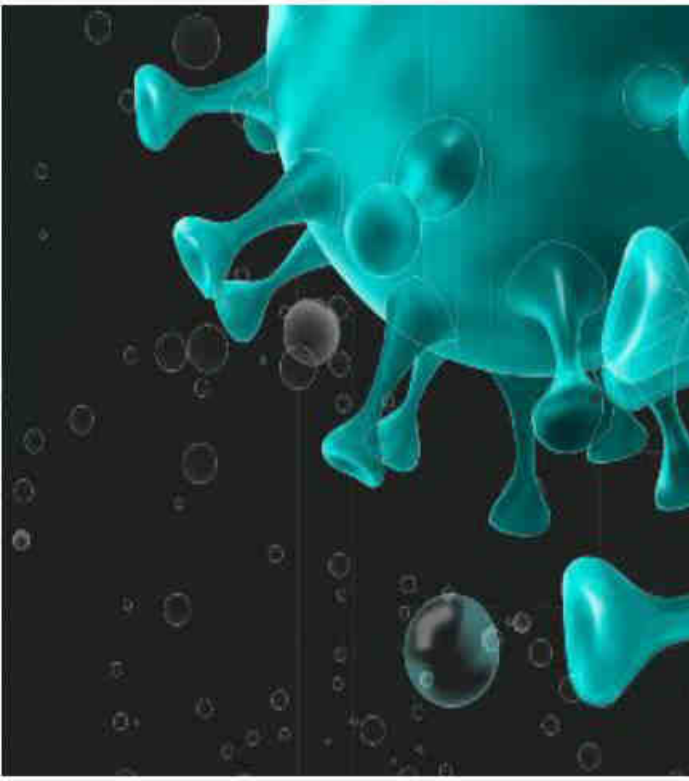
3A's Solutions

15 July 2020

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INTRODUCTION:



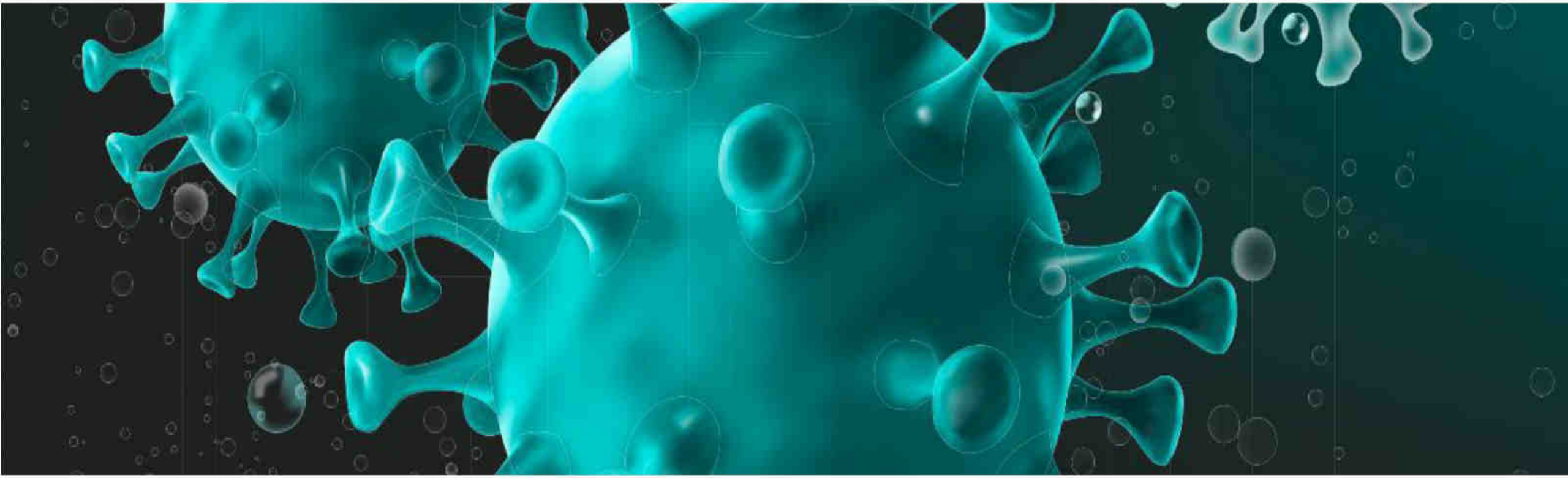
INTRODUCTION

- ❑ Emergency measures put in place at global, national and local levels to contain Covid-19, such as mobility restrictions, travel cancellations, etc., have adversely impacted the Gambia economy, which has already contracted by at least **5,8 percentage points** in 2020. This is a contraction by a whopping **92%**
- ❑ MSMEs in The Gambia are the primary job creators, contributing more than 26% of real GDP and accounting for 63% of employment. 70% of private sector operators are MSMEs
- ❑ The Central Bank's quarterly Business Sentiment Survey showed a significant shift in business sentiment due to the impact of COVID-19 pandemic. Businesses project low economic activity in the remainder of 2020
- ❑ An increasing number of Gambian businesses remain uncertain about the future and fear that the economic impact will lead to revenue and job losses

INTRODUCTION

- ❑ At GCCI, we have been trying to work out what the momentous developments of 2020 from the Covid-19 pandemic will mean for us and our business clients. Yet, with any disaster, also comes opportunity
- ❑ There is an urgent need to monitor the extent of the spread of the crisis, and its ongoing and future implications. GCCI has been monitoring business sentiment and expectations about the market, investors, financial institutions and policy makers. We are aware that sectors and businesses need to look beyond the challenge and see the opportunity
- ❑ Against this background, GCCI partnered with **3A's Solutions** – a pan-African business development consulting firm - to collect data through a digital rapid survey in order to better understand the current status of the pandemic, and explore its economic impacts on and emerging opportunities for MSMEs, startups and larger businesses

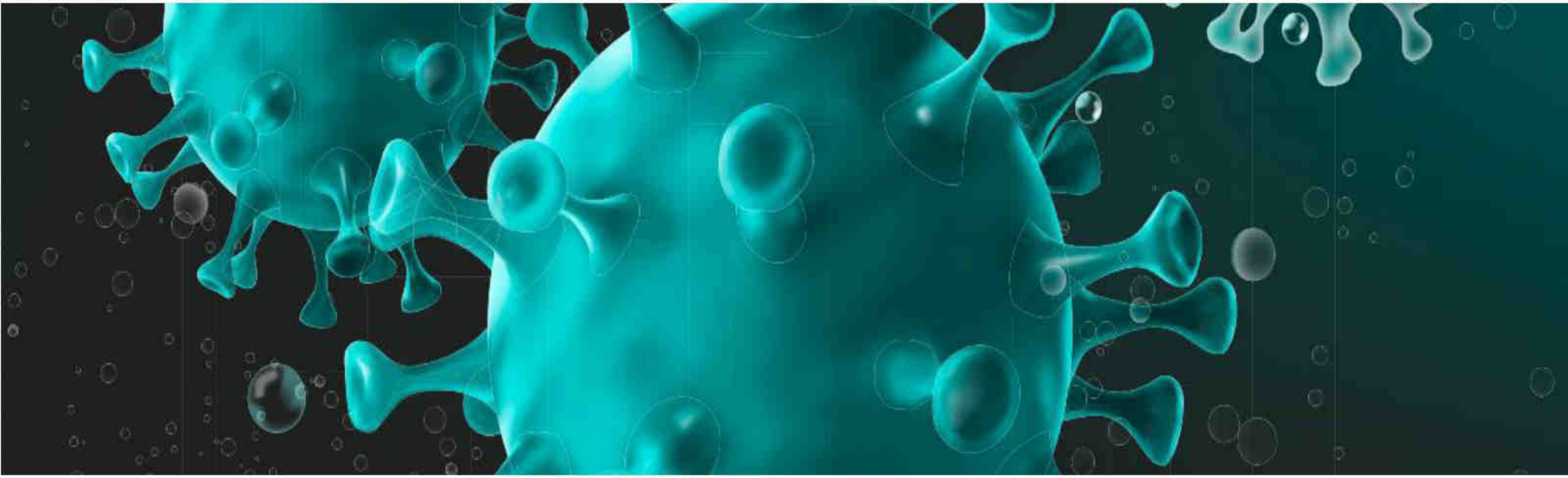
STUDY OBJECTIVES:



STUDY OBJECTIVES

- ☐ Conduct a status assessment of the impact of the COVID-19 pandemic on businesses (including MSMEs) in The Gambia
- ☐ Utilize a Covid-friendly approach that provides a safe, comfortable, anonymous and ideal environment for business clients to reveal their true opinions on the study themes
- ☐ Identify business opportunities and long-term effects of Covid-19
- ☐ Propose appropriate relief and stimulus measures to inform policy that support business recovery and continuity

STUDY METHODOLOGY:



STUDY METHODOLOGY

- ☐ Virtual Survey period: 19 May – 4 June 2020
- ☐ Workplan for design and execution of survey
- ☐ Sample frame identification and Sample size selection
- ☐ Online tool development
- ☐ One-day tool pre-test
- ☐ Digital deployment and monitoring of tool
- ☐ Primary data processing, cleaning, analysis and interpretation
- ☐ Desk review and analysis of secondary data to complement the primary data
- ☐ Results sharing with stakeholders

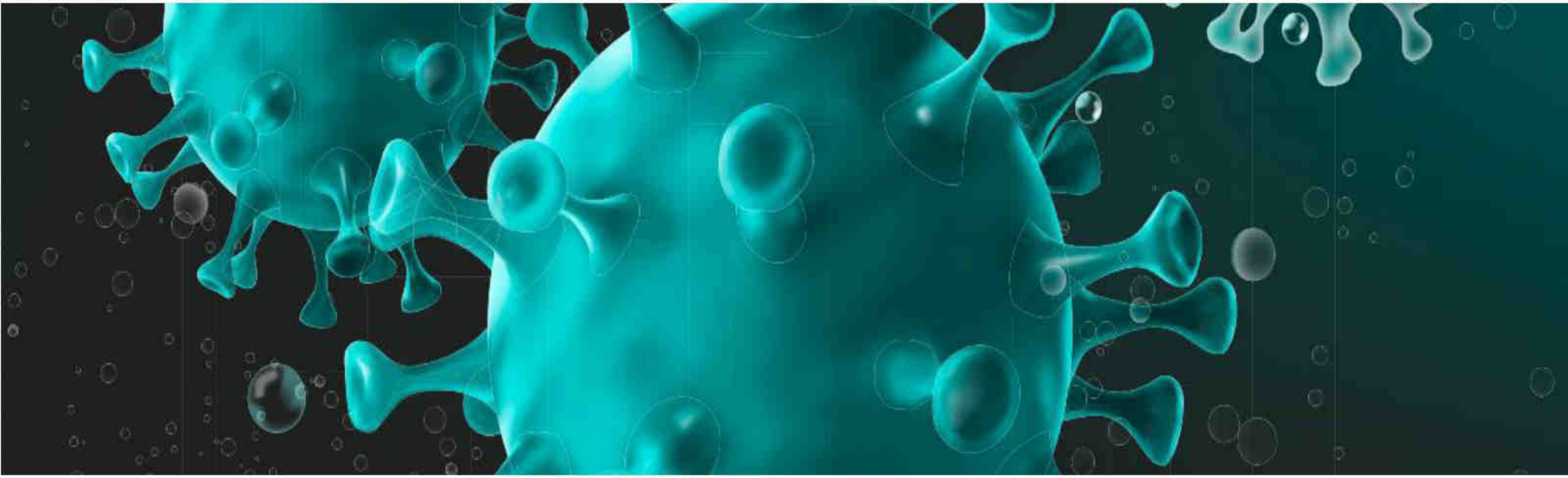
STUDY METHODOLOGY

- ❑ Team of 2 online researchers from 3A's Solutions
- ❑ Remote logistic support by GCCI personnel
- ❑ Nationwide coverage of GCCI members – All Regions
- ❑ 6 Business categories randomly sampled (MSMEs, Large businesses, Startups, and *Japaleh Julia** enterprises) and 29 different sectors
- ❑ Multi-stage random sampling used to identify number of registered businesses, proportionate to size of individual business categories across 1000 GCCI-registered businesses
- ❑ Second stage sampling procedure applied to target individual businesses in sectors of each business category
- ❑ 100 businesses selected:

* *Japeleh Julia* – Mainly youth and rural women businesses of the informal sector

Category	Sample
Startup	29.00
Small	14.00
Micro	30.00
Medium	14.00
Large	9.00
Japaleh Julia	4.00
Total	100.00

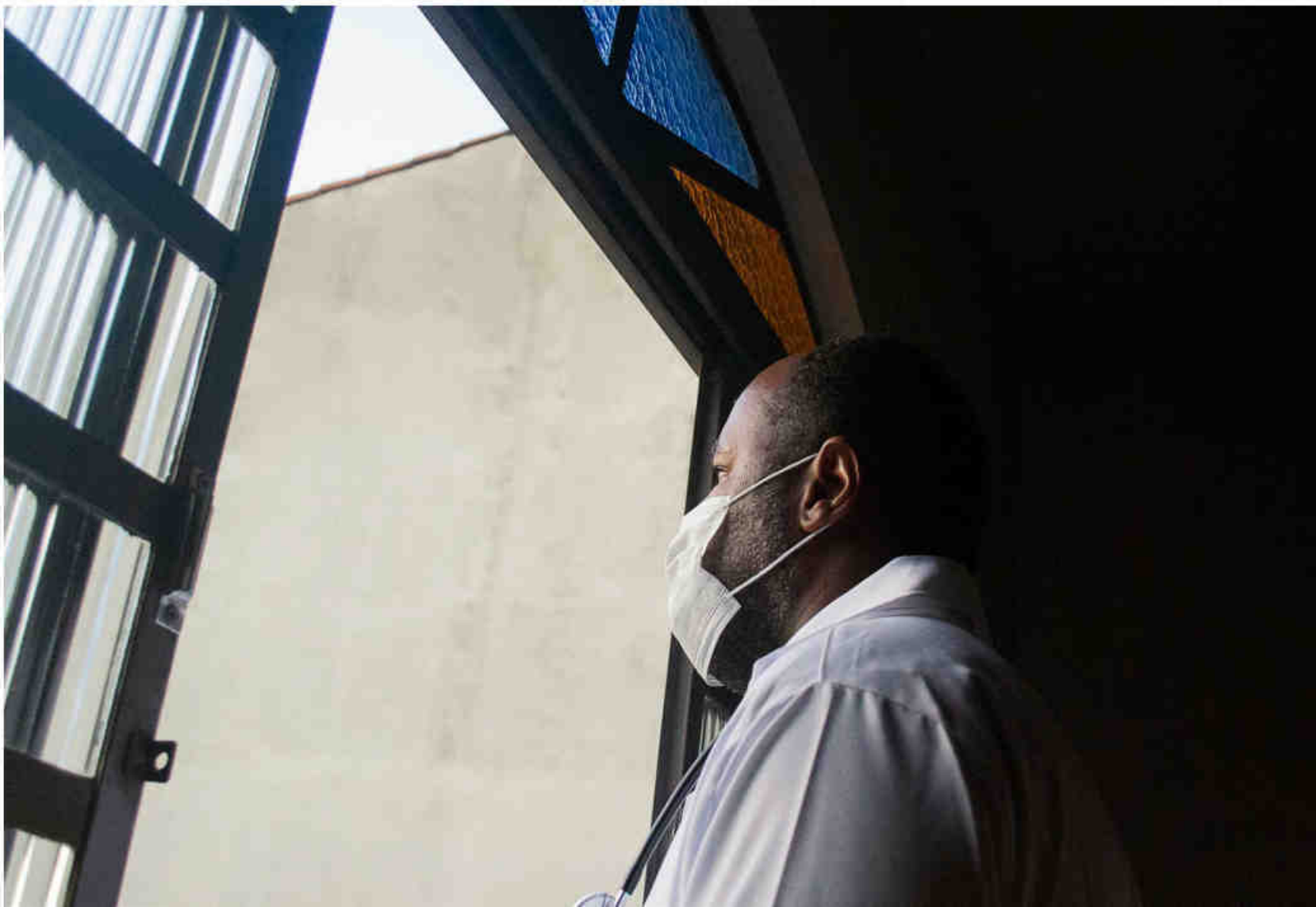
RESEARCH SUMMARY:



SUMMARY

- ❑ 100% of respondents of Gambian MSMEs, *Japaleh Jula*, startups and corporate businesses' operations have been impacted by the COVID-19 crisis
- ❑ The greatest impact on businesses has resulted in partial and total job losses and scaling down of operations
- ❑ The hardest-hit business operations have been on sales, salaries & wages, reduction of orders, and material supplies
- ❑ 81% of surveyed businesses do not have enough cash to keep their business operational in the next 3 months. Short-term liquidity is “king” for all small businesses, but the burden could be even more acute for the most vulnerable startups, “*Japaleh Julas*” and micro-businesses
- ❑ **74%** of the business respondents are either likely or certain to lay off workers
- ❑ More than one third (1/3) of MSMEs, startups, *Japaleh Julas*, and large businesses are uncertain about survival during the current crisis

BUSINESS / MSME PROFILE:



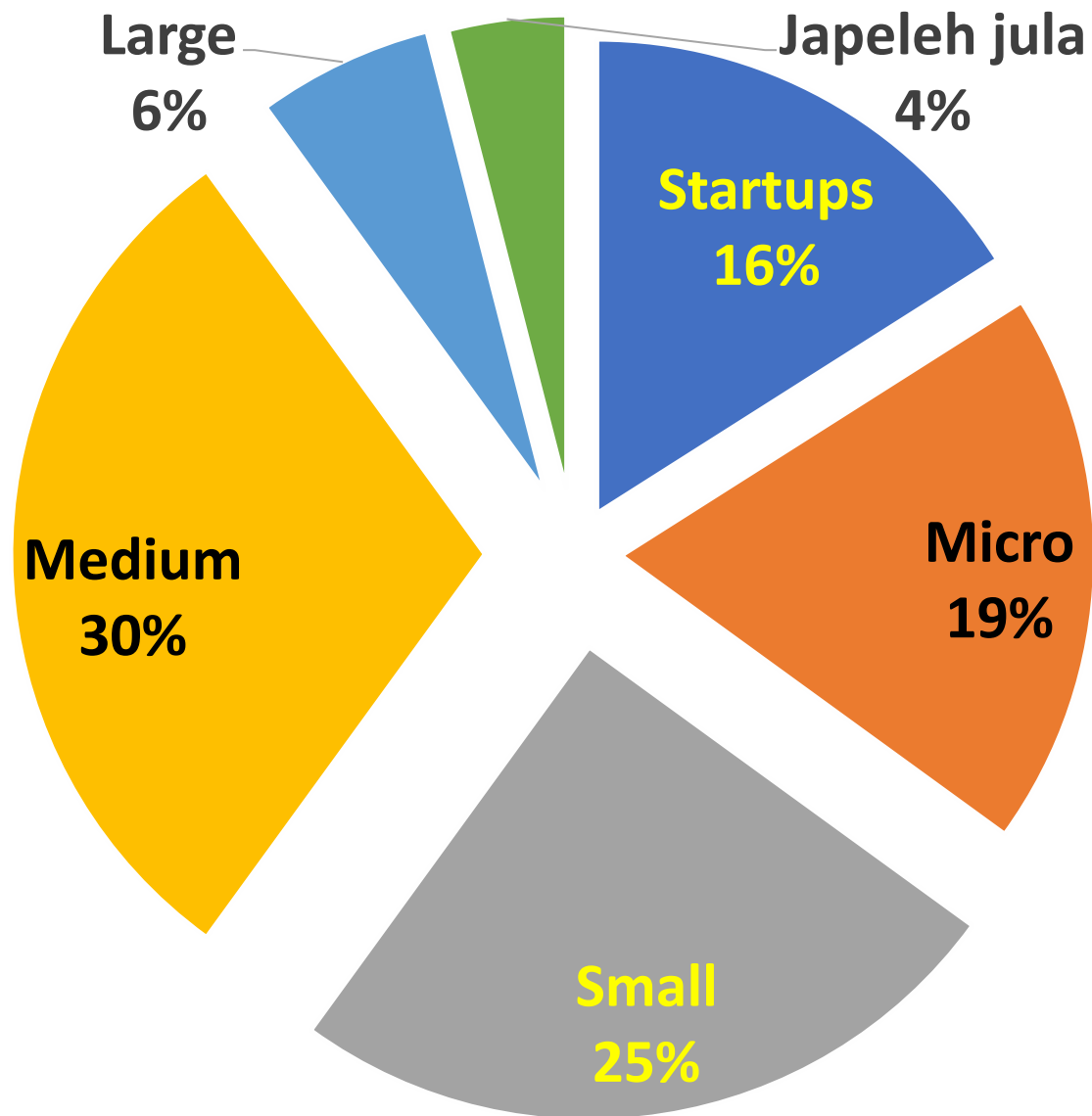
Business / MSME Profile

- ❑ The GDP contributions from The Gambia's MSMEs lag other countries and regions - 26 percent, compared to 39% in South Africa and 57 percent in the EU. Yet, there is no doubt that the MSME sector is a critical engine of the economy
- ❑ Arguably regarded as the lifeblood of the country's economy, MSMEs are a critical source of jobs, while serving as suppliers and customers to larger corporates and the broader economy. Yet, they are also the most at risk. Many have already experienced a dramatic drop in demand. Business confidence has fallen as well

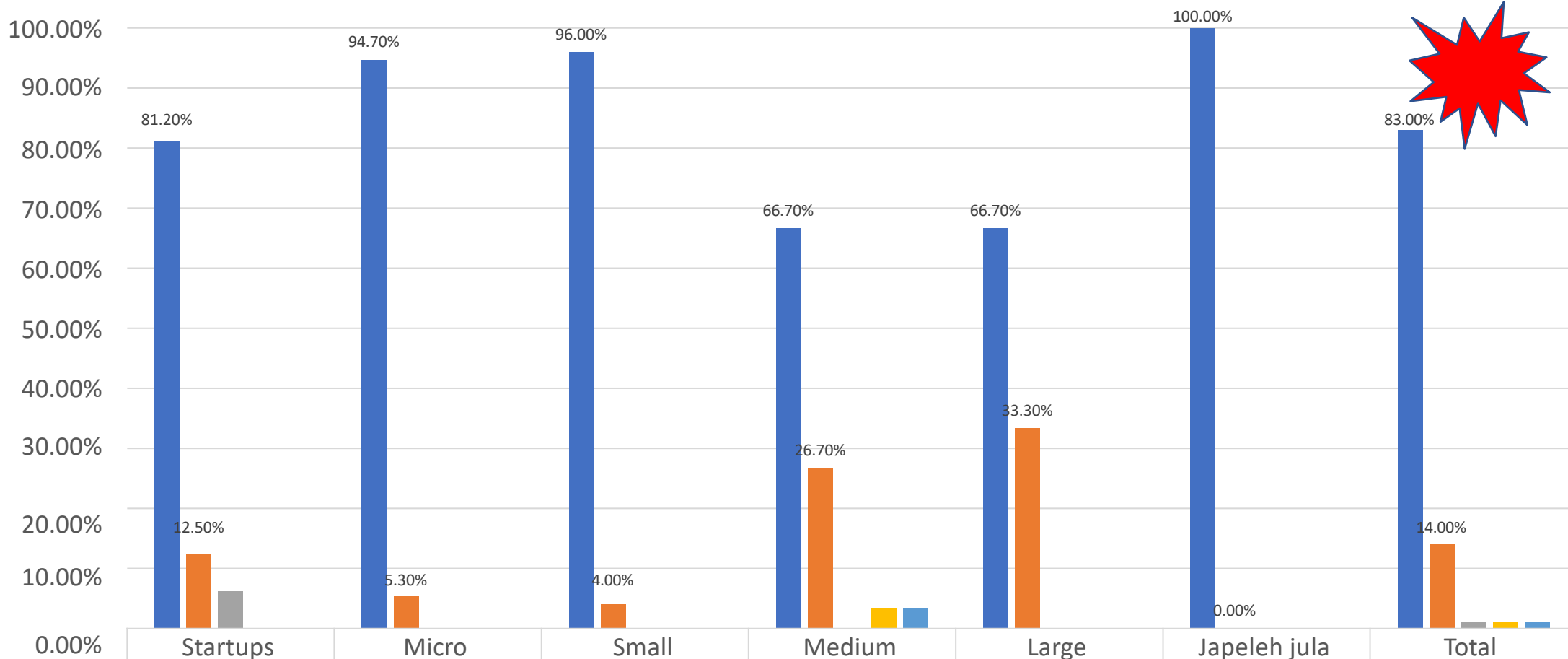
Business / MSME Profile

- ❑ Three-quarters of business respondents are MSMEs - medium (30%), small (25%) and micro enterprises (19%). The remaining quarter of respondents comprises of startups (16%) and a handful of large businesses and *Japaleh Julas*
- ❑ A good number (43%) of all respondents are females, with an overwhelming majority of all *Japaleh Julas* (75%) and more than half of all small businesses led by women owners or managers/directors. Barely two-thirds of all business respondents are aged between below 25 and 45, with all *Japaleh Julas* aged 25-35 - a largely youth bulge that represents a tremendous opportunity for contribution to economic development
- ❑ More than a quarter of all business respondents operate in the General Trading sector, followed by the Fashion & Textile (16%) and Agriculture (13%) sectors. 29 different sectors were covered by this study

Business Categories

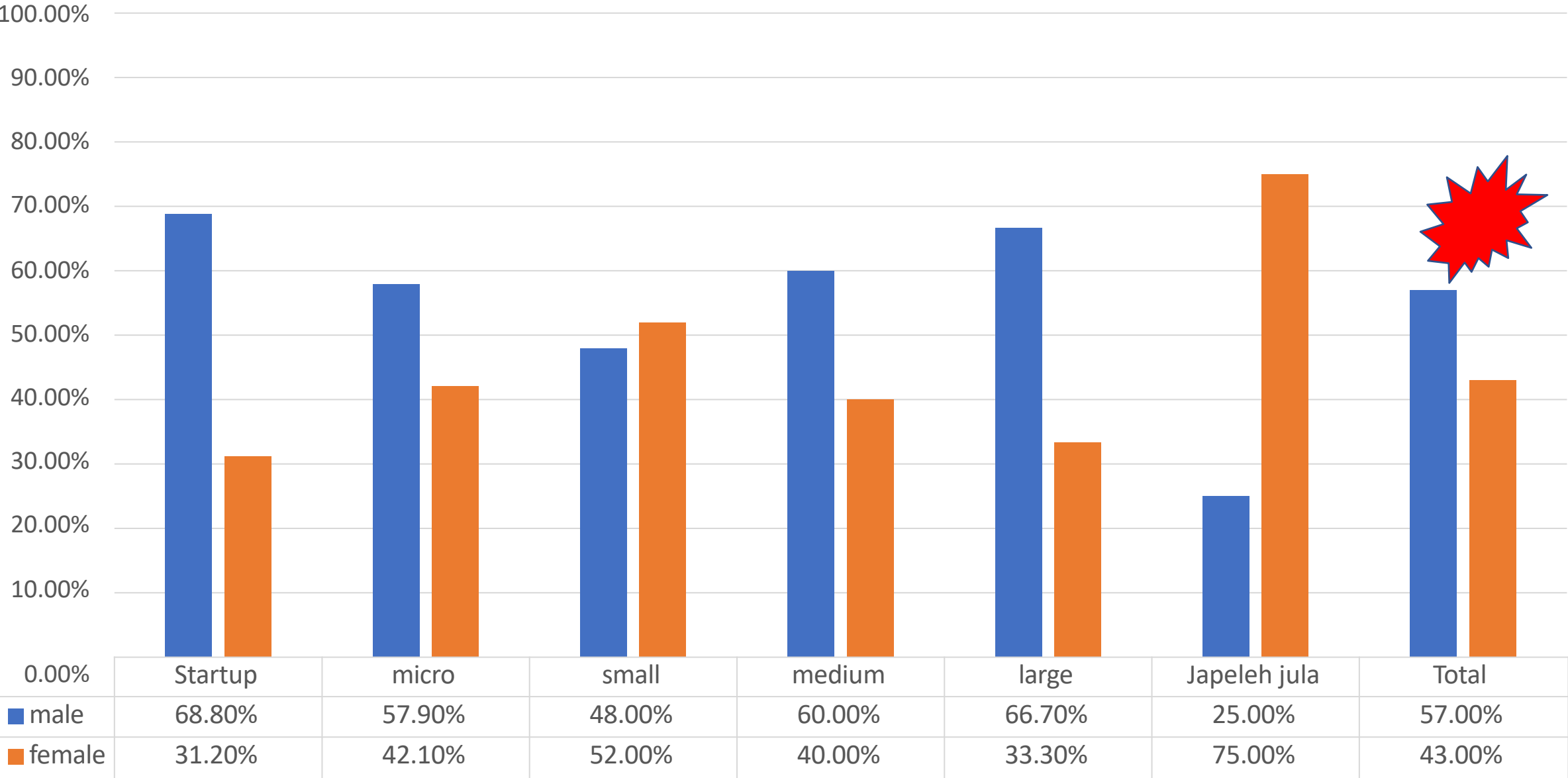


Position in the Business

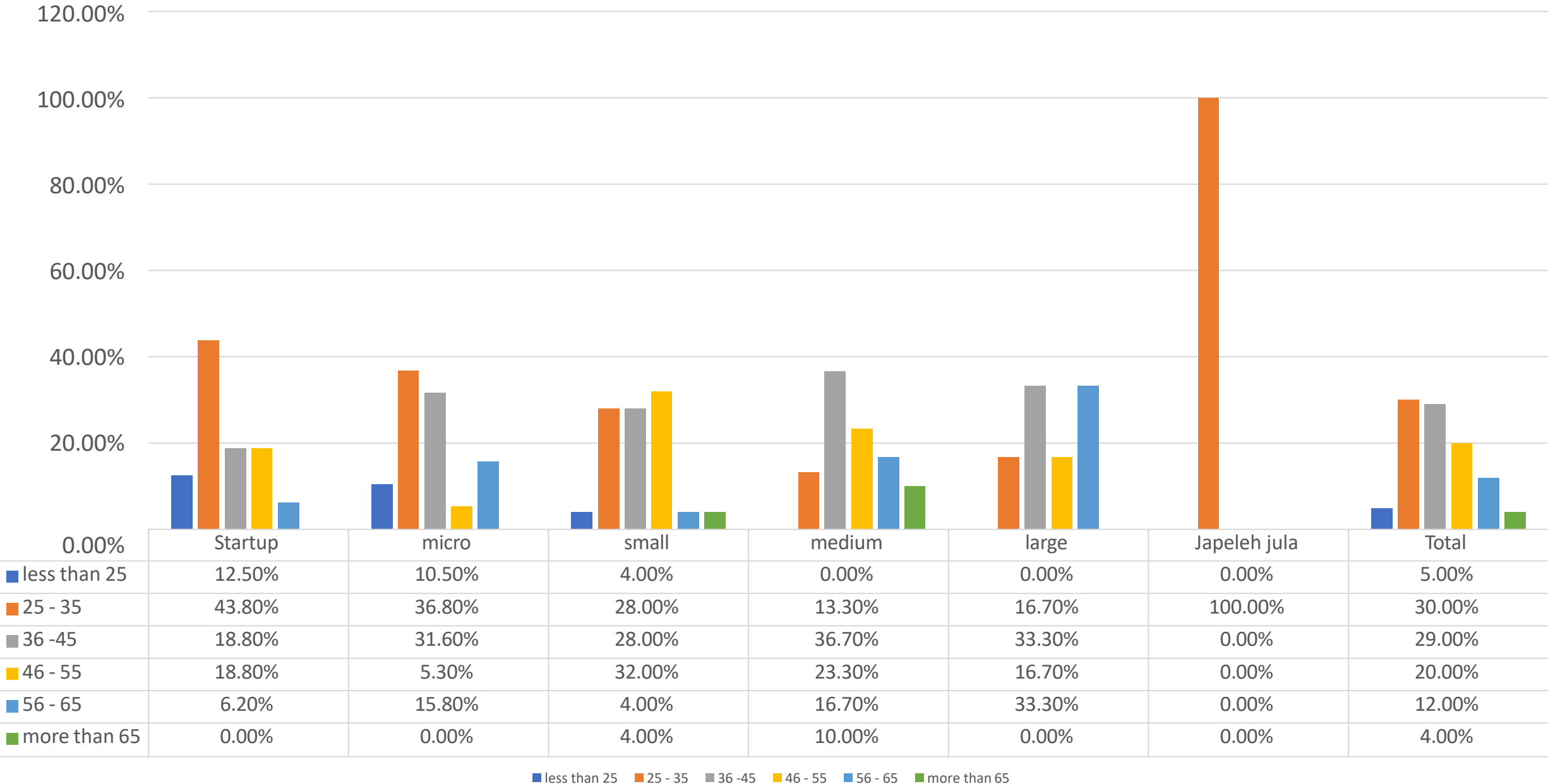


Owner Manager/Director CEO co-owner Secretary

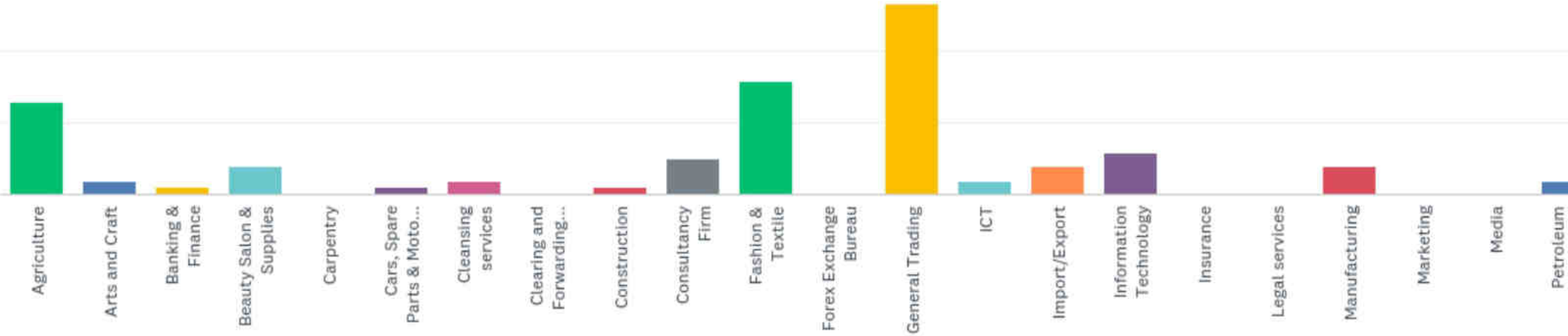
Gender



Age Categories



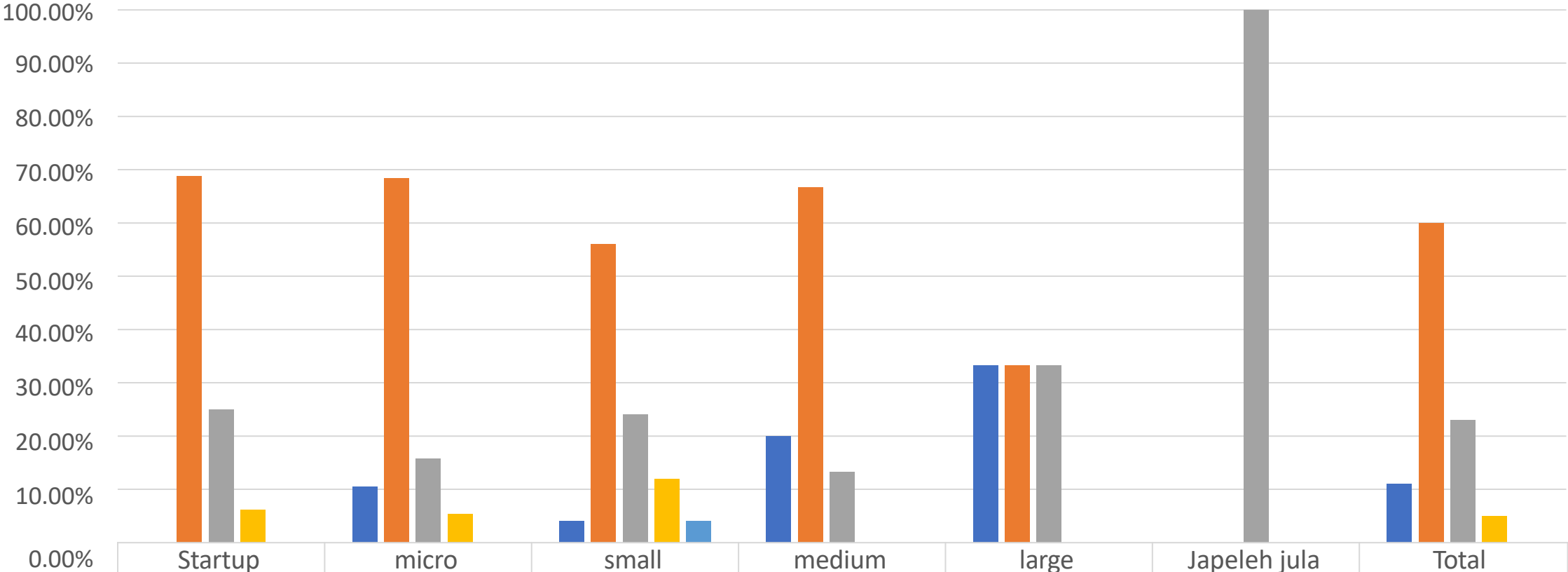
Business Sectors



Business Sectors

- ❑ With 60% of all businesses located in the hitherto main economic hub of the country – Kanifing Municipality - strikingly, however, West Coast Region (WCR) has emerged as genuine contender for leading business activity. The region appears to be a challenger as a hub for large businesses, with the same number of the latter surveyed as that in both Kanifing Municipality and Banjul. What's more – all *Japaleh Jula* respondents randomly sampled are operating in WCR, apparently cementing the future potential of the region as key economic actor for the country
- ❑ Half of the survey respondents employ 1-10 people, while more than half boast an annual revenue of up to GMD 500,000. One third of respondents have 5-15 employees. 10% of businesses surveyed employ 16-49 employees, and 8% employ 50 or more. These figures confirm that businesses, both MSMEs and large corporate entities, are strategically significant in employment generation and economic development
- ❑ Businesses offer a wide range of either products (31%) and services (20%) alone or both (49%) , while opting to operate directly with other businesses (13%) and consumers (28%) or both (50%)

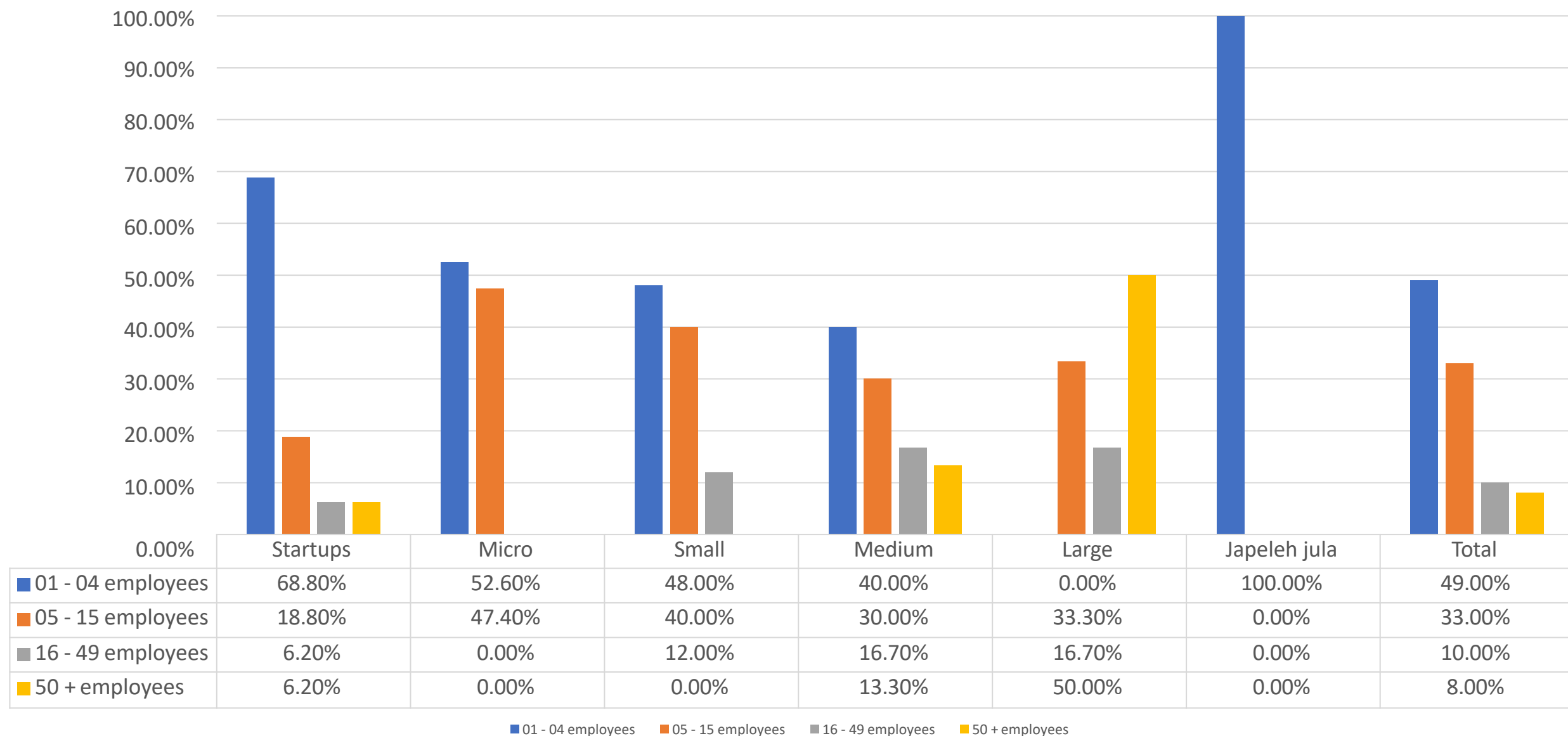
Region of Operation



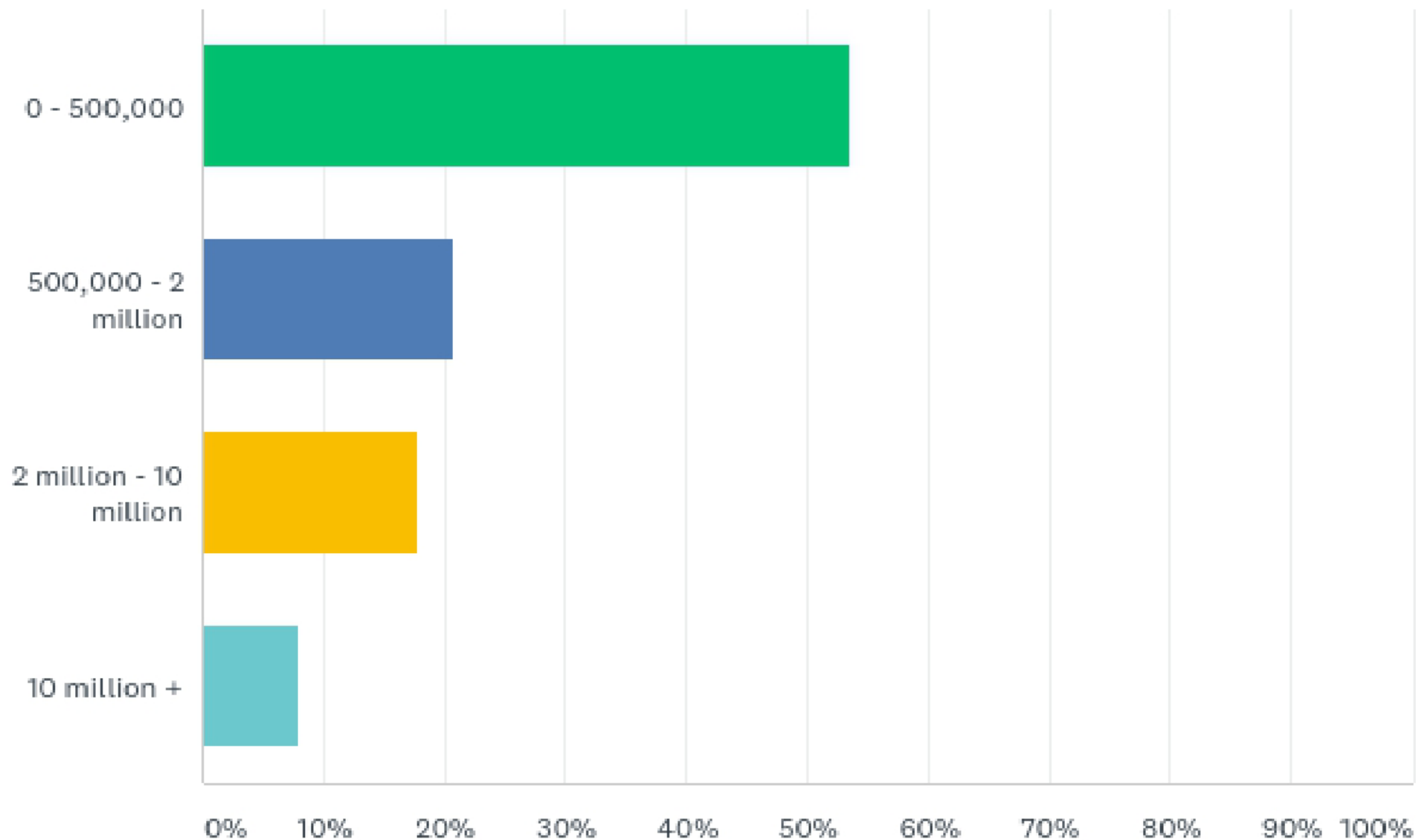
Banjul	0.00%	10.50%	4.00%	20.00%	33.30%	0.00%	11.00%
Kanifing Municipality	68.80%	68.40%	56.00%	66.70%	33.30%	0.00%	60.00%
WCR	25.00%	15.80%	24.00%	13.30%	33.30%	100.00%	23.00%
NBR	6.20%	5.30%	12.00%	0.00%	0.00%	0.00%	5.00%
CRR	0.00%	0.00%	4.00%	0.00%	0.00%	0.00%	1.00%

■ Banjul
 ■ Kanifing Municipality
 ■ WCR
 ■ NBR
 ■ CRR

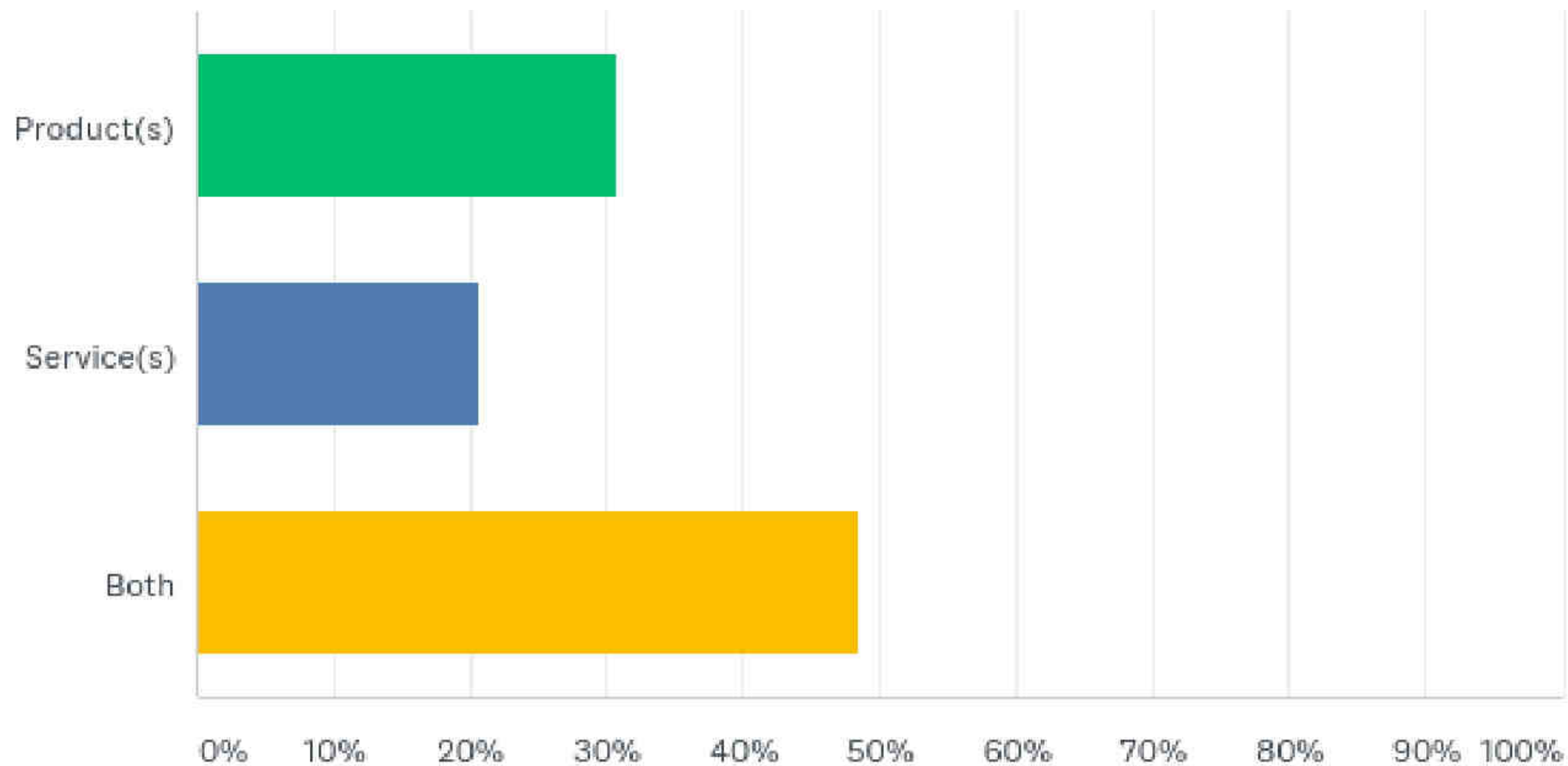
Number of Employees



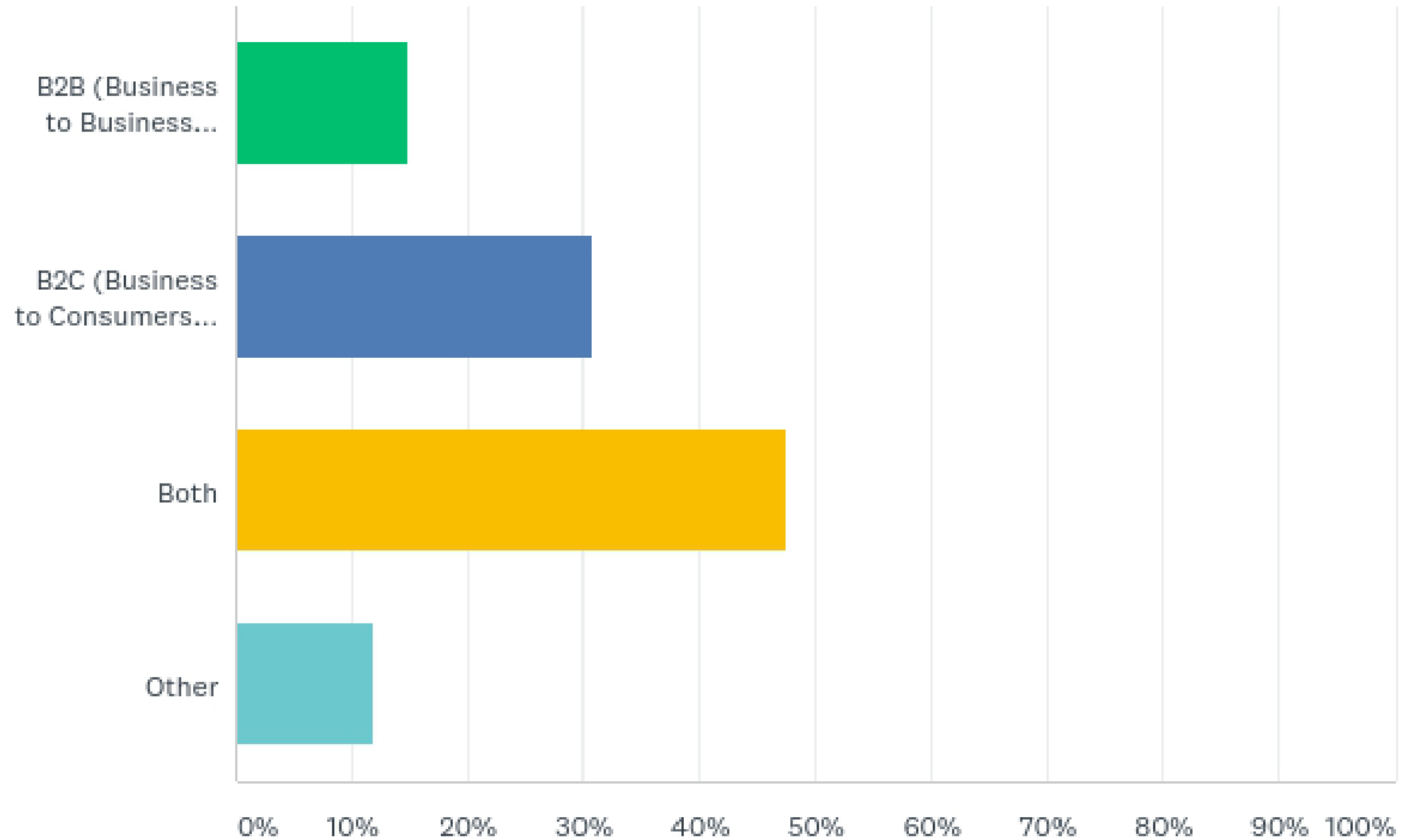
Annual Revenue (GMD)



Business Offerings



Type of Business Operation



IMPACT OF COVID-19 ON BUSINESS/MSMEs:



Covid-19 Affect on Business Operations

- ❑ The COVID-19 pandemic is continuing to cause untold human suffering and poses a grave threat to many businesses across The Gambia. For certain sectors, regions and business categories facing disproportionate risks, the crisis is likely to leave an indelible impact on many MSMEs and corporate entities alike. Many were vulnerable even before the crisis and are now the least resilient because they typically have limited cash reserves and smaller client bases
- ❑ Economic growth in 2020 is now projected at 0.5 percent (July 2020), one of the lowest levels on record. This is a downward revision of 5.8 percentage points from an earlier projection of 6.3 percent. Such a steep contraction reflects the disruptive effect of the pandemic, particularly on tourism and related activities, trade, and private investment
- ❑ The crisis threatens to reverse the National Development Plan (NDP 2018-2021) target, which aims to increase the **MSME contribution of employment** in the economy from 63% to 75%. A high share of both MSME and corporate jobs are now vulnerable

Covid-19 Affect on Business Operations

- ❑ Other NDP targets which will not be achieved by 2021 as a result of Covid-19 impacts are: an increase in the MSME contribution to GDP from 26% to 30%, a decrease in **youth unemployment** from 38% to 30%, and an increase in total **exports** as a percentage of GDP from 9.4% to 17%. The latter challenge seriously threatens the potential of the MSME sector to lower The Gambia's **trade deficit** due to the potential shocks across local demand, international trade flows, and production. The twin drivers of its economy, tourism and agriculture, have been impacted at varying scales
- ❑ The Gambia is among the vulnerable countries that stand the most to lose from a downturn in **tourism**, with its GDP relying heavily on the travel, tourism and hospitality industry. So far, the industry is in an extraordinary crisis prompted by a total contraction of international tourist arrivals in 2020. With tourism spending not likely to return to pre-crisis levels globally until 2024, this puts very large numbers of jobs at risk
- ❑ Unlike tourism which has faced muted demand and a virtual halt in supply chains, sectors like **agriculture** and **fisheries** have so far not faced any demand disruptions due to lockdowns in the main European markets importing 95% of our **horticulture exports**. However, agriculture exports have faced logistical and supply-chain issues and increased costs due to limited air-cargo, trucking transit through Senegal, border delays, reduced product volumes, and high input costs. This has further led to casual job losses at export companies who also did not financially break even in their bottom lines. Closures of processing facilities in India could gradually affect our **cashew exports** due to depressed demand caused by lockdowns in India

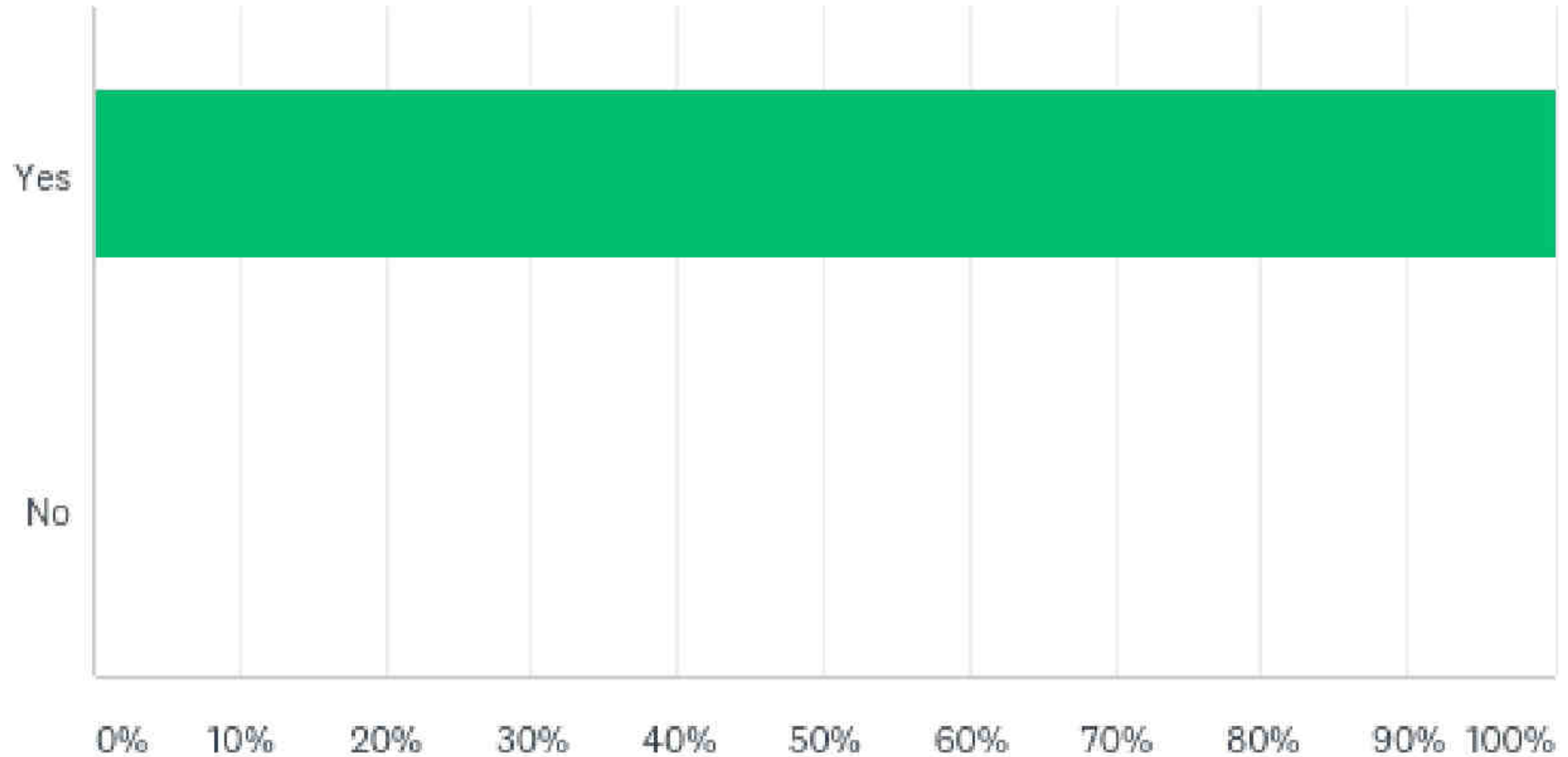
Covid-19 Affect on Business Operations

- ❑ As it is the international travellers who drive restaurant and hotel spend in the high-end tourism & hospitality industry, a dramatic reduction of international passenger flights would depress domestic demand for food produced by local companies. Similarly, a change in local demand is expected to be driven by low-income households switching to lower-cost foods or decreasing their food spend
- ❑ 100% of respondents of Gambian MSMEs, *Japaleh Jula*, startups and large businesses' operations have been impacted by the COVID-19 crisis
- ❑ The greatest impact on businesses has resulted in partial loss of income (48% of respondents) scaling down of operations (43%) total loss of income (23%), shutdown of operations (19%) and total job losses (11%). It is unexpectedly revealing that it is the corporate outfits that report to be disproportionately losing the greatest numbers of jobs. 67% of these have been affected
- ❑ The hardest-hit business operations have been reported to be on sales (77%), reduction of orders (34%), material supplies (29%), and salaries & wages (28%)

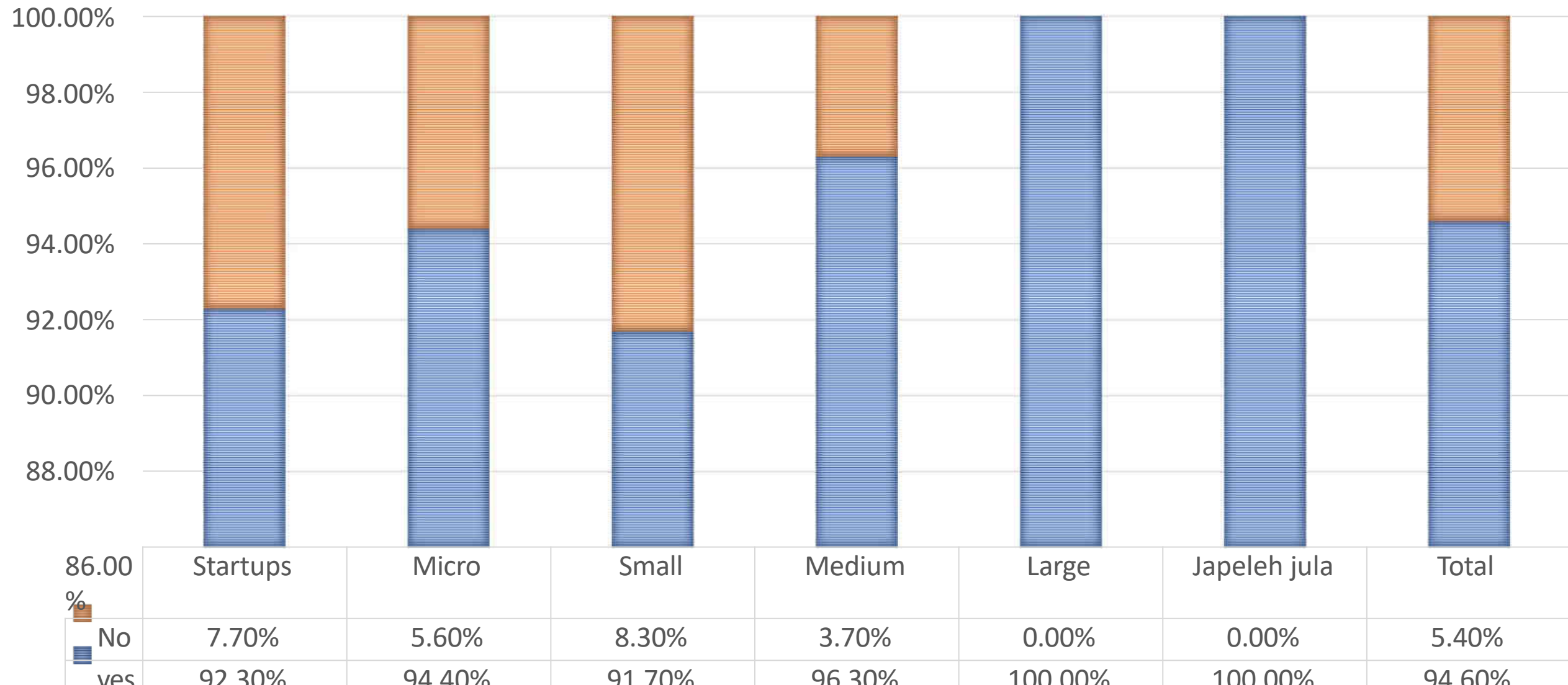
Covid-19 Affect on Business Operations

- ❑ Nearly half of all businesses surveyed are confident in their ability to provide their products and services virtually. This is one of the adaptive ways customer-facing businesses in certain industries will cope with client contact when delivering products and services
- ❑ Asked what measures they have taken so far to cope with Covid-19 and sustain operations, businesses report a mixture of mainly positive and a few negative strategies: cutback on expenses (59%) and on non-essential employees (28%), diversification (18%), new product development (16%), partial payments to essential employees (14%), business loan (16%), and sale of stock (18%)

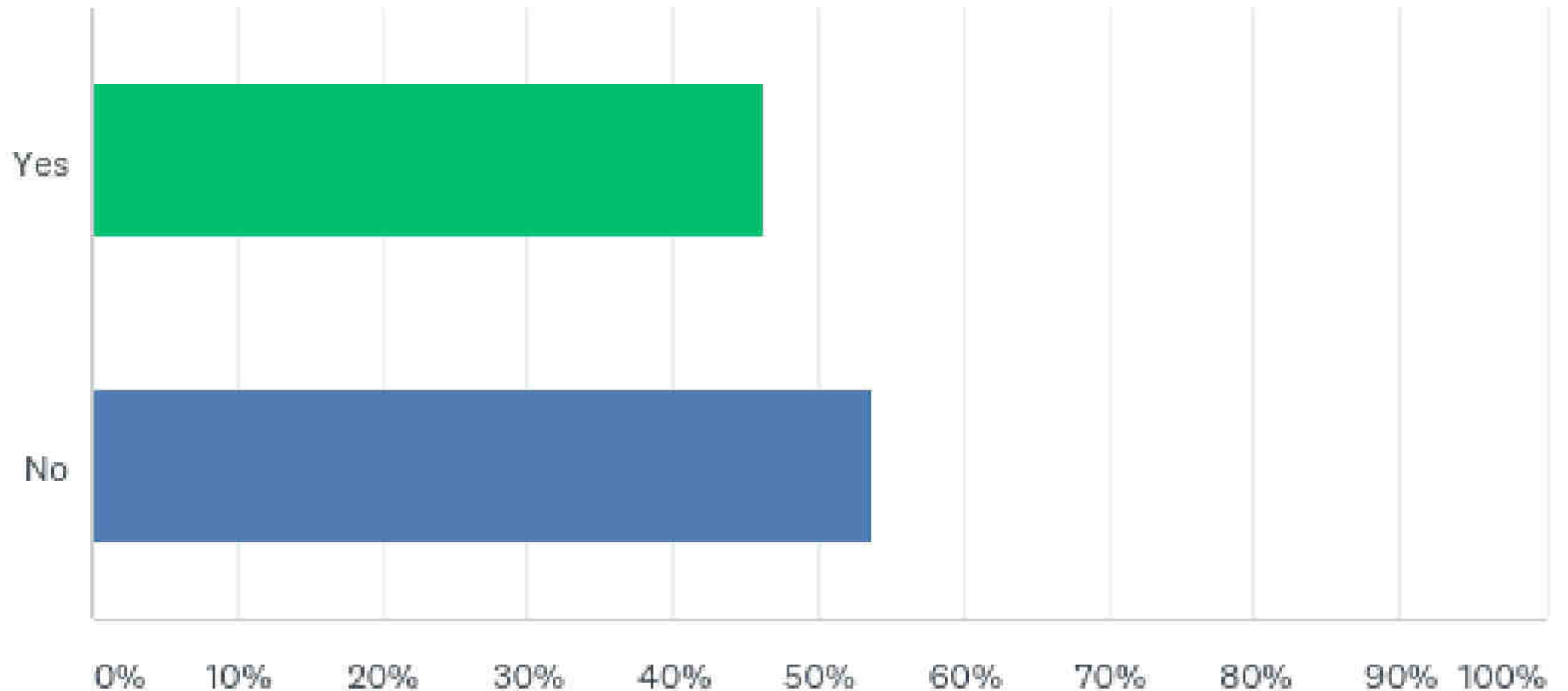
Covid-19 Affect on Business Operations



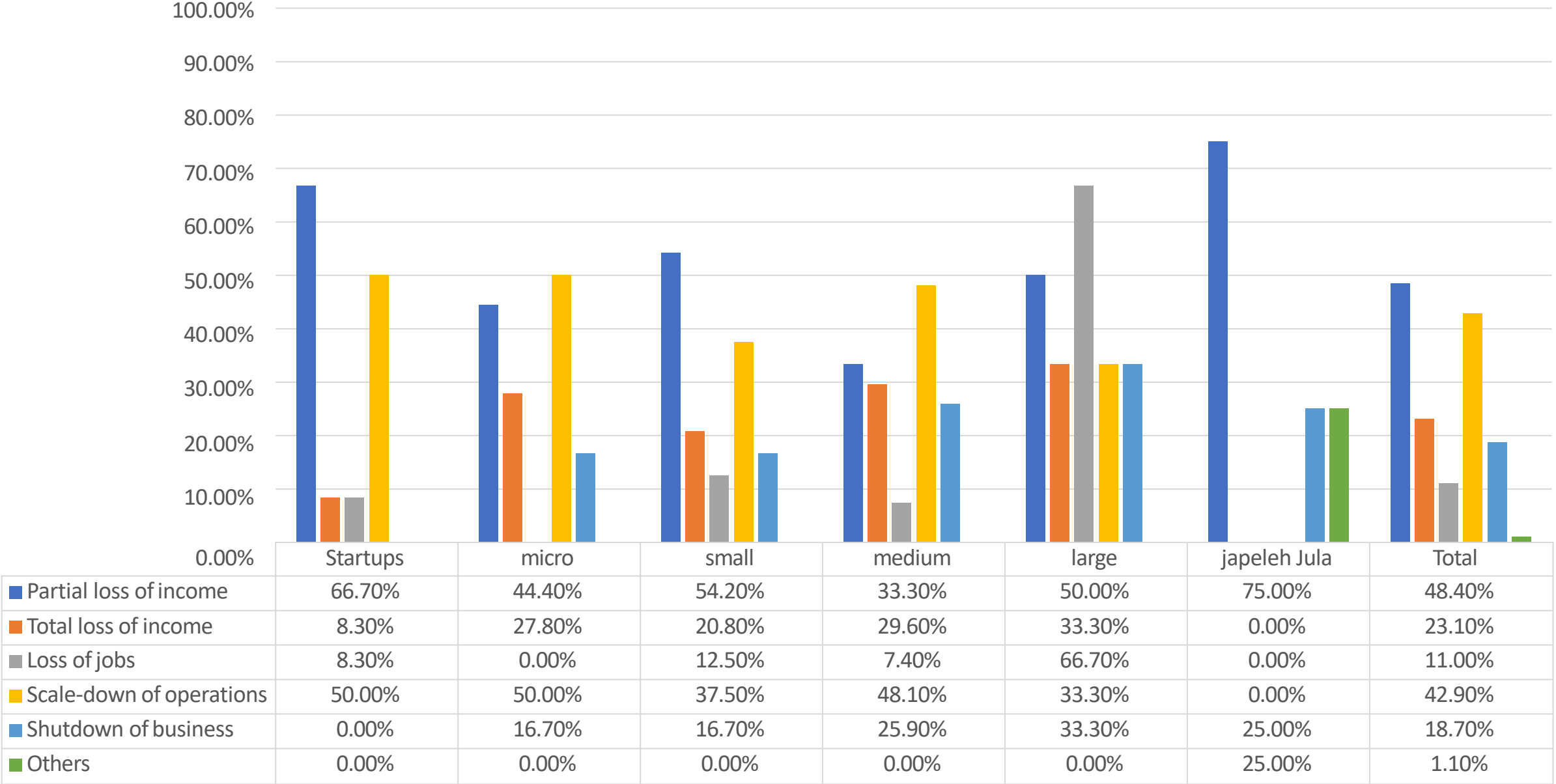
Business in Physical Contact with People



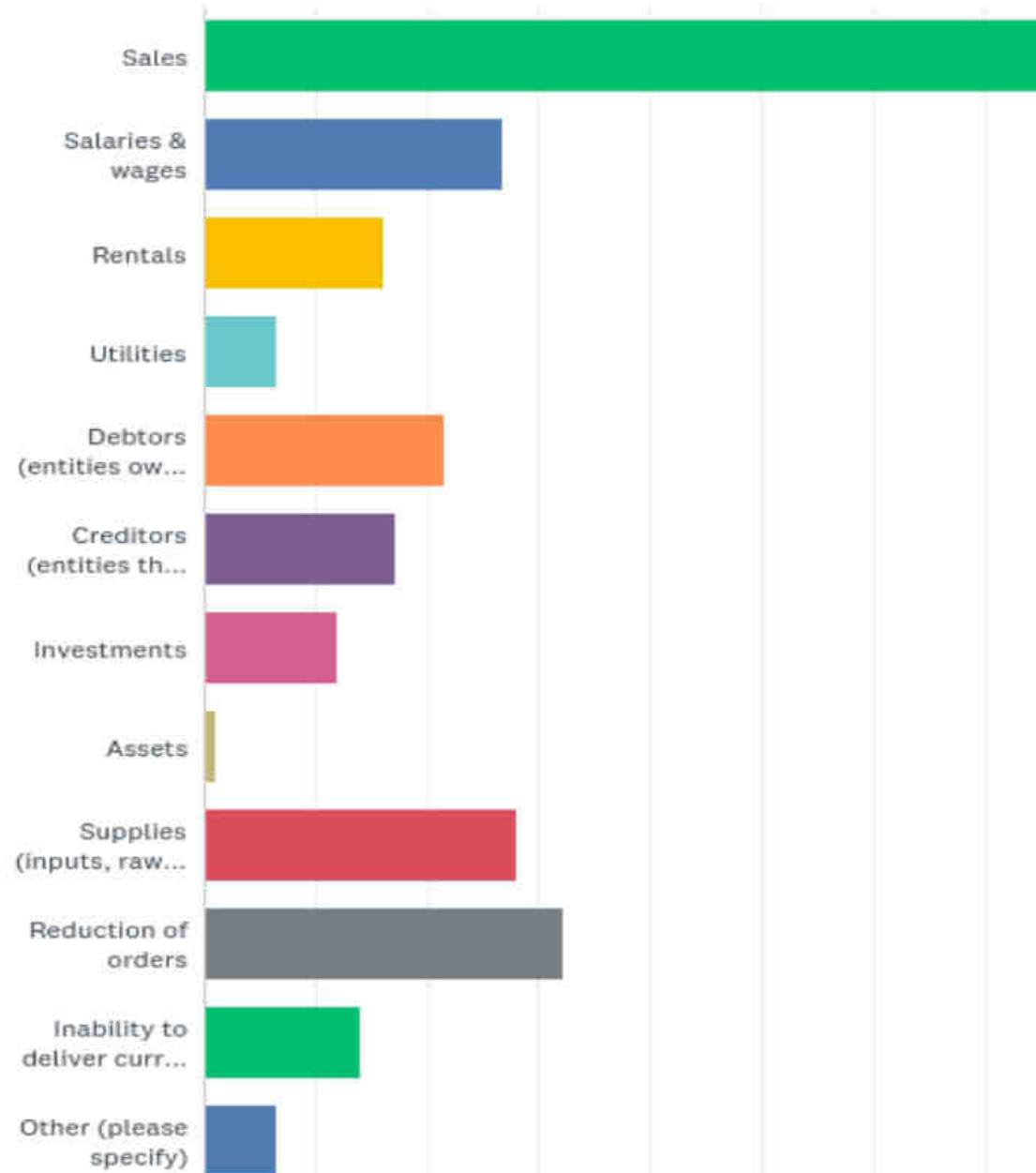
Option to Provide Products/Services Virtually



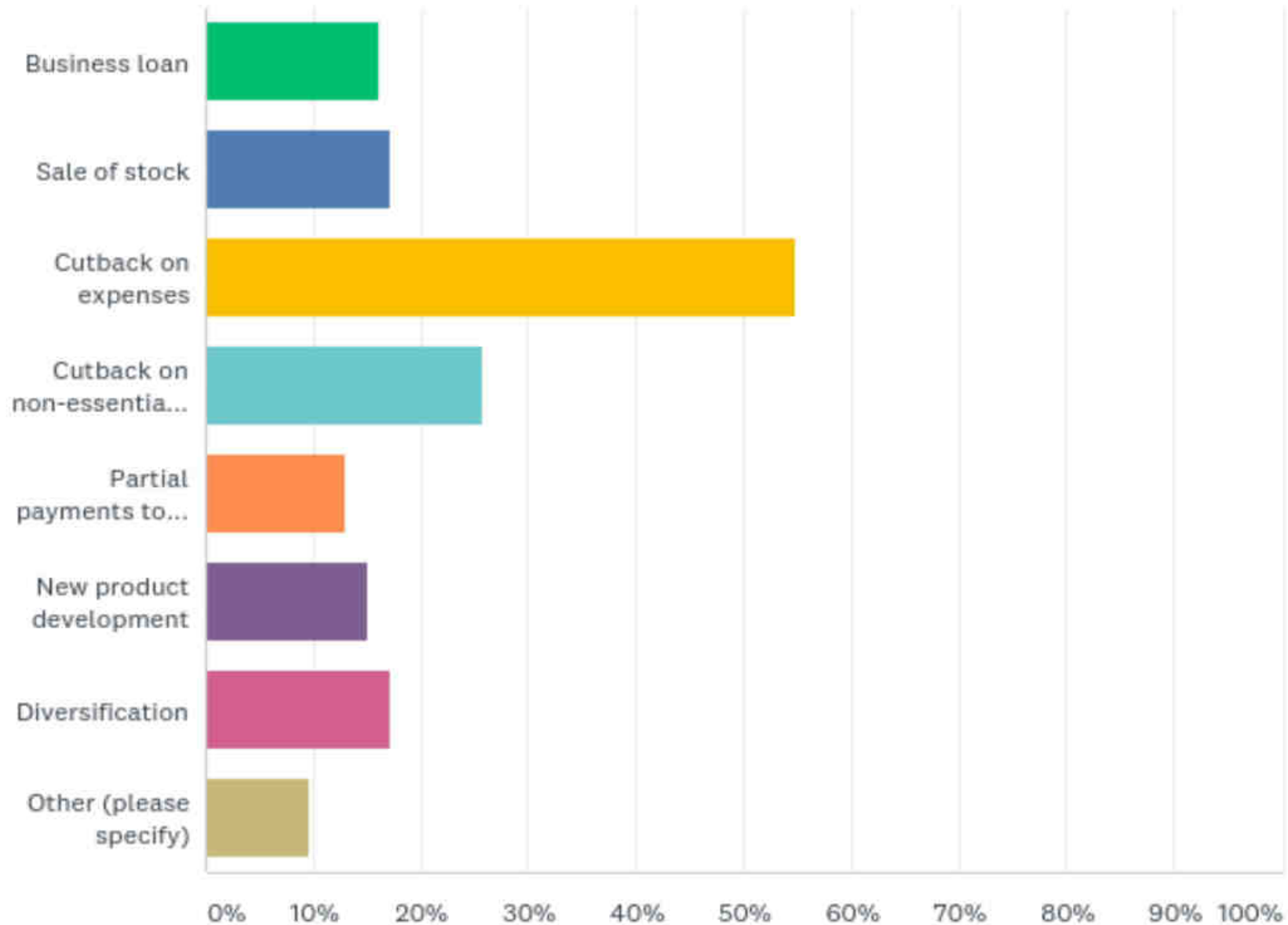
Effect of Covid-19 Pandemic on Business



Operations Mostly Affected



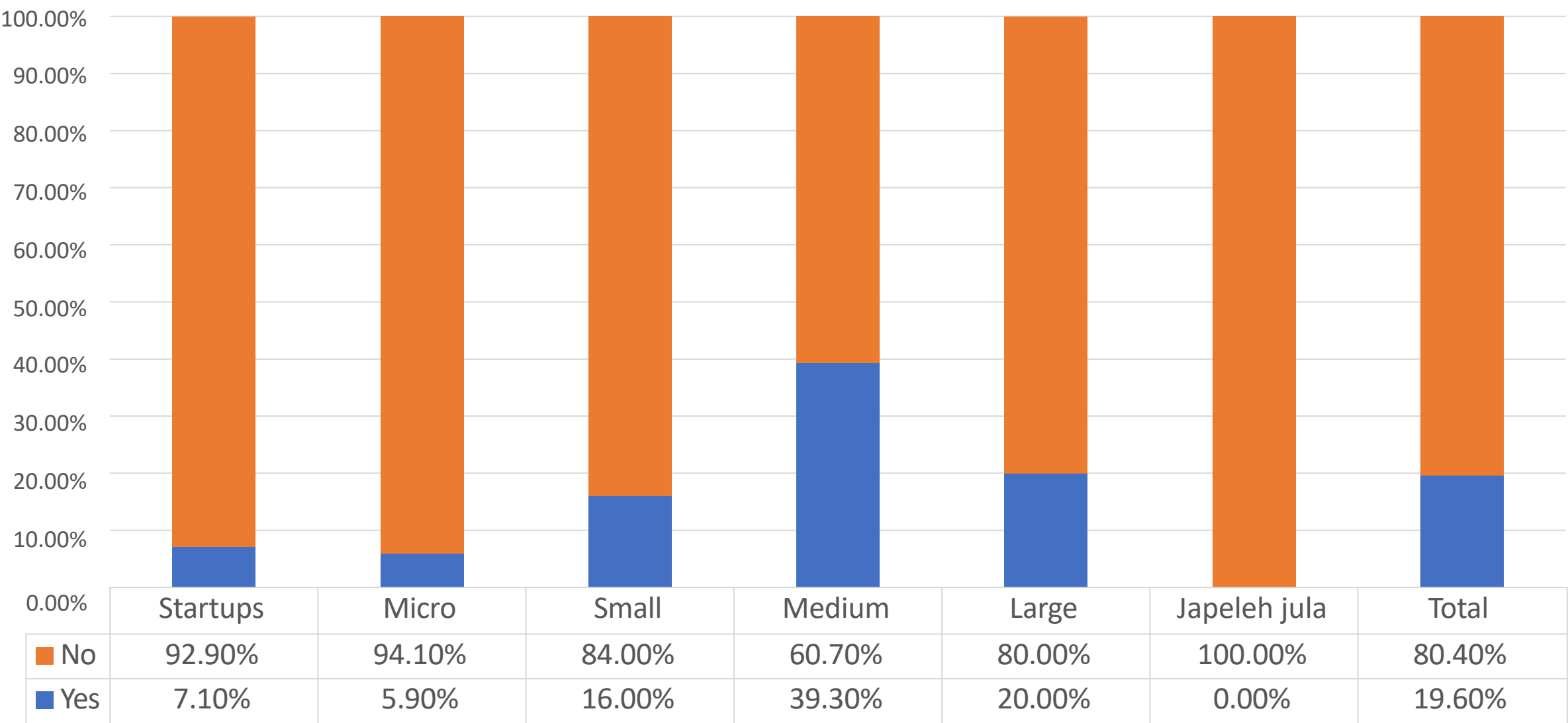
Coping Measures Adopted to Sustain Operations



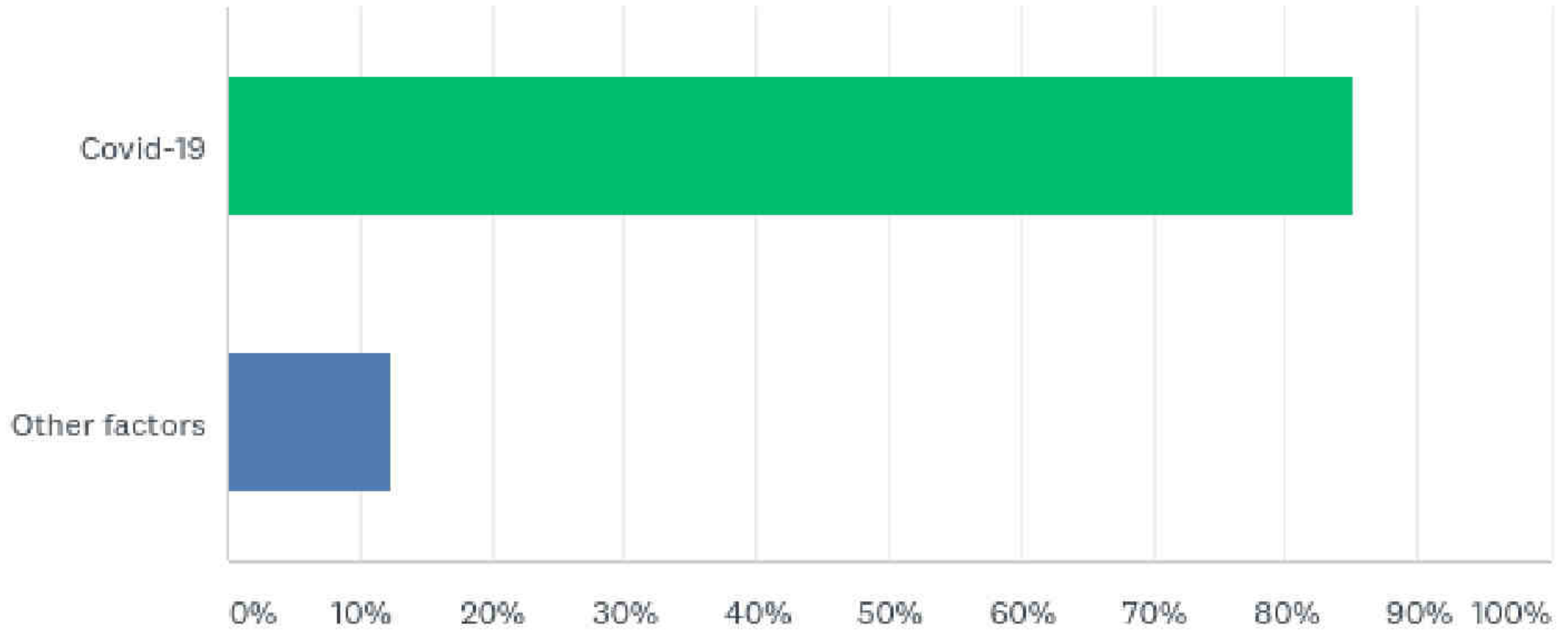
Covid-19 Affect on Business Operations

- ❑ An overwhelming majority (81%) of businesses surveyed do not have enough cash to keep their business operational in the next 3 months. This is due to the absence of revenue resulting from measures deployed to mitigate or contain Covid-19, according to 85% of respondents. Short-term liquidity is “king” for all small businesses, but the burden appears to be even more acute for the most vulnerable startups, *Japaleh julas* and micro-businesses
- ❑ For businesses in the tourism and hospitality industries whose cashflow shortage results from non-Covid factors, it may be safely assumed that three reasons could be responsible: the Thomas Cook and FTI shutdowns, and the civil unrest “*3 Years Jotna*” scare at the peak of the last tourist season
- ❑ Among the minority of businesses that do maintain cash, four-fifths of businesses indicate to resort to their reserves, a quarter will dig into family & friends’ financing, while a handful will have recourse to a loan. No business anticipates the option of (equity) investment during these unprecedented times of muted demand

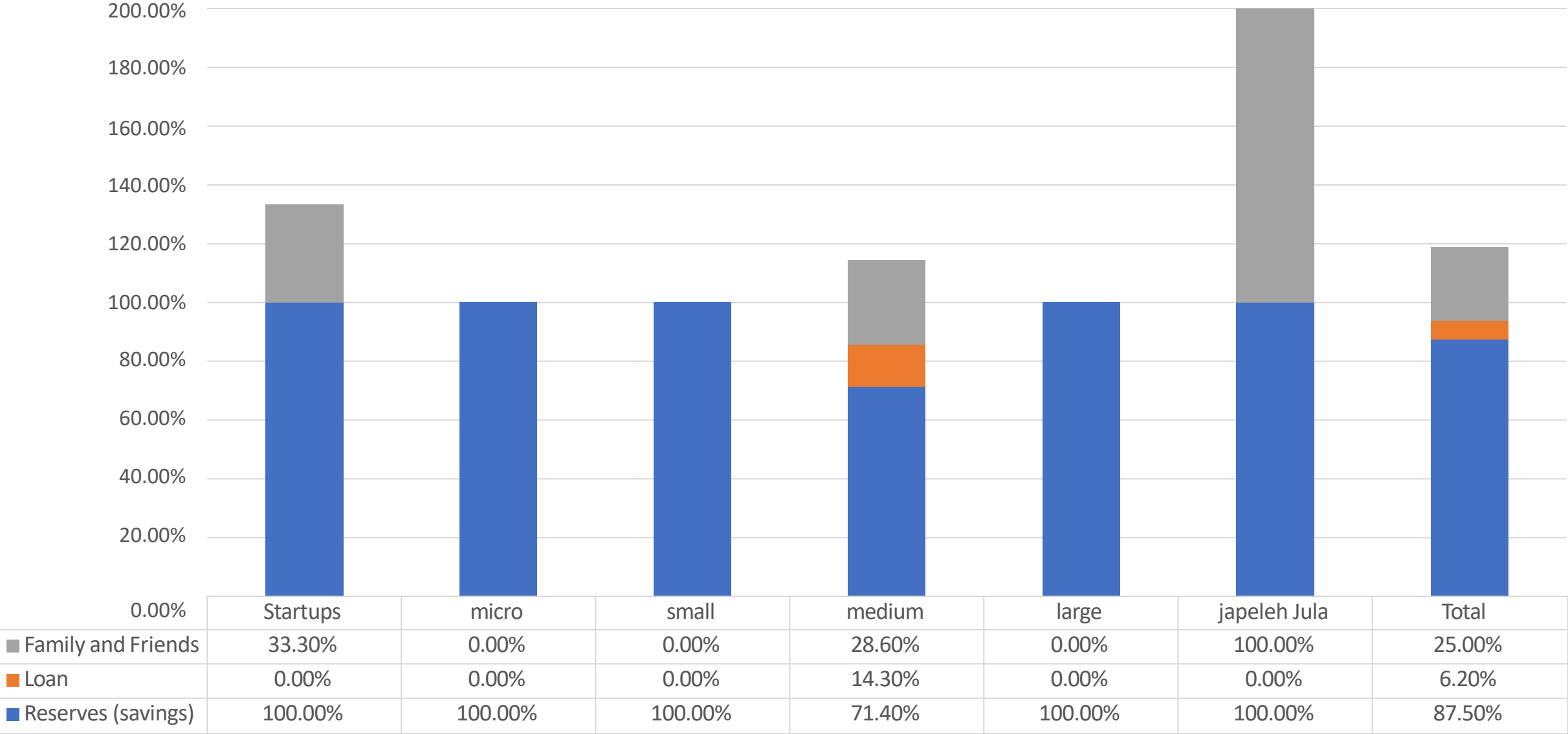
Cash Available to Run Business without Sales in the Next 3 Months



Reasons for Lack of Cash during the next 3 Months



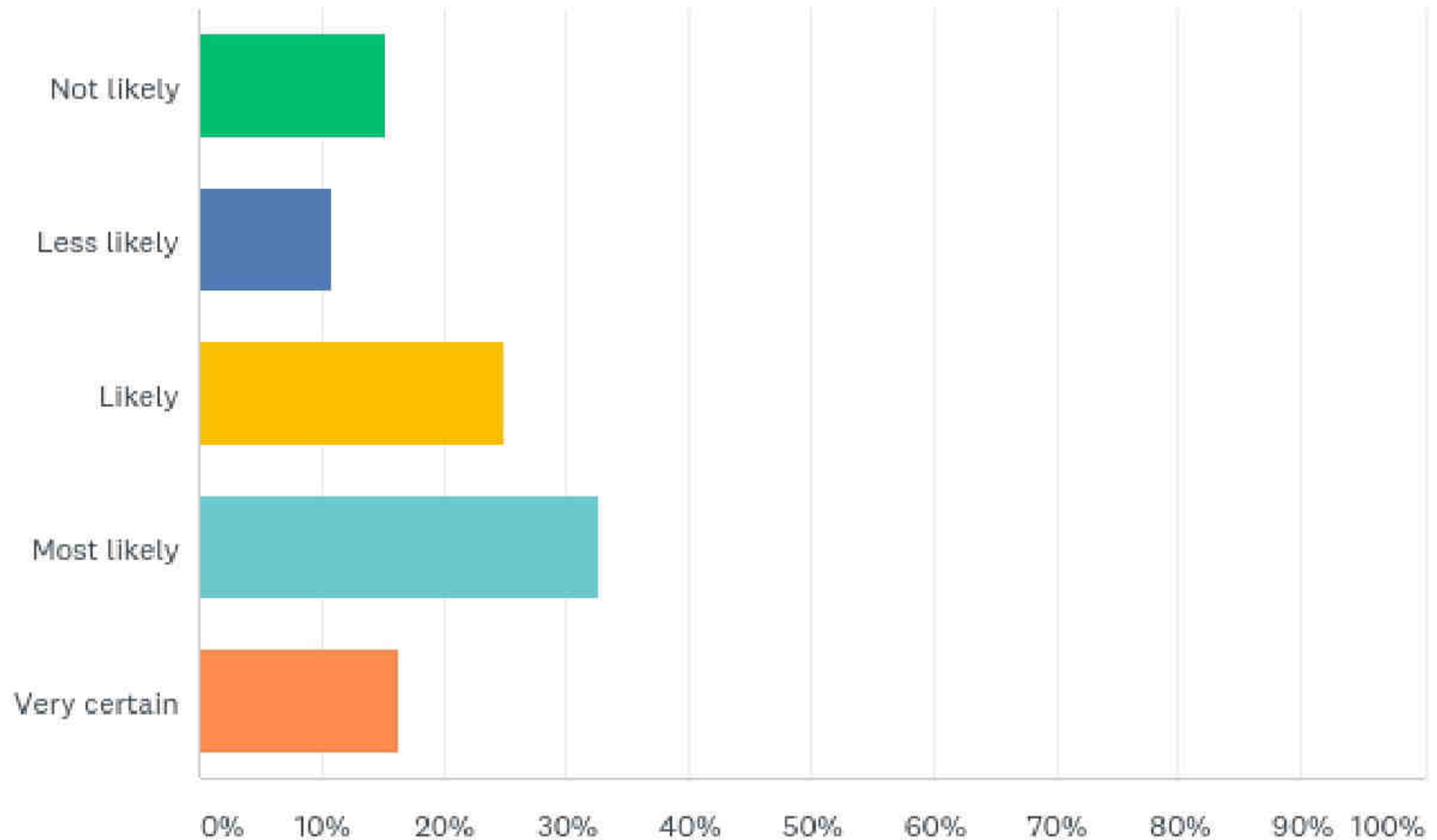
Source of Cash for Business during Next 3 Months



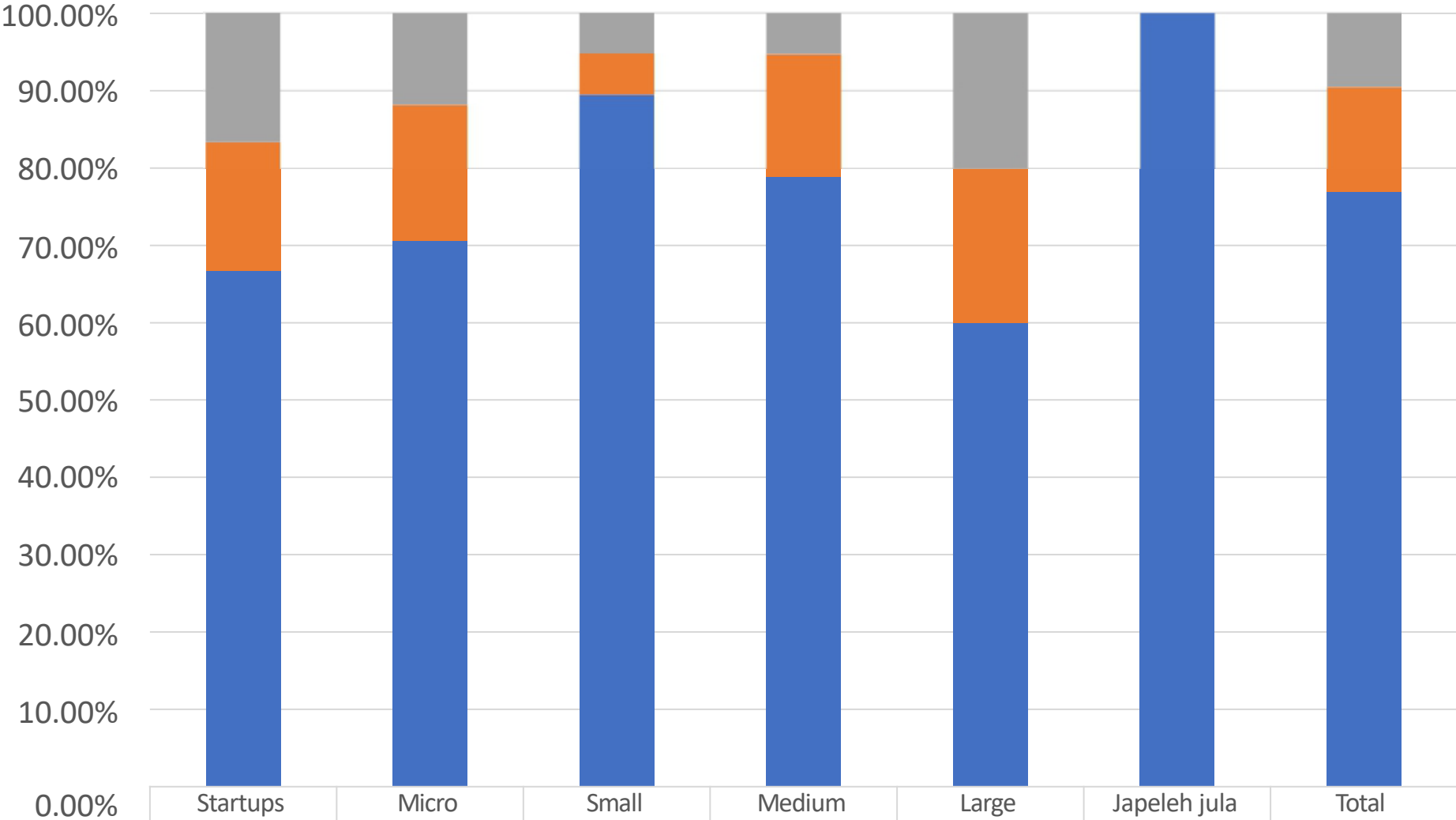
Covid-19 Affect on Business Operations

- ❑ A high number (58%) of the business respondents are either likely or most likely to lay off or furlough workers, while 15% are very certain to let employees go. This means a total of nearly three-quarters of all businesses are likely to lay off employees
- ❑ Overall, 11% of businesses will lay off over 15 employees. These layoffs are mainly by corporate and medium firms. More than three-quarters of the layoffs are temporary furloughs, 14% permanent, while 9% are mass retrenchments. 100% of *Japaleh Julas*, 81% of small businesses, 78% micro enterprises, and 77% startups could lay off anything between 1 and 5 employees. The scenarios show a significant level of layoffs across all sectors
- ❑ The push factors for the layoffs are lack of sales (68%), low liquidity (43%) and scaling down operations (13%)

Likelihood to Lay off Employees due to Covid-19

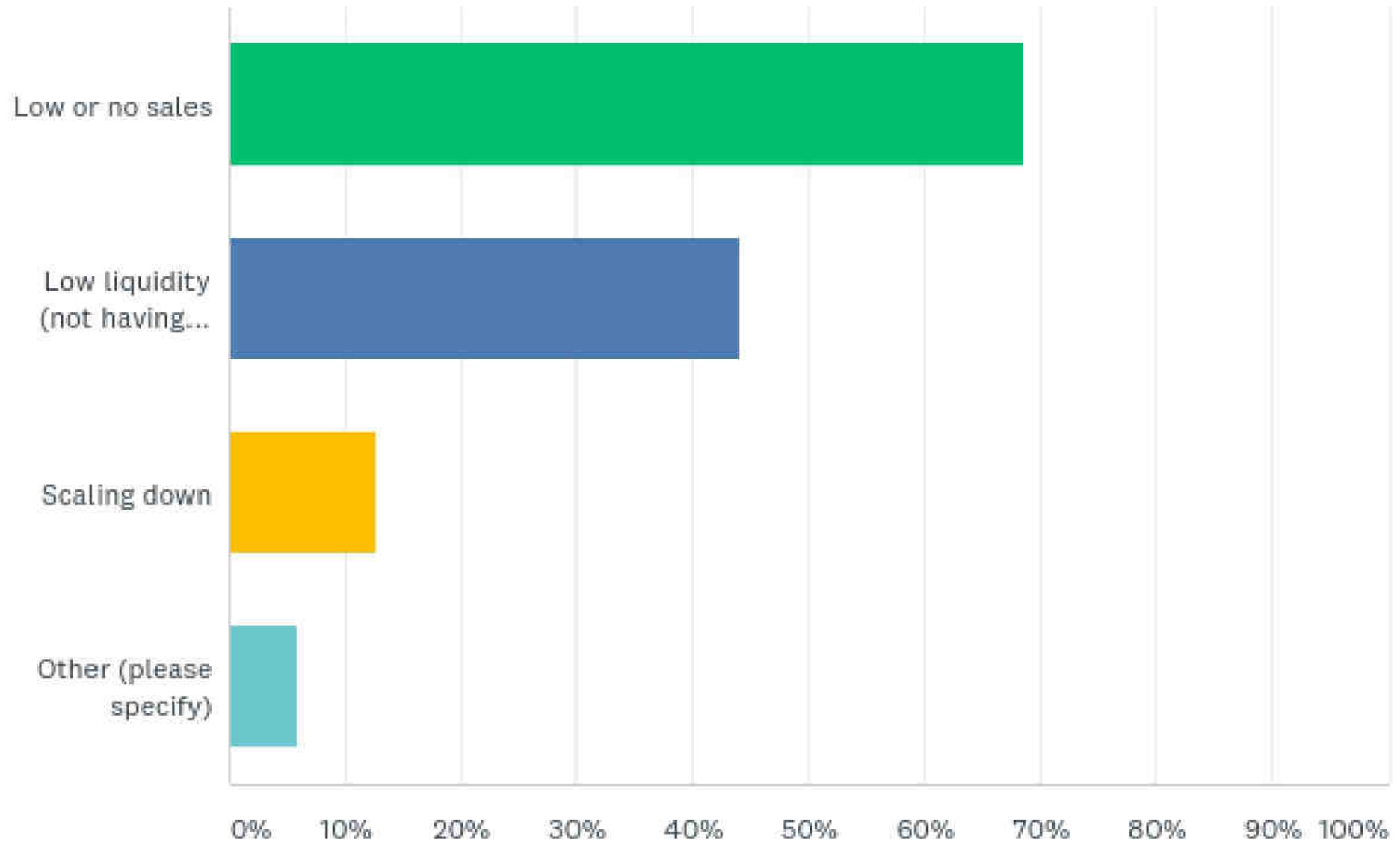


Types of Layoff

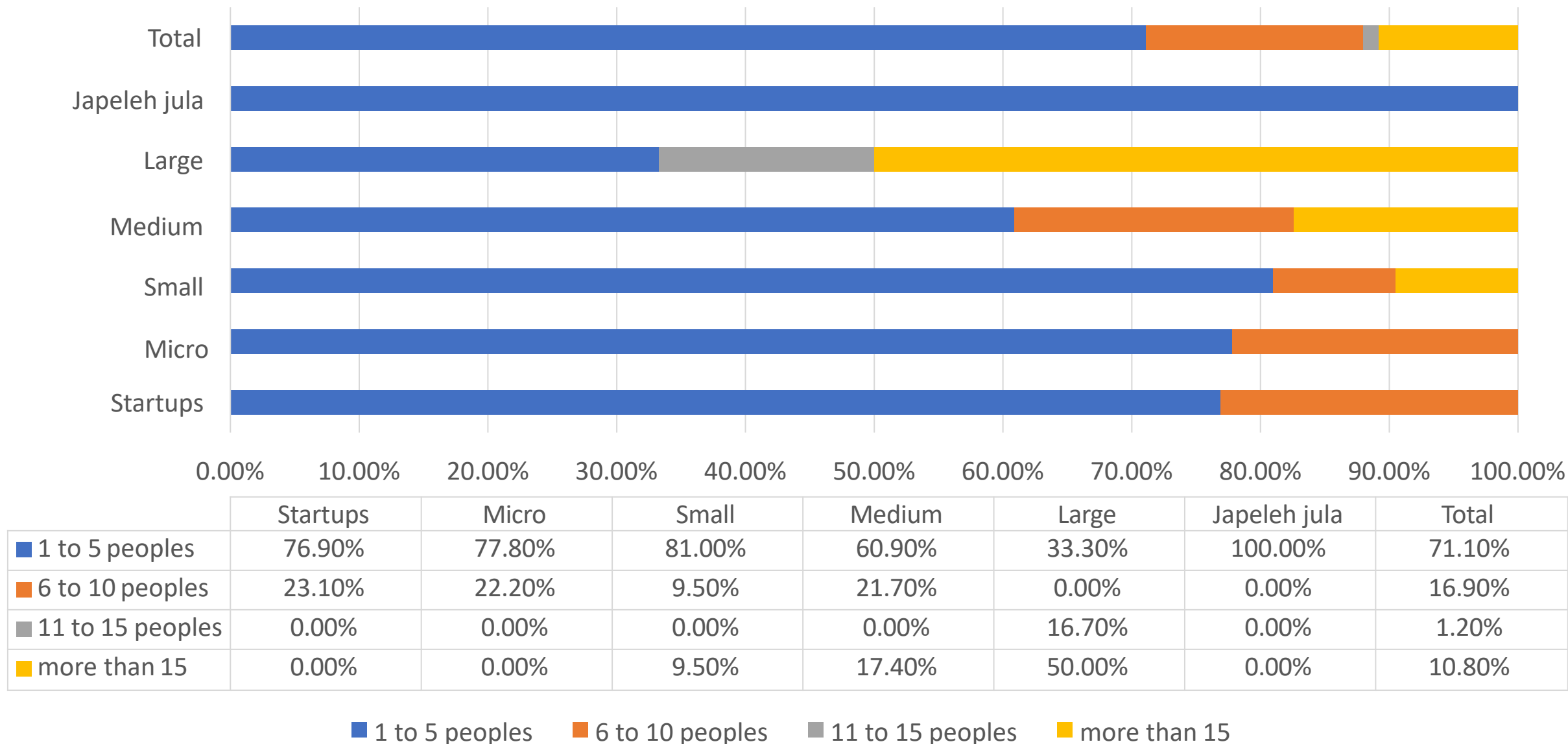


■ Mass layoffs (involving a large number of people)	16.70%	11.80%	5.30%	5.30%	20.00%	0.00%	9.50%
■ Permanent layoff (must be re-hired in order to return to original job)	16.70%	17.60%	5.30%	15.80%	20.00%	0.00%	13.50%
■ Temporary layoff/furlough (leave of absence without pay)	66.70%	70.60%	89.50%	78.90%	60.00%	100.00%	77.00%

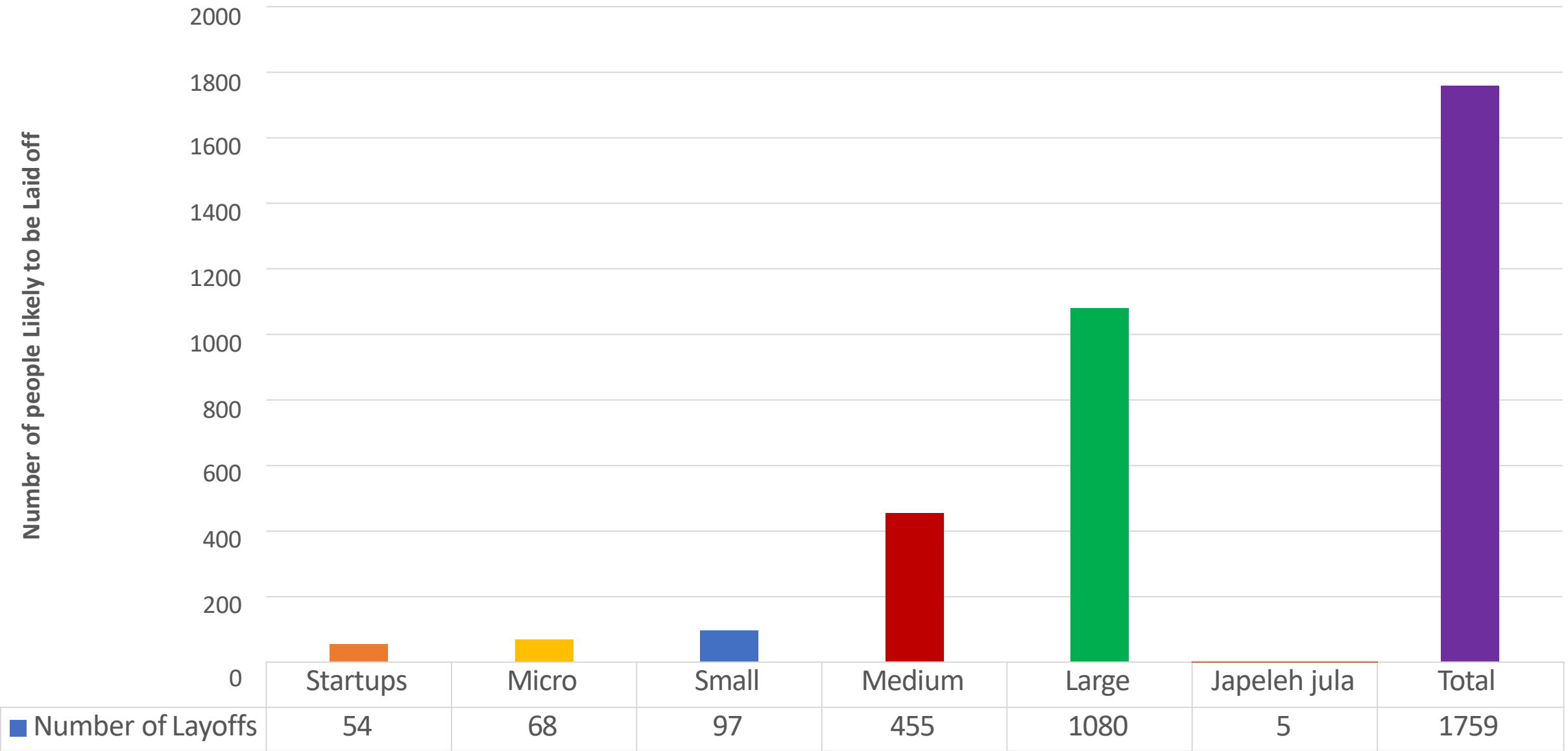
Decision Factors to Lay off Workers



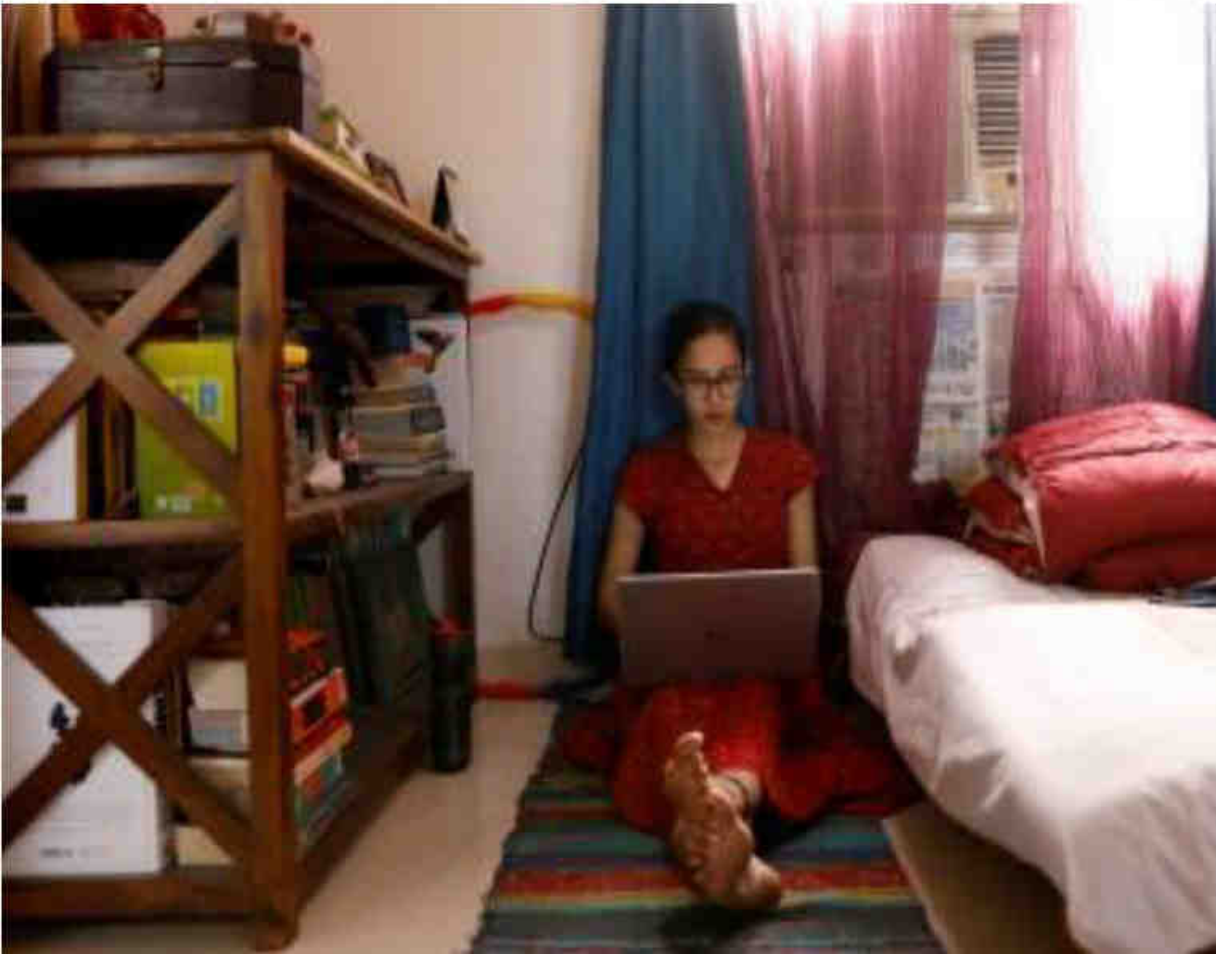
Number of Employees who would be Laid Off



Number of Employees who would be Laid Off



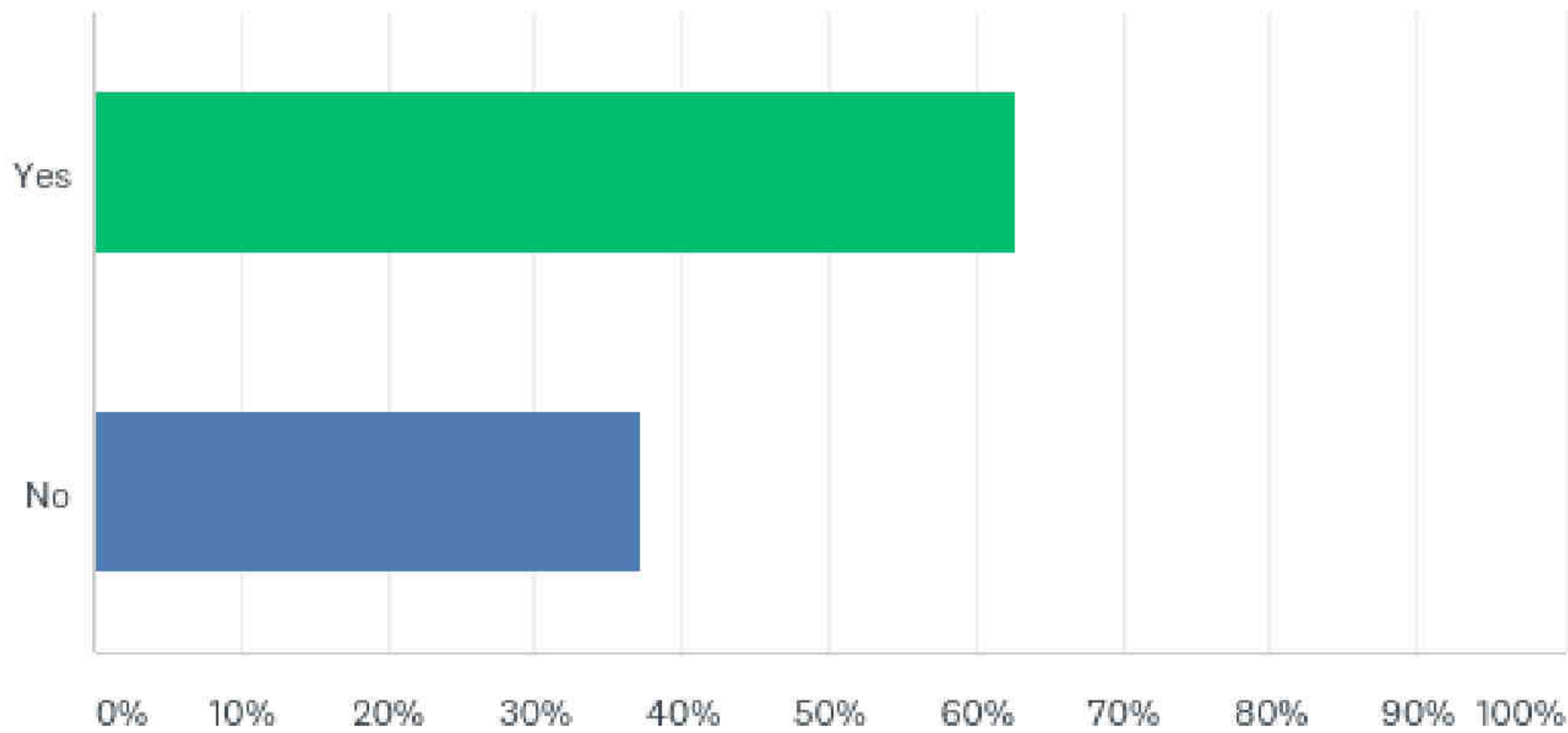
LONGER-TERM EFFECTS AND BUSINESS OPPORTUNITIES FROM COVID-19:



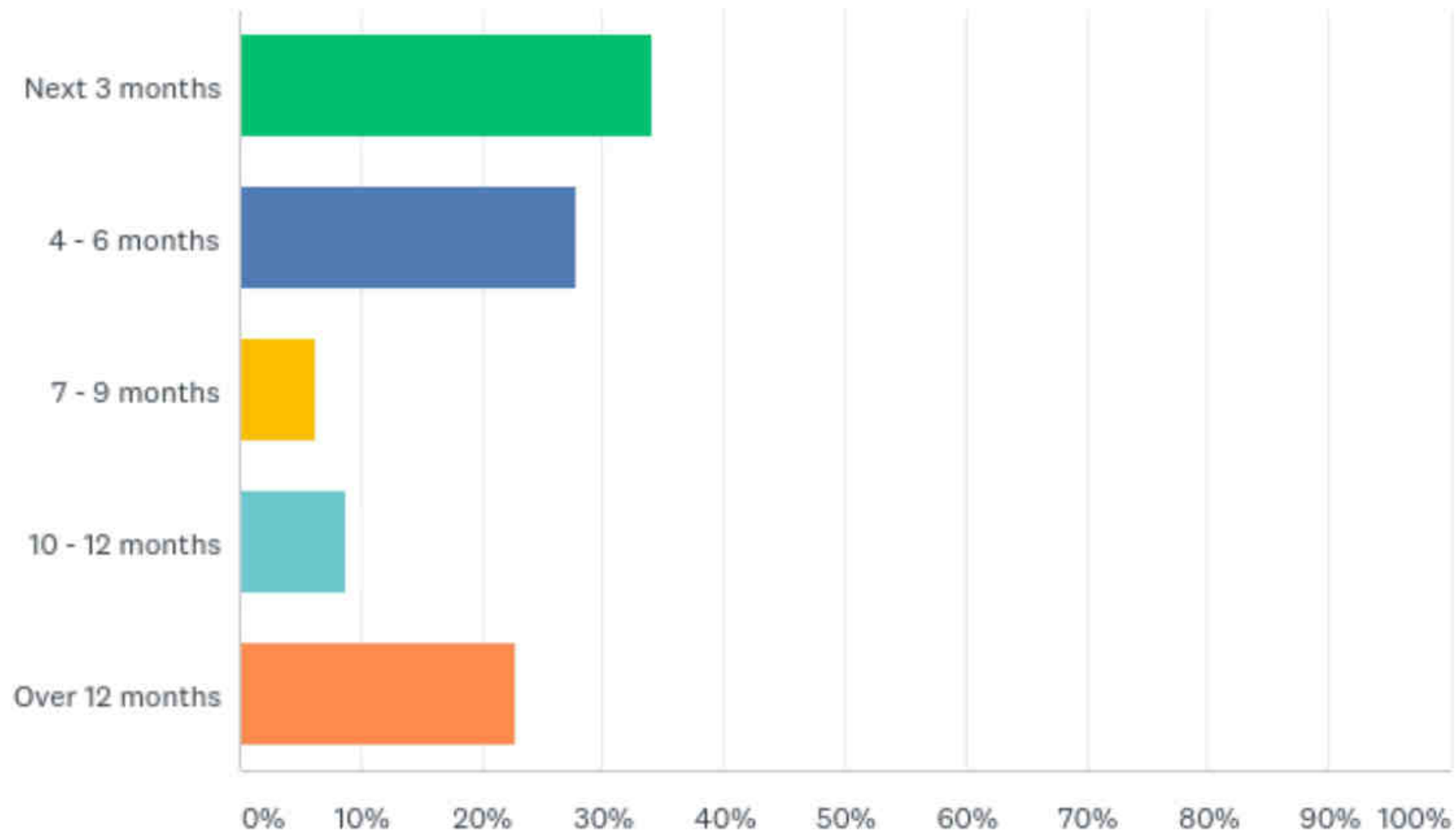
Longer-Term Effects and Business Opportunities from Covid-19

- ❑ More than one-third (37%) of MSMEs, startups, *Japaleh Julas*, and large businesses are uncertain about survival during the current crisis. While a quarter of all businesses surveyed are confident about survival beyond 12 months from now (or during The Beyond), one-third of all businesses hope to only survive during the next 3 months, and 28% during the next 4-6 months
- ❑ Large businesses indicate better survival prospects. However, survival prospects appear clearly dim for many entrepreneurs. Business outlook for the future is not hopeful for many of them
- ❑ These differing attitudes appear to show that business leaders are uncertain about the lasting financial effects of Covid-19. They may also reflect the varying impact of the crisis on different business categories and in different sectors

Business to Survive during the Covid-19 Crisis



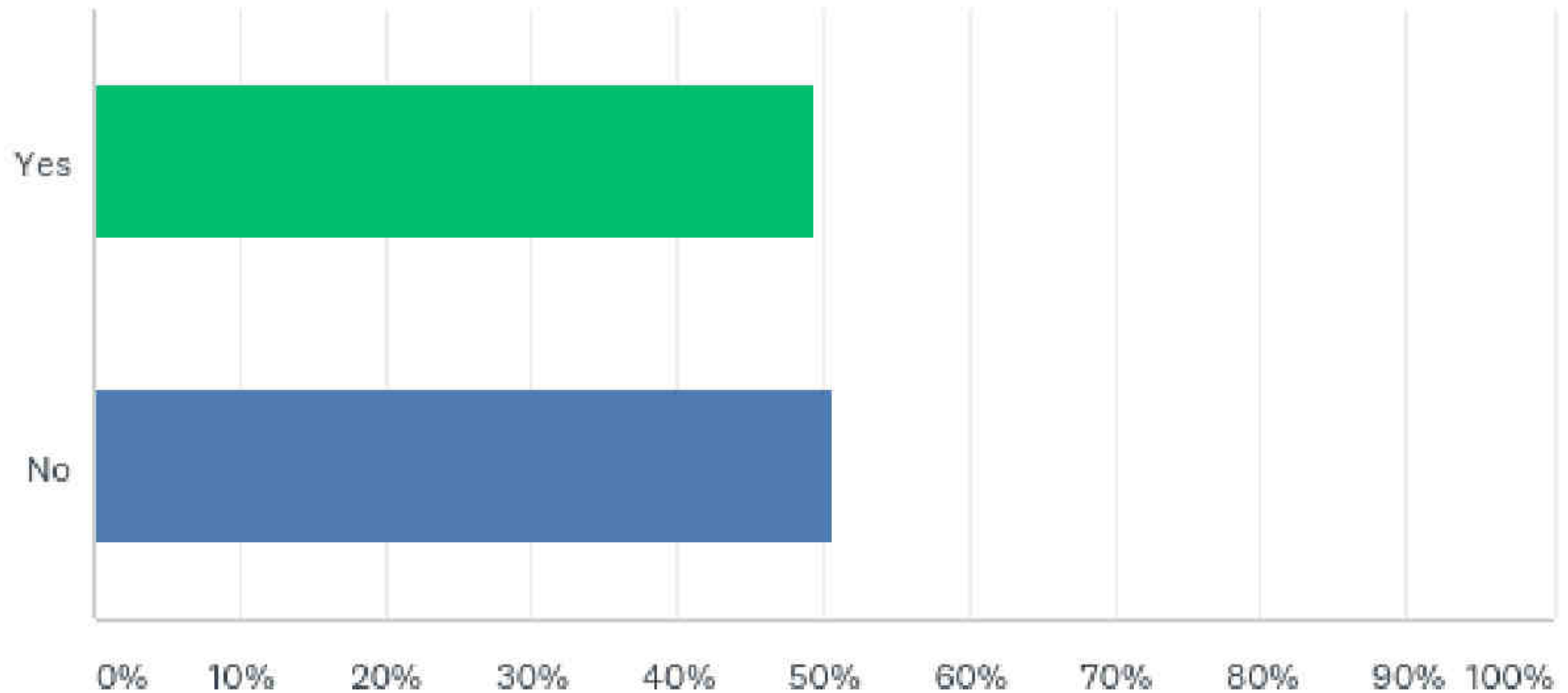
Duration for Business Surviving into the Future



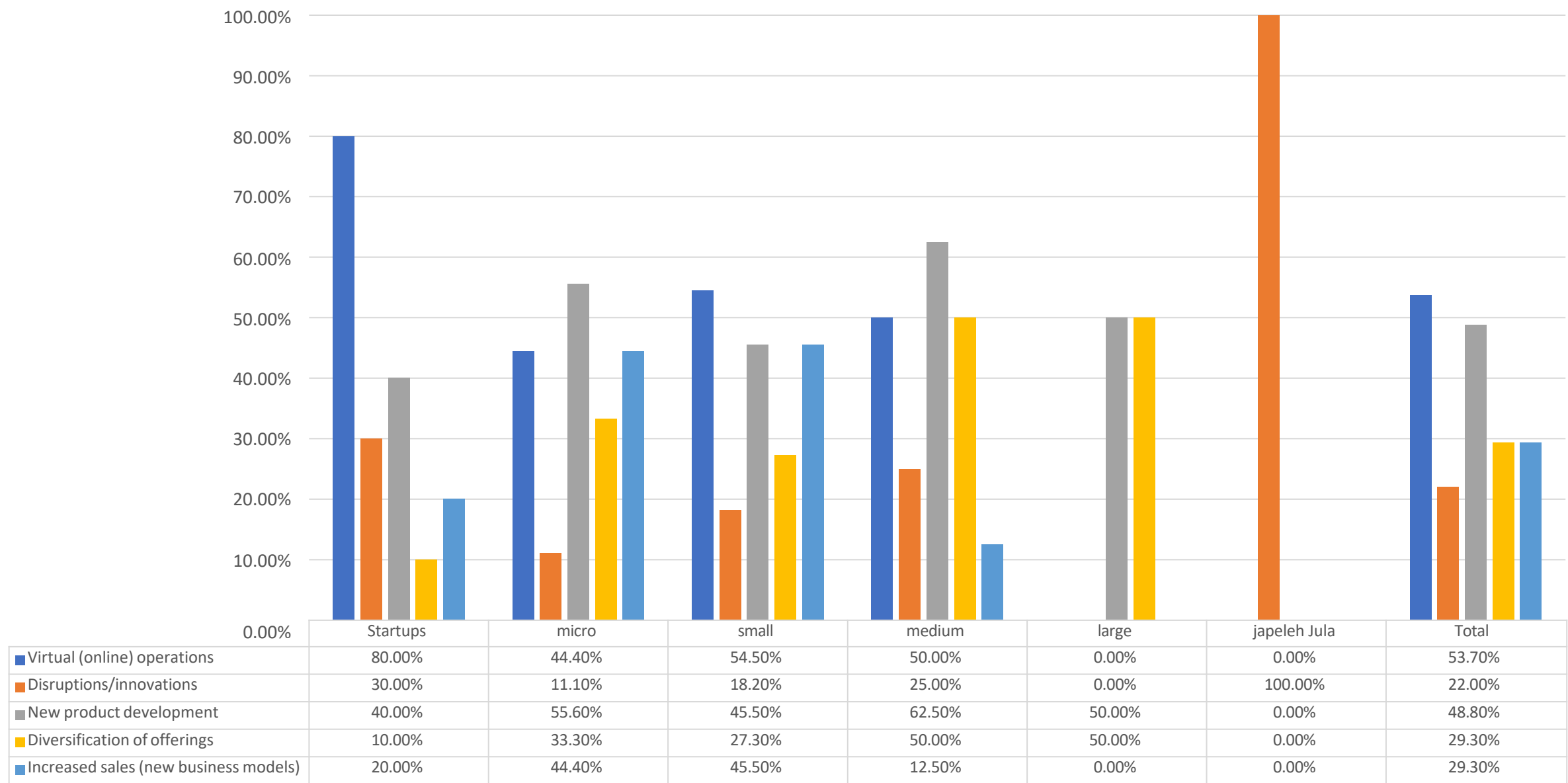
Future Business Opportunities presented by Covid-19

- ❑ Opinion was equally divided between those that are optimistic about new opportunities and those apparently consumed by fear. The study revealed that the most important future business opportunity will be virtual working (49%), followed by new product development (44%), and diversification of product offering (27%) and increased sales due to new business models (27%)
- ❑ Nearly half of all businesses surveyed are confident in their ability to provide their products and services virtually, as one of the ways to cope with client contact in delivering products and services. Startups appear to be more enthusiastic about new business opportunities
- ❑ It is well known that digital and new technologies create an opportunity for MSMEs to increase their reach and efficiency at lower costs. Immense benefits are derived from a shift to B2B e-commerce. Research results have it that companies that embrace digital sales in their go-to-market model gain 5 times faster revenue growth compared with previous levels, 30 % increase in efficiency, and 40 to 60 % cost reductions within sales

Future Business Opportunities presented by Covid-19



Available Business Opportunities from Covid-19



Available Business Opportunities from Covid-19

TOP PRIORITIES for MSMEs planning to adopt digital services over the next 6 months:

SMALL BUSINESSES

- ☐ CRM, Billing, ERP 2
- ☐ Online training of staff
- ☐ E-commerce
- ☐ Live chat / Mobile apps

MEDIUM BUSINESSES:

- ☐ Online presence
- ☐ Marketplaces offering access and tools
- ☐ Digital advertising
- ☐ Data analytics
- ☐ Real-time tracking and tracing

POTENTIAL RESPONSE MEASURES :

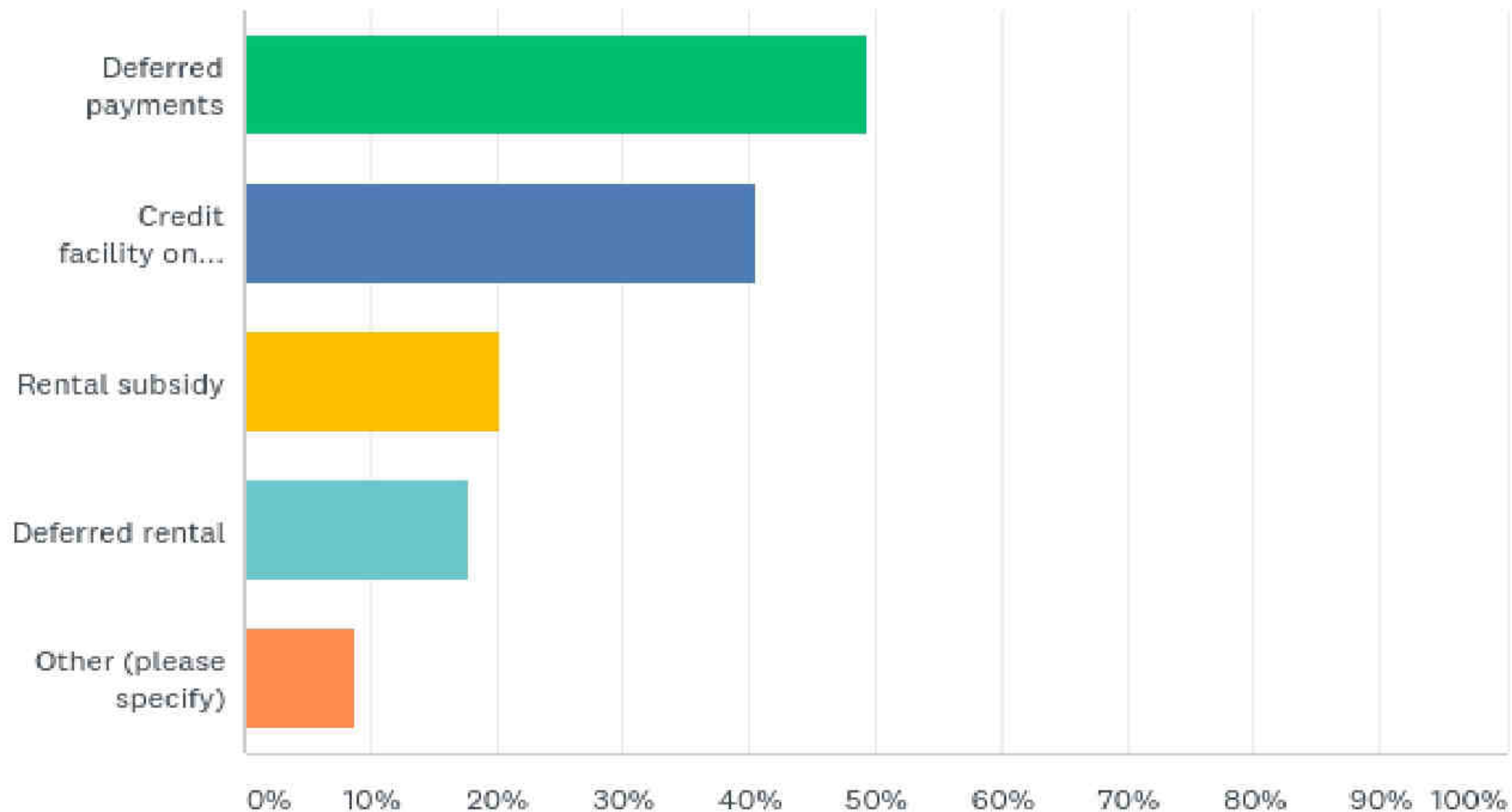


Possible Avenues of Support by Business Clients

Survey respondents identified various priority B2B support options to cushion businesses from the Covid-19 storm:

- ☐ Deferred payments (50%)
- ☐ Credit facility on goods (41%)
- ☐ Rental subsidy (20%)
- ☐ Deferred rental (18%)

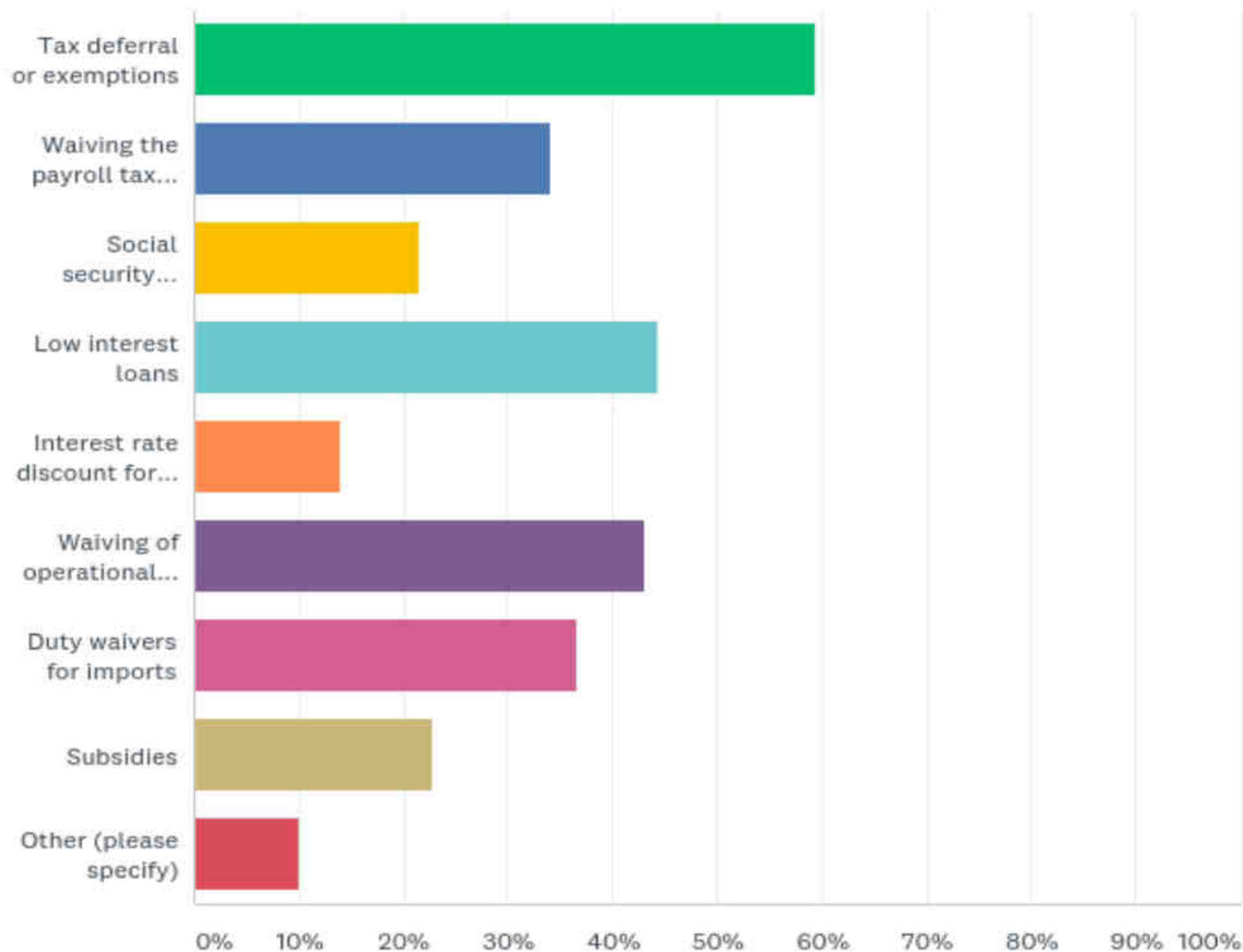
Possible Avenues of Support by Business Clients



Possible Avenues of Support by Government

- ❑ Over the recent Covid-19 crisis period, the private sector has proposed various financial relief options to support businesses in the Tourism/Hospitality industry and across many sectors. They include payment waivers and deferments, interest rate discount and subsidies
- ❑ Survey respondents echoed and reconfirmed these support measures, identifying tax deferral or exemptions (60%), low interest loans (47%), and waiver of operational trade licenses and municipal taxes for 2020/2021 (45%), among other key actions

Possible Avenues of Support by Government



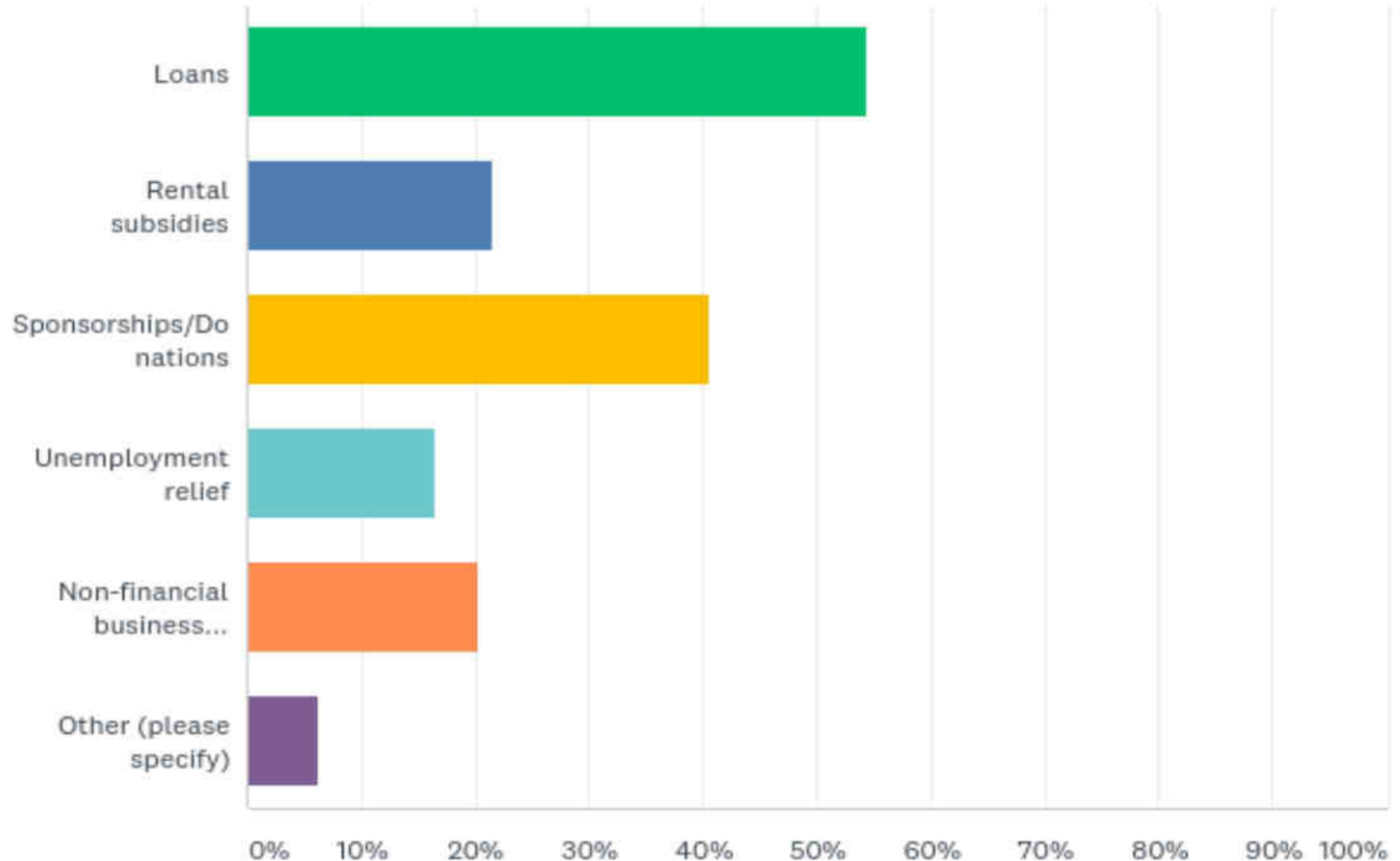
Possible Avenues of Support by Private Sector

Survey respondents proposed the following support avenues from private sector actors:

- ☐ Loans (60%)
- ☐ Sponsorships/Donations (43%)
- ☐ Rental subsidies (23%)
- ☐ Non-financial BDS (22%)

Japaleh Julas were completely debt-averse (100%). They only sought sponsorship support

Possible Avenues of Support by Private Sector



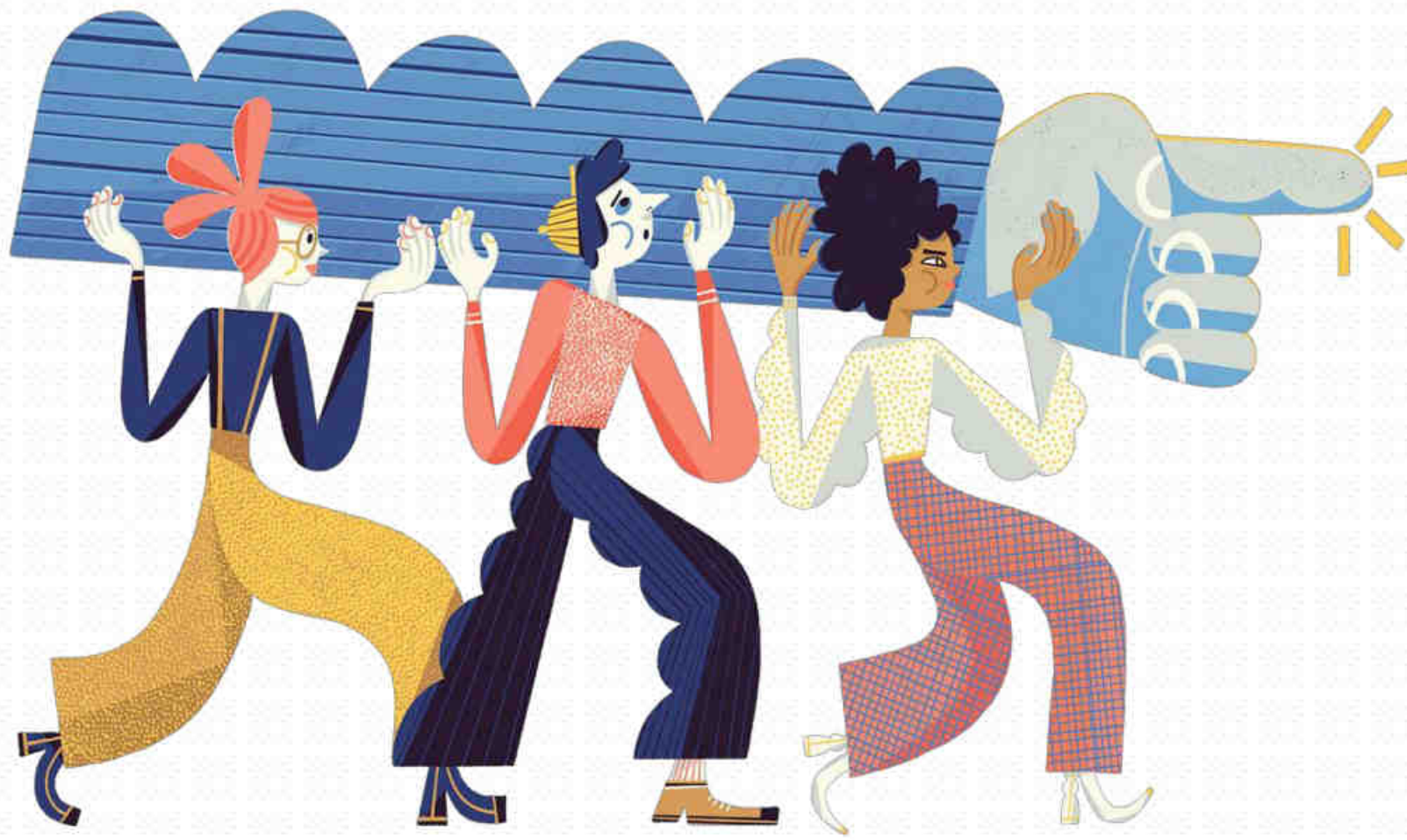
Some Positive Support Already Provided by Government

- ☐ CBG reduced the monetary policy rate by 2 percentage points to 10 percent to support the economy
- ☐ Reduced the statutory required reserve ratio by 2 percentage points to 13 percent, releasing D700 million liquidity to banks. These measures are anticipated to translate to increased bank lending to the private sector
- ☐ Gambia Revenue Authority (GRA) has extended for an additional two months the period for businesses to file their returns and make payments
- ☐ GRA has reduced the CIF values of all essential commodities by 20%
- ☐ Humanitarian relief package (Rice, sugar and vegetable oil) availed to the most vulnerable households

Some Wrong Market Signals Sent by Government

- ❑ **No Covid-19 relief packages** planned for struggling MSMEs
- ❑ Direct cash transfers planned for microenterprises and the informal sector **ONLY**
- ❑ A possible bailout of SOEs to the tune of D120 million, while leaving the **MSMEs out in the cold**

RECOMMENDATIONS FOR SHORT-TERM SUPPORT TO BUSINESS SURVIVAL AND CONTINUITY :



Recommendations for Support to Business Survival and Continuity

BUSINESS:

- ☐ Set up a Crisis Management Team
- ☐ Map out priorities and execute both a short-term **Business Response and Continuity Plan** (the Now – 3 months) to protect the business against increasing uncertainties in the New Normal, and a medium to longer term **Recovery Plan** (the Next – 4-9 months; and the Beyond – 12+ months). Plans should have specific actions that recognize the segment of the business, either as “survivor” (struggling to stay in business), “adapter” (having to change business models radically), or “thriver” (well-positioned because of new demand or had prior remote working regimes)
- ☐ Carry out robust risk assessments and scenario planning to manage operations and scarce financial resources
- ☐ Maintain regular, prompt, open, consistent communication about changes and transition plans to reassure both employees and customers alike
- ☐ Ensure safety and well-being of employees and customers. Invest in talent and technology, and adjust staffing models and labour practices

Recommendations for Support to Business Survival and Continuity

BUSINESS:

- ☐ Adopt flexible remote working and co-working spaces, changing how we interact with office space - a New and Next Normal
- ☐ Adapt business models and develop go-to-market strategies using online marketplaces to increase market share. Switching to digital marketing, e-commerce and developing a data-driven supply chain are high on today's agenda
- ☐ Identify and secure alternate sources of supply and renegotiate key contracts with suppliers, lenders and other value-chain actors
- ☐ Align the company to new digital priorities. Launch new digital offerings or channels. The pandemic has accelerated the use of digital channels, such as online delivery, click and collect, and contactless ordering especially by the food-service sector
- ☐ Businesses that prioritize customer-experience leadership are most likely to do well, but they will need different features and skill sets
- ☐ Invest in disruptive tech start-ups, and in Incubation and Accelerator programmes

Recommendations for Support to Business Survival and Continuity

BUSINESS:

- ❑ Companies must prioritize protecting and growing the top line and developing agile operations with speed. These actions will deliver the most value in the shortest time
- ❑ Hardest-hit businesses in the **tourism industry** must innovate with new business models such as monthly subscriptions, commission sales, and online ordering
- ❑ **Food-service operators** may explore the use of virtual kitchens which are projected to reduce staff costs by as much as 75 % due to a redundancy of table service, menu optimization, using shared dishwashing, partnering with delivery platforms, car rental companies for delivery, and even with grocery retailers. These innovations will set restaurant leaders apart. This New Normal is about collaboration, and not competition
- ❑ For **exporting agribusinesses**, waive tax on diesel and corporate tax; subsidize or waive electricity bill payments

Recommendations for Support to Business Survival and Continuity

BUSINESS:

- ❑ Create a **revenue-pooling model** among **hotels** competing for the same segment in the same location or beach strip. This can have the effect of both helping the operators manage variable costs and losses during the continuity and recovery phases, and serve as an incentive for a small number of hotels to operate at a higher occupancy rate, while sharing the revenue with the remainder. This will foster value-adding collaboration and deter aggressive competition where all hotels operate at an unprofitably low rate of occupancy
- ❑ Government will provide stimulus funds to hoteliers and will serve as intermediary between pooled businesses through auditing or escrow accounts set up for this model
- ❑ Non-operating hotels could channel their stimulus funds into refurbishments or other investment, which would boost the country destination's attractiveness in preparation for a reopening as pandemic restrictions gradually ease up

Recommendations for Support to Business Survival and Continuity

GOVERNMENT:

- ☐ The Government has at its disposal several policy levers for business continuity and resilient recovery from Covid-19
- ☐ Drive resource mobilisation from both public and private sectors to **create a robust stimulus fund for relief and recovery** that provides a fully integrated (financial and non-financial) solution to MSMEs in hardest-hit sectors. These incentives are a suitable investment tool to boost economic growth and impact the government's financial position
- ☐ Make Covid funds available only to those businesses screened to have sound business models with potential to save a good number of jobs, while effecting significant tax payments . Some businesses may need a referral to incubators or accelerators for appropriate business support
- ☐ Restructure loans; waive or reduce tax payments (payroll, corporate) in critical business sectors
- ☐ Promote **B2G models** that prioritize local SMEs as preferred suppliers to public sector
- ☐ Invest in formalising the informal sector

RECOMMENDATIONS FOR LONG-TERM SUPPORT TO BUSINESS RECOVERY AND RESILIENT GROWTH:



Recommendations for Support to Business Recovery and Sustainability

- ❑ Government-backed **joint equity funds** could be used to deploy private capital and help ensure that tourism-related SMEs survive the Covid-19 storm
- ❑ Businesses need to act fast and grasp a **first-mover advantage** that other players cannot match during the current crisis. This will allow them to emerge stronger in the next normal and thrive. For this, operators need to aggressively capture market share during the downturn rather than wait for the recovery to begin. New recovery strategies will help them identify and capture new opportunities quickly, while go-to-market models will focus on digital and remote sales and e-commerce
- ❑ Businesses, especially B2B, have a unique opportunity to innovate during this crisis by looking at **new products, strategies, value proposition, and organizational structures**. Experience shows that by investing in innovation during a crisis, companies typically achieved total returns to shareholders 10 % higher than those of their peers and also outperformed the market by more than 30 % during the recovery years

Recommendations for Support to Business Recovery and Sustainability

- ❑ MSMEs need the ability to create pricing strategies tailored for each customer
- ❑ Business will have to cope with uncertainty in demand, supply, labour markets, and credit availability
- ❑ Banks must digitize and automate credit processes in the long term . They must embrace digital and analytics to change lending processes and determine clients' credit worthiness. Banks that do not embrace mobile could lose market share to competing Telecoms and emerging FinTechs
- ❑ Banks need to review priorities of shareholders, business partners, financial actors, Government regulator and customers; and address them through plans
- ❑ All MSMEs must protect and grow their top line; enabling and empower their workforce; accelerate the adoption of data and digital platforms; strengthen financials

EMERGING TRENDS FOR THE NEW & NEXT NORMAL AND THE BEYOND :



Emerging Trends for The New & Next Normal and The Beyond

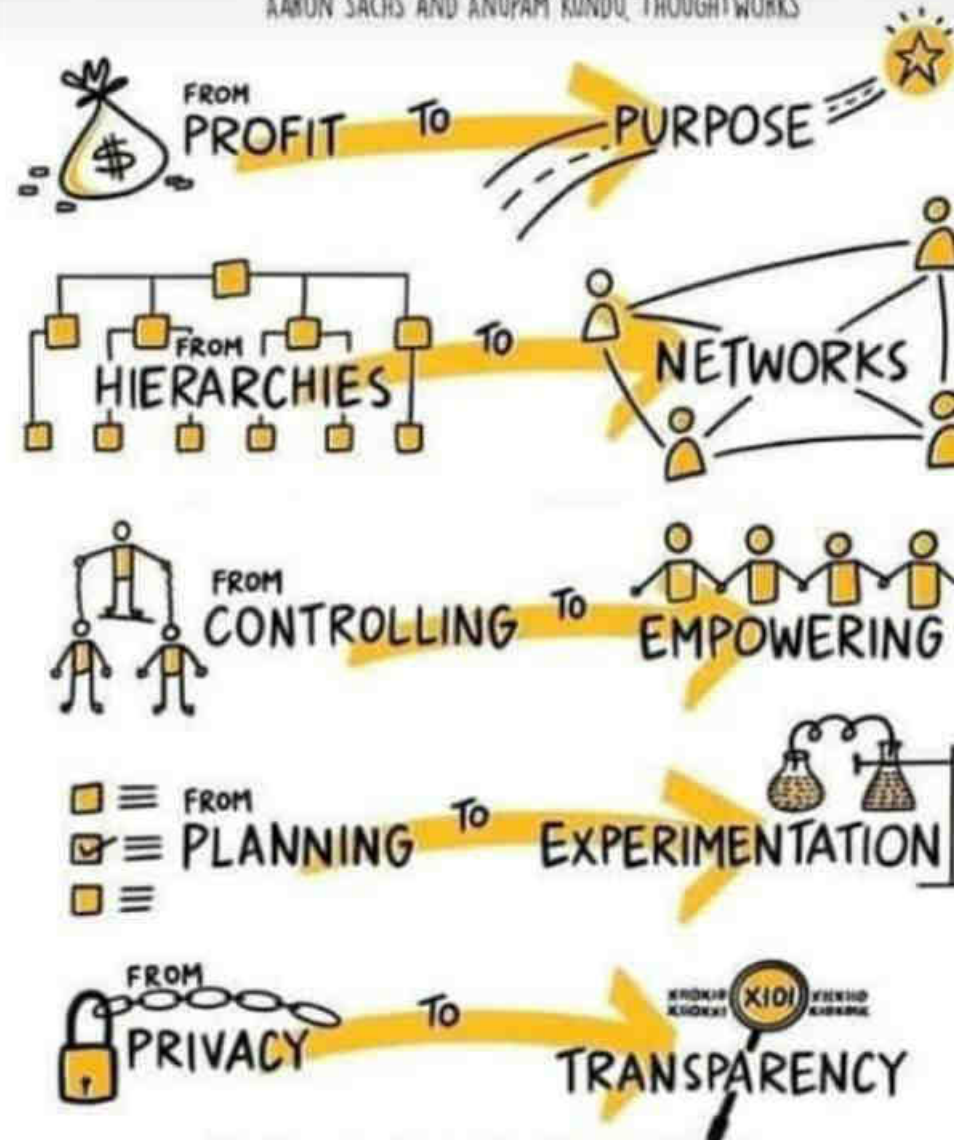
- ❑ Digital is now an essential means of doing business
- ❑ Shift from in-person interactions to remote sales interactions will be the norm for the foreseeable future as physical-distancing requirements and travel restrictions persist
- ❑ One notable feature of the COVID-19 crisis is a radical shift to distance business models
- ❑ Navigating the current crisis and thriving in the next normal will require significant changes in business and operating models for all businesses
- ❑ Business organizations will be focusing on mission-critical priorities, investments, and operations, while providing the “human” elements related to service
- ❑ More businesses will opt for co-working spaces and virtual working, changing how we interact with office space. Remote working knows no geography

Emerging Trends for The New & Next Normal and The Beyond

- ❑ Uncertainty is the Next Normal. What is working now (speed, information, collaboration, purpose) will continue to drive performance in the future
- ❑ The talent market is democratizing
- ❑ Cost pressures have increased making it critical to drive efficiency and operate with a lean core
- ❑ Momentum is here (for now). Employees have their eyes open to resilient and sustainable ways of working. No returning back to old behaviours
- ❑ Mindset shifts for organisations: From competition to **more collaboration**; from hierarchies to **networks**; from controlling to **empowering**; from planning to **experimentation**; from privacy to **transparency**; from profit to **purpose** and **resilience**.

MINDSET SHIFTS for organization transformation

AARON SACHS AND ANUPAM KUNDU, THOUGHTWORKS



A Powerful Quote:

“If a small or medium-sized business becomes insolvent because the economy recovers too slowly, we lose more than just that business. These businesses are the heart of our economy and often embody the work of generations.”

- Jerome Powell, Fed Chairman (June 16, 2020)