

FROM BDO'S ADVISORY PRACTICE

# COVID 19: 2021, RETHINK YOUR ENTERPRISE

SPECIAL FOCUS:  
RESILIENCE | REALISE

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# PREFACE



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The business landscape has changed because of the Covid19. It became imperative to be armed by agility and creativity to face these irreversible changes and transformations and turn them into opportunities.

Our analysis results were encouraging because the overall picture is not as bad as it may seem in spite of the gravity of the crisis and the significant amount of disruptions related to the pandemic. Organizations showed resilience in the past months and handled the crisis as well as could be expected. Even if these times are very challenging, most organizations and industries are optimistic but cautious for businesses in 2021.

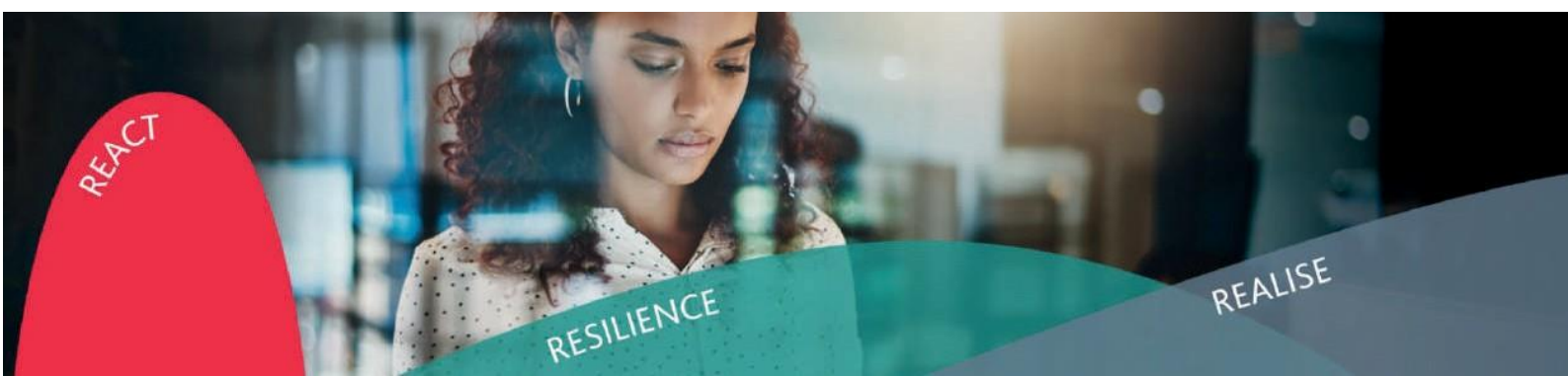
The pandemic will surely change the world. Companies should think about new alternatives and discuss their positioning in the business world. At BDO, we are helping our clients to do just that, supported by our global Rethink framework. This 3-stage model encourages a broad rethink around original business models and commercial assumptions. It can be used to manage business priorities, address issues and leverage thinking - and it acts as an extra dimension for strategic level consideration and discussion, regardless of where in the cycle an organization sits, or the measures already taken.

their investments on improving productivity, adopting new technology and product innovation.

Revelations from our survey showed some potential blind spots that need careful treatment. Domestic sales represent a big factor of growth for most companies. Yet It is more crucial than ever to look for and seize international opportunities. Other mission-critical questions need answers too. Are companies investing in the right areas? Have they sufficiently improved management and limited the risks? And what about competitors? The need to rethink is clear.

Supported by our global Rethink framework, It is exactly what we do at BDO. This model represents a new way of thinking that will help redefine businesses by identifying issues in time and developing adapted solutions.

The crisis impact will be tremendous and we are worried about the new variants of the corona virus and how it will affect the 2021 economy. We will definitely not find the same 'normal' at the other end of the tunnel. To get ready to the "new normal", companies should manage their short term survival, they had to react first then operate necessary changes to build resilience. But for the long term, organizations will have to **RETHINK** their strategies to achieve their growth ambitions.







360 VIEW FOR AN  
EXCEPTIONAL CONTEXT

# 360 DEGREE VIEW FOR AN EXCEPTIONAL CONTEXT

## BOLD DECISIONS

the bold decisions that many businesses took at the onset of the crisis are characterized as making temporary redundancies, reducing salaries and so on, as a reaction to the crisis. But , there is a positive side to taking bold decisions in terms of investing in talent and innovation, improving or adapting existing products and services and rethinking and rebuilding one's supply chains. we should be encouraging the bold decisions that result in adopting new technologies, improving efficiency, acquiring a new business or expanding partnerships.

This shows that it is the boldest leaders that will survive and succeed as we emerge from the crisis and going forward. They are the businesses that are uncovering the positives from their initial reactions, that are further developing their resilience and that are going on to realise what they need to do to meet the demands from both the markets and our future leaders. And remember: all the vital questions that should be being discussed and considered are not necessarily going to be raised by the C-suite. We must all take steps to be involved and to engage with our younger generations, as it is they who will ensure that the right issues are being dealt with.

It is this forward-looking approach, as organizations move on from their initial reactions and turn their attention to the challenges and opportunities ahead, that prompted us to identify a checklist of ten areas that an organization's leadership should rethink today to build business resilience for the future.

## REDIFINING PRIORITIES

Talent was highlighted as one of business leaders' three priority areas of investment, along with the use of new technologies and improving existing products and services. Today's research has seen an about-turn in how leaders are giving importance to talent: it still has significant importance but comes third after the top priority identified by BDO advisers of reducing overhead & other business costs, followed by adopting digital changes.

There is no doubt that the heavy burden of the COVID19- for finances is huge, across all geographies, and it is interesting to what extent the temporarily response of many businesses has been underwritten by the intervention of government.

Even more interesting is what might happen next: how businesses will manage the important change from a government funded business to one that gets its funds externally. Medium-sized businesses predict that their cash balance will last for six months without the government stimulus.

Those priorities have not disappeared with the beginning of the virus , although they have been joined by new areas of focus, suggesting that businesses are limiting their growth wishes with the need to remain agile. Improving efficiency and management processes, for example, is considered as important. It's very significant that adapting or improving existing products and services is now seen as more important than launching new ones.

## KEY CONCLUSIONS



COVID19-had a severe impact on the world



Decision makers and leaders predict a difficult macroeconomic climate



Resilience and cost reduction are the principle growth resolutions to fix the balance



The pandemic has exposed supply chain vulnerabilities



Executives are proceeding to great changes in their business models



New work methods will be adopted for the long-term

The pandemic added more concerns to those priorities, and redirected focus to new work fields, suggesting that businesses are tempering their growth aspirations with the need to remain agile. Productivity and management processes improvement are considered very important. It's extremely significant that adapting or improving existing products and services is now seen as more important than launching new ones.

### 2020 PRIORITIES



Other business costs  
Reducing overhead



Technologies And  
Digital



Attracting and retaining  
high quality talent



Improving existing  
products and services



Improving productivity  
and management  
processes

### HOW TO ADAPT AND LIMIT



Home working



Business operations  
Temporarily suspended



Temporary unemployment,  
redundancies, reduced  
salaries



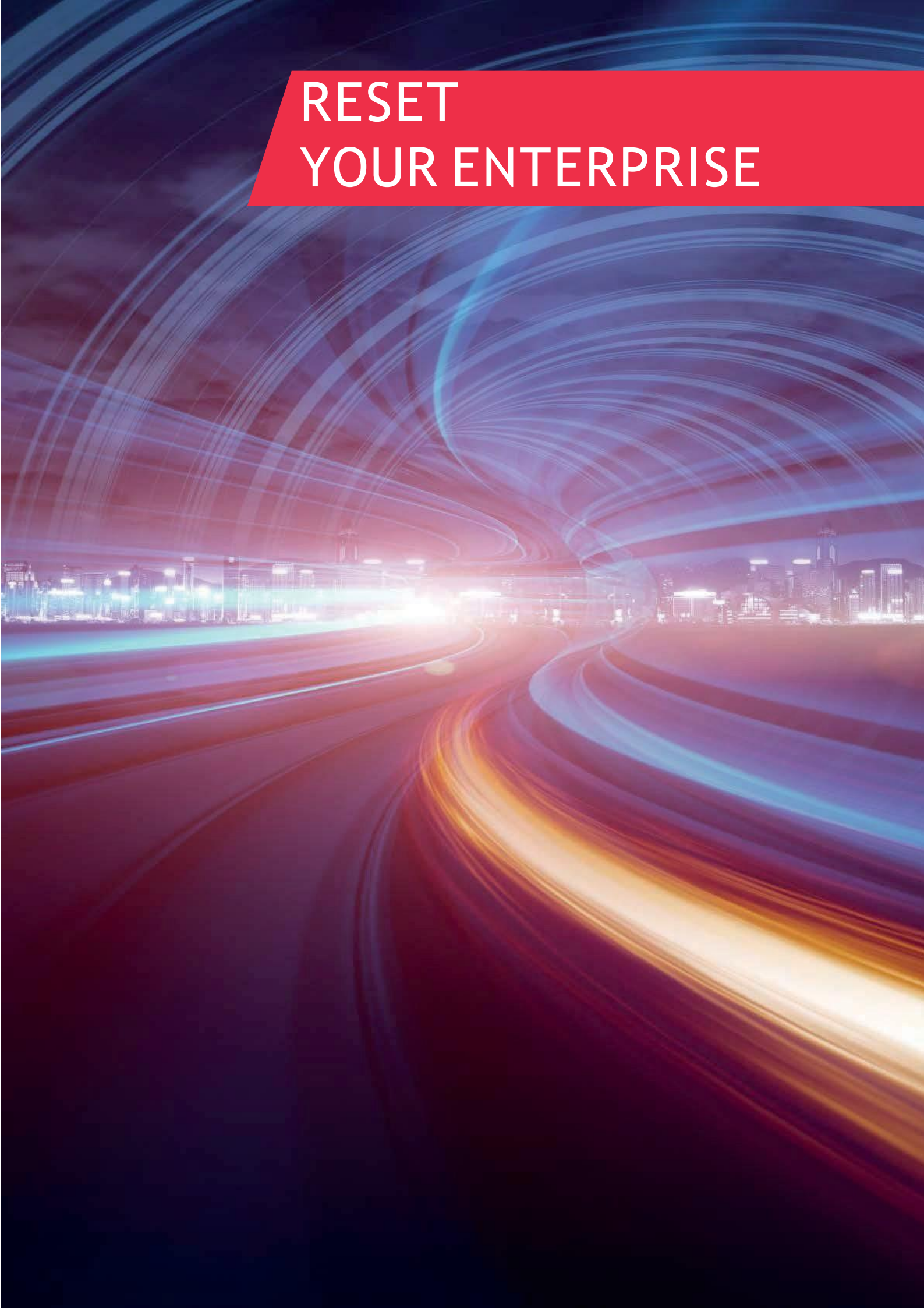
Contracts  
renegotiations



Financing Options



# RESET YOUR ENTERPRISE



# RESET YOUR ENTERPRISE

A crisis shows you the fragility of your strategies and exposes every hidden weakness in your system. It gives you a diagnostic of your business models, talent, culture, customer relationships, infrastructure and supply chains.

An Immediate response should come from the company as a reaction for the crisis and some second thoughts should be given about all these arrangements. Decision makers should take emergency measures like reduction of expenses including layoffs. Reacting doesn't mean overdoing it, leaders should take decisions with futuristic visions and should be able to predict the outcomes of these reactions.

A company can't win against a crisis without its people. How they treat their greatest asset during a troubled time and how they manage their communities are what an organisation will be held for, that's why they should consider having some priorities. The well-being and the safety of the employees and investors must come first. Depending on how big its resources are, an organization should help the most vulnerable ones and be supportive on a regional and global level. • Cost containment measures will eventually reach the limits.

Keeping employees will allow the company to gather information about post-COVID business scenarios and outcomes but from another perspective, structure changes and workforce re-sizing for future strategies could contribute to the prosperity of the organization

The pandemic may have affected your strategy and the functioning of your operations, but you've also garnered invaluable experience. What you have to do now is to gather your decision making team and reconfigure your business and executive operations based on what you learned from the crisis so you can adapt your models to the new reality.

From this point, each company will take its own way.

Differences could take part in the same enterprise. Some could minimize or suppress specific activities. Some could rescale or reinvent

themselves. Others could essentially return to their pre-pandemic baselines.

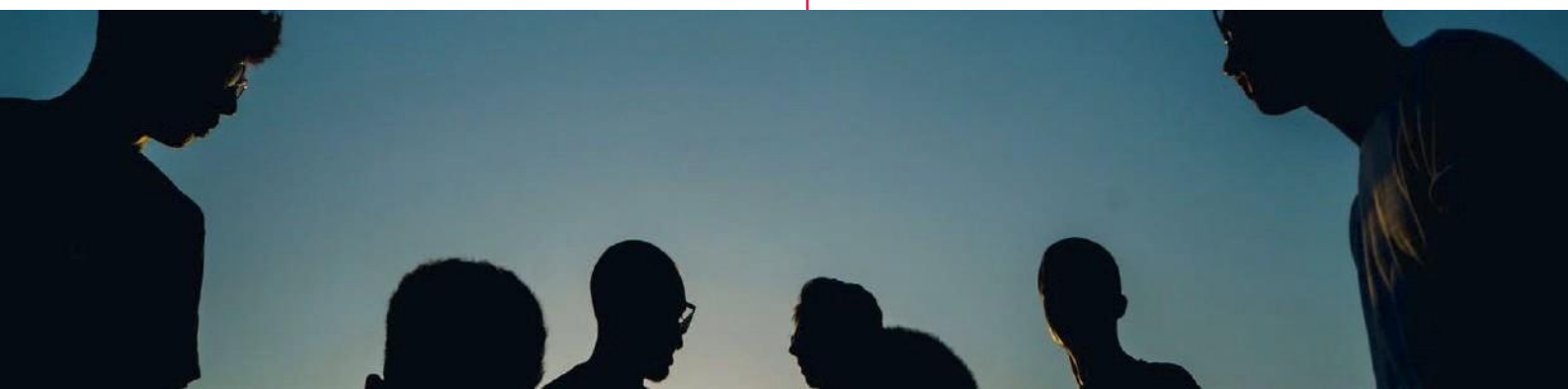
## RECOMMENDATIONS FOR LEADERS

Including employees in decision making as much as possible.

Encouraging employees to express their sense of loss rather than hold it in.

Involving employees in the development of recovery strategies rather than offering solutions on a gold plate

Empowering the workforce and redesigning the organization to be more flexible





# HEALTH FIRST AND LAST

## EMPLOYEE HEALTH

The nature of the virus and the variants makes it challenging for companies to provide safe working conditions for their employees while maintaining a good functioning rhythm and . Virtual working appears to be new to a large chunk of people. More than that, while some companies may be able to prepare their workers to collaborate remotely, businesses that are considered "extremely important," where the nature of work needs in-person operations, can't offer that flexibility to their whole staff.

You need to think about whether certain roles or functions can operate even if the business is not set to suspend in-person operations. If workers must continue to come to their jobs, preventive steps should be taken to keep the workplace safe like providing workers with personal protective equipment (PPE), and thinking about setting temperature checks throughout the day. You have to make sure employees' workspaces are at least six feet apart, reduce crossing of paths, and put cleaning and disinfection rules of conduct in place. Enterprises should think about computer security as an absolute priority, as many systems are more likely to face security issues due to business disruptions, use of remote workspaces, and the learning curve for first-time remote workers.

Expect workers to be a little bit nervous about their job security and their health, as well as the health of their loved ones. Communicating with them more often and clearly and honestly is critical not only for reducing confusion, but also for calming fears. While speed is key, we should show them deep care and understanding for their feelings. Every communication is an opportunity for a reminder to your company's core values and boost the mood in the atmosphere. For many reasons the pandemic took a toll on a person's mental health.

## CUSTOMER HEALTH & SAFETY

Make sure business practices help increase customer safety.

If you deliver products and services directly to customers, make sure your delivery workers respect social distancing guidelines. If you have physical space that needs to remain open to customers, think about instauring by law, limits on the number of people and meter lines.

Sometimes, like for healthcare provider organizations, creating separate spaces for coronavirus patients is needed.

Putting into use these common-sense safety measures are just the bare minimum of what companies should do. Look for opportunities to go above and beyond for your customers and the communities in which you do business. Approached in the right way -- with people at the heart of everything you do--these actions can build trust and good relationships with customers, which will translate to greater customer fidelity.

Also, you will need to keep a close eye on your customers' financial health. The Covid 19 has created a monetary, forcing many business customers to cut their budgets, put long-term investments on hold, or worse, file for bankruptcy protection. Shopper spending is also down considerably and will likely continue to develop downward because of the trifecta of store closures, sweeping job losses and changes in demand as people as individuals acclimate to the "shut-in" economy. Whether you sell to other businesses, consumers, or both, you'll need to take a hard look at your customer base and identify at-risk customers along with your level of exposure to them. If your ability to safely secure incomes in the next two to four months is in question, you should take predictive measures to alleviate losses.

## SUPPLIER AND SUPPLY CHAIN HEALTH

Ordered shutdowns, travel restrictions and workforce shortages have caused a never seen before disruption to supply chains. The monetary impact of new coronavirus containment measures may also increase the chance of supplier defaults. Consider your organization's exposure to supplier delays or defaults and evaluate the effect of a possible loss on your business. To insulate vital parts from supply chain disruption, triage your stock investments according to near-term shifts in customer demand and spin around to alternate supply routes, if needed. Looking forward, consider the future supply chain footprint, including possible methods to diversify your suppliers, and evaluate the cost-benefit of sustaining duplicate facilities or routes on a ongoing basis.

## EMPLOYEE HEALTH STRATEGY

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- Evaluate remote work arrangements and options for remote gatherings and videoconferencing.
- Secure remote access to company systems frameworks and data.
- Follow all public health guidelines from relevant authorities
- (Over) Communicate with clarity, composure and compassion.
- Account for the impact on the collaborator's mental health.

## STRATEGIES FORMITIGATING REVENUE LOSS

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- Expect some degree of loss; don't waste assets battling for each dollar
- Focus on improving associations with key clients and those most protected from novel Covidrisk
- Pivot your product or service offerings to those in high demand
- Identify product or service innovation quick wins
- Revisit your pricing model to providemore adaptable and reasonable alternatives

## SUPPLY CHAIN STRATEGIES TO MITIGATE DISRUPTION

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**Monitor request shifts..** Keep a day by day beat of client request movements to get a refreshed perspective on completed products and stock requirements.

**Communicate with key providers.** Share information frequently to delay, increase or cancel inbound supply orders as needed to align inventory investments with customer demand.

**Prioritize customers and products.** Invest working capital to expand benefit, evade loss of basic clients and limit reputationalhazard.

Mitigate supplier risks. This crisis has revealed dangers of supply disturbance as a rule and has surfaced the need to appropriately enhance the stock base to alleviate supply interruption and increase agility.\*

**Re-evaluate your supply chainfootprint.**

Ask yourself these questions: Are my providers, fabricating offices and distribution centers situated in the correct spots? Are there changesI should consider making given the criticality of my products, opportunity for interruption and potential administrative orders that may happen in certain businesses?.

# COST OPTIMISATION

Revaluation concerns everything in the budget. At first place the realignment and reducing of large cost "rocks" ' that were hidden by high levels of income growth is preferable. Are all those costs necessary and reasonable?

In the future spending needs should be more focused on the highest demanded products and services as well as the key customers representing the greatest share of your revenue. Frequent conversations with your biggest buyers and Intimate knowledge of customers' needs based on real market data are required to effectively know what clients really need.

Beyond not getting in bed immediately with private equity, the lesson that companies should learn is that even in times of financial stress, they must keep their investments in productivity and innovation. Adjustments should be made for costs, to strike the right balance between targeted, cost-reduction initiatives and smart spending in order to maintain growth.

## 20/80 RULE FOR A FAST COST OPTIMISATION ASSESSMENT

- 1-FAST ASSESSMENT provides a lens to help your business decide where to mainly focus your resources and energy. The fast assessment is meant to:
- 2-Identify "Quick Win" Improvement of profit opportunities.
- 3-Develop an understanding of The Current Distribution Of Cost And benefits among different Groups Of Customers, Products And/Or Projects.
- 4-Identify And prioritize Potential Business Improvement initiatives
- 5-Build a scientific roadmap for Cost Optimization.

## TARGETED COST OPTIMIZATION STRATEGIES

- Seek for opportunities to negotiate discounts because In times of crisis, your vendors are more likely to be flexible on pricing.
- Unlock operational efficiency by accelerating processes and rearranging supply chains.
- Shift investments in the highest impactful items
- Reduce IT infrastructure costs by retiring unsupported applications and consolidating redundant functionalities.
- Leverage technology to automate certain types of work processes to reduce labor costs.
- Renew focus on quality in not just products and services, but also information/data.



# BUILDING RESILIENCE



# RISK MITIGATION

For companies the risk can come from every direction but it's how you handle it that will determine the results.

The pandemic affected negatively the cross-border commerce because of the many restrictions and forced companies around the world to temporarily close factories. Supply chains had a sort of ripple effect due to the many changes related to the crisis.

Remote work represents a big risk factor for cyber criminality. Organizations should implement security systems to protect data and information.

Mitigation measures should be taken to ensure business continuity for clients. Identifying, assessing and responding to risks are the responsibility of the management team. They are in charge of detecting new and not common risks that can affect the viability of the company's strategy.

The organization's relation with its stakeholders should be transparent. The board members should have a clear vision to be able to identify and respond to emerging risks. The organization should act in the best interest of its stakeholders and the board of directors has a fiduciary duty to ensure that.

Strength and stability are the characters that determine a good leader in time of crisis. Throughout the process; a strong culture and an efficient communication are what's gonna keep a good work environment between management and the board.

Reviewing the operational risk management abilities such as business continuity, crisis management and third party risk insurance and ensuring the understanding of each one's duties and responsibilities are necessary steps in time of crisis.

## RISK RESPONSE

- If the operational risk management capabilities do not exist or are insufficient, consider involving risk management and internal audit professionals to assist in rapid development.
- Encourage collaboration across the organization to develop a strategy for adjustments to business continuity plans that adapt to evolving conditions.
- Center your focus on key business outcomes. This may require a different cadence, specific measurements for remote teams, and empathy during difficult situations. Focusing on your communications plan and your work culture will allow you to manage through distractions.
- Ensure timely and relevant information is being received by the board.
- Develop centralized, timely messaging from leaders disseminated to employees to instill confidence and calm, and counter fear and misinformation.
- Require transparency in communications and set expectations for the frequency of communications.
- Ensure there is a platform or communication channel to timely communicate information about COVID19- inside and outside the organization.

# THE IMPORTANCE OF SCENARIO PLANNING IN CRISIS PREPAREDNESS

Covid19- is a difficult crisis to predict but some research about the effect of the crisis shows that businesses that had spent more time on planning and preparing to act quickly about it are the ones who handled it better. They were also the ones who invested in technology and systems to allow employees to work from home with minimal disruption

Building business resilience depends on the reaction of the leaders. To ensure continuity they have to plan and predict to take predictive measures.

Many questions are to be considered by the companies if they want to be ready to face a second wave of the coronavirus. They need to assess their ability to adapt to government restrictions and public health regulations and should be prepared financially and operationally to face different scenarios

To understand the potential impact on financial performance and measure how long it may continue, organizations do a stress-test to their financial plans. Some revisions should be done to the former budget assumptions and business plans to keep them agile if their relevance is doubted. With the impact of the crisis, companies will need to consider minimum operating requirements, including key dependencies of human capital, vendors, location and technology.

Short-term capital demands for continuous business operations represents an issue.

Depending on the results of the evaluation, companies may need to proceed to some big decisions such as near-term capital raising, debt refinancing or credit support from banks or additional support from investors and policy support from the government. Organizations will also need to review all the costs of their operations and consider reducing all non-essential expenses.

## FACTORS BE IN ORDER TO SURVIVE AND SUCCEED IN YOUR MARKET OVER THE NEXT SIX MONTHS

- Attracting and retaining high quality talent
- Adopting new technologies and digital solutions
- Improving productivity and management processes
- Adapting / improving existing products and services
- Reducing overheads and other business costs
- Retraining existing staff to fill new roles in the business
- Launching new products and services
- Reviewing and potentially reorganising supply chains
- Entering new geographic markets
- Merging with, or acquiring, new businesses



# BUILDING A DIGITAL TRANSFORMATION STRATEGY

Digital transformation is vital across all industries and businesses, and COVID pandemic have speed up more than ever the necessity of the digital. The digital transformation journey can be challenging, while few organizations in our country have digital change in their DNA, the majority will need significant rethinking and planning. They will need to shed old habits, update cultural norms, upskill their workers, and modify their mind-set to turn into a digital business. Learning to connect the dots between digital initiatives, strategy, and business enablement will be critical.

Digital change may be a long and winding road, but it's an operation middle market companies can't delay. Taking no action at all will lead to failure. In a lucky way, the business case for digital transformation is clear: Most of those who go through it successfully collect the rewards of doubled money income and profitability. Maintaining a customer-centric viewpoint, encouraging agile innovation, upgrading back-end techniques and processes, and staying true to their overall strategy, are the reason why many companies have been able to successfully proceed to digitalization.

Digital transformation has stepped in to bridge the gaps left by ordered shutdowns and social distancing measures. Without digital instruments and technologies, we might not have any option to work, shop, go to school, and more.

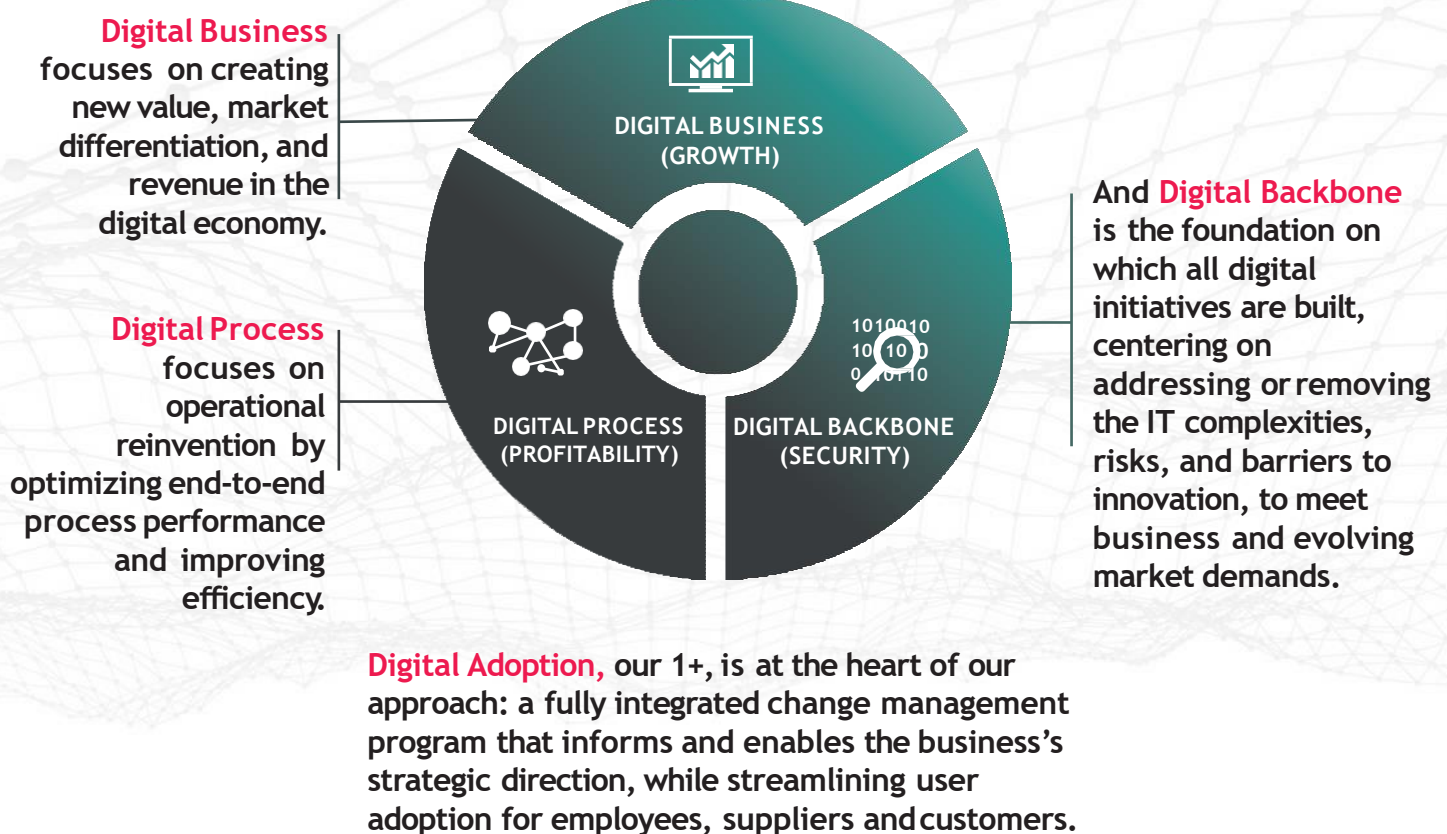
## SPOTLIGHT: THE DIGITAL ADVANTAGE

Organizations that choose digital solutions have greater chances to face trouble and have competitiveness that will enable them to recover faster and move from playing defense to chasing growth

- **Efficiency advantage:** They harness digital technologies to streamline operations and automate manual processes—resulting in greater speed, less waste and more focus on revenue-generating activities.
- **Productivity advantage:** Their employees were already set up to work remotely, so their focus is on leveraging collaboration technology and tools to maximize workforce productivity and sustain company culture
- **Security advantage:** They are better prepared for and more resilient to the proliferation of cyber threats in the current environment.
- **Customer advantage:** They mine customer data to monitor for shifts in demand and uncover emerging customer needs.
- **Agility advantage:** They leverage data-driven insight to make decisions faster and act on them faster. They have built-in cultural flexibility to adapt and get better

## DIGITAL 1+3

At its center, digital transformation is the use of the present technology advancements to take care of conventional business issues, as well as a tool to combat competitive pressures and economic headwinds. Depending on the company, how that actually translates into strategy relies upon a blend of interior and outside components. While every company must follow its own trajectory, we can generally break down digital transformation into three primary strategic drivers, as outlined in our Digital 1+3 approach:



All three transformational areas drive value for the business— just in different ways. Digital Backbone is focused on reducing IT complexities, risks and exposure, thereby increasing agility and scalability in response to evolving market conditions; Digital Process on optimizing core processes for operational excellence and embedding digital capabilities into the operational fabric; and Digital Business on creating new value via customer-facing solutions.

Digital strategy—the overarching vision for transformation— often resides in Digital Business, but the terms aren't synonymous. Some organizations may see the greatest opportunity in transforming their operations to become more agile and efficient—a strategy rooted in Digital Process.

To figure out if Digital Business should be the North Star of your digital transformation journey, ask yourself:

- What is my organization's current value proposition?
- Will it still be a differentiator in three years?
- Will it still be relevant in three years?

# PROTECTING DIGITAL STRATEGY INDUSTRY THROUGH THREAT-BASED CYBERSECURITY

Economies of the world are more interconnected than before with the emergence of Digital tools, but they have also exposed organizations to a wide range of weaknesses.

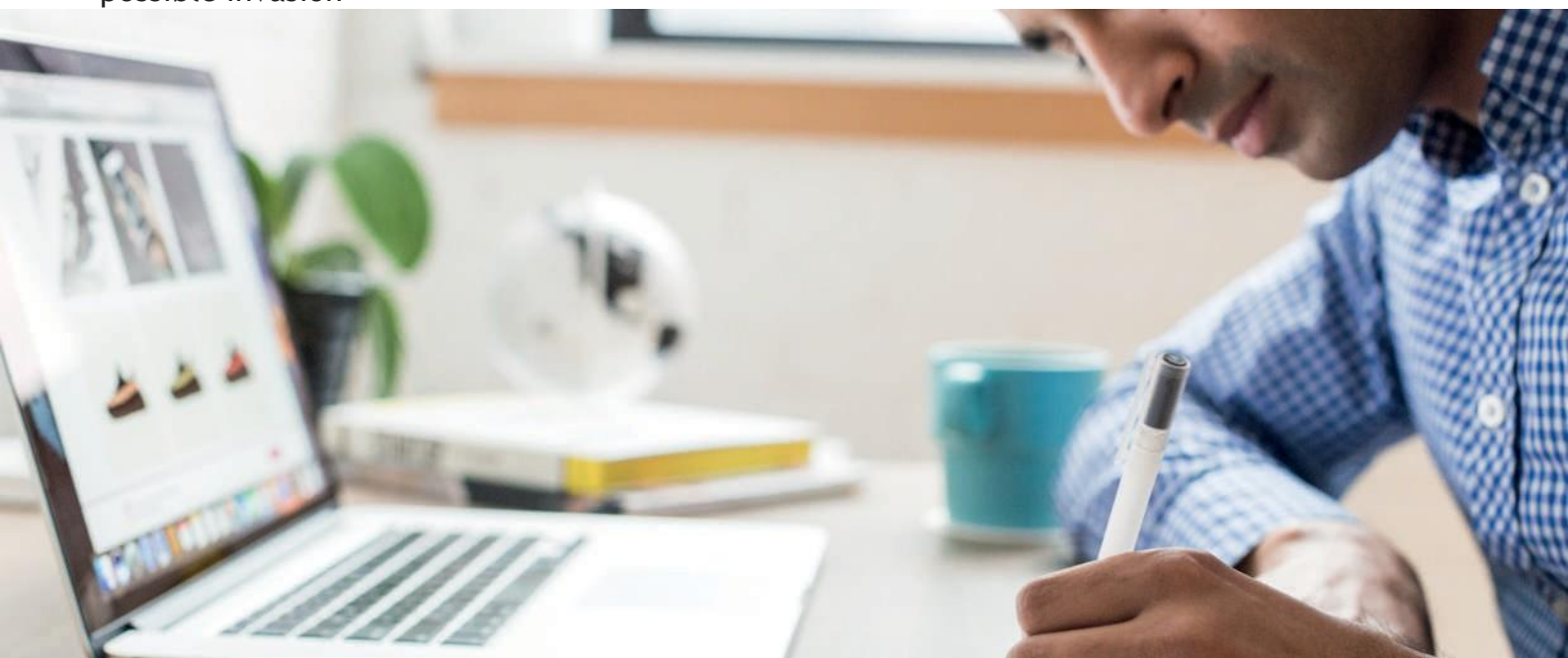
All organizations should carefully review their cyber security and make sure there are processes that prevent the spread of viruses or harmful programs, controlling rules of conduct, blocking network invasions, restricting lateral movement on the network and enabling fast response.

However, ransomware is hardly the only virtual threat and some areas ( ex: financial services, E-commerce ) remain an attractive target because they process big amounts of money and hold huge quantity of valuable customer data--including names, addresses, phone numbers, dates of birth, social security numbers, employment information, payment card information and more--that can be used to illegal operations and fraud. And with the development of digital technologies in many fields , from chatbots and IoT devices to digital banking and digital payments, there are increasing access points to protect from possible invasion

There are also many different threats to be aware of and to build defense against, including cyber criminality, hacking groups, nation-state groups and even internal staff. Sometimes, such as the Sberbank data leak in Russia, a sneaky employee may steal customer data and give it to criminals.

The much more common concern is a spear-phishing attack, where an employee could be fooled into providing extremely important information or accidentally giving up usernames and passwords. It's important to have mechanisms in place that limit the possible damage from insider threats and to train workers about the warning signs of a possible phishing attempt.

Organizations should be able to protect themselves from the expanding cyber criminality with the planification and instauration of their cyber security to detect common attack vectors and safeguard the areas that are most likely to be targeted.





## THREAT-BASED CYBERSECURITY

In order to prevent risks and respond effectively to danger, organizations can take several concrete steps including:

**Bolster their access controls** - technical policies and procedures to ensure just approved representatives approach delicate information — and be more severe about who they grant access.

**Implement stronger audit controls** - to follow and distinguish interior and outer admittance to and investigation of data systems that contain account details and personally identifiable information (PII).

**Strengthen intrusion detection systems (IDS)** - to more accurately monitor traffic moving throughout their email, network, and information system endpoints to identify suspicious activity and address threats in real-time.

**Make top-down personnel education a priority for everyone** - from the Board of Directors to the C-Suite, managers, and employees, ensure all individuals with access to an organization's networks, medical devices and data and information comprehend their jobs and obligations in protecting against digital dangers.

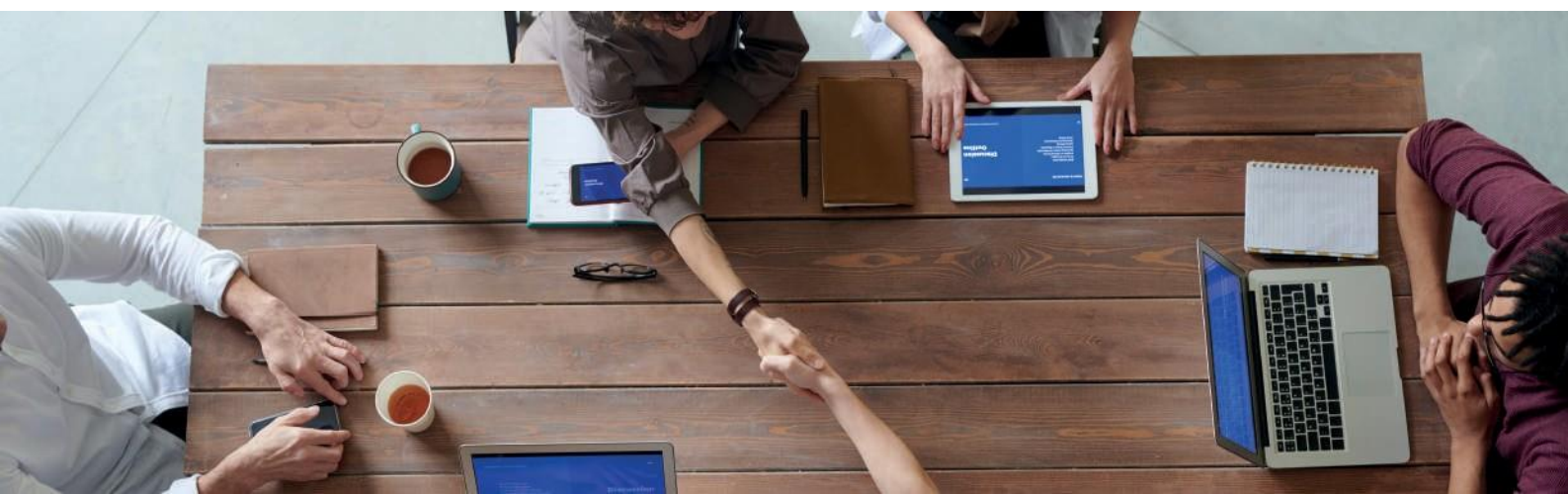
**Create an internal and external crisis communication plan** - to align with existing enterprise risk management frameworks.

**Implement cyber insurance claims preparedness and adequate coverage** - to identify and quantify incurred event response costs for inclusion in an insurance claim.

**Create an incident response plan** - to include the participation of organization leadership and key personnel from all technology, business, administration and clinical functions.

**Develop and test a Business Continuity Plan (BCP)** - in order to have real information resilience, it is vital to have an effective information back-up capability that can quickly replace any data loss.

The increase of technologies adoption (e.g., cloud computing, data analytics, fintech applications, AI-powered chatbots, IoT devices, digital payments and more) across the pandemic, threat-based cybersecurity can form an integral part of digital transformation efforts that will help maintain stability of the business through the next decade.



# PRACTICAL STEPS FOR BUILDING BUSINESS RESILIENCE

As organisations move from their first reactions to the pandemic and turn their attention to the challenges and opportunities ahead, many interconnected factors will be extremely important in strengthening business resilience and achieving long-term strategies and objectives.

How well businesses survive and succeed in the future may depend on the decisions that leaders take over the coming weeks and months. Based on how BDO's expertise has contributed in helping businesses at this time of crisis, we have identified ten areas that an organisation's leadership should rethink today to strengthen their businesses.

- 1 **Scenario planning:** With so much uncertainty surrounding the next six months, it is important to model different business scenarios and to keep these regularly updated. Businesses need to know how they would respond to a second wave of the virus, and to quantify the likely impact on revenue and profit
- 2 **Cost control and process efficiency:** Now is an important time to ensure that operations are run as leanly as possible. Leaders should identify areas of overhead that can be removed or operational processes that can be streamlined or automated to maintain their business' levels of profitability as they emerge from the crisis
- 3 **Financing:** As government financial support is gradually wound down, companies should ensure that they know what alternative financing options are available, should they need help to manage cashflow or free up resources
- 4 **Growth opportunities, including beyond Continent:** Do not neglect growth opportunities - including in markets outside of the continent. Organizations should innovate and improve their products and services in response to changing customer demand patterns
- 5 **Retraining and redeploying staff:** The majority say that retraining staff to fill new roles in the business is going to be important over the next six months. Companies should identify the opportunities they have to deploy skills within their business in different ways to meet changing priorities
- 6 **Diversifying supply chain:** Weaknesses in supply chain in many companies have been exposed due to the pandemic. This is the moment to identify new business partners and reset the terms of relationships with existing suppliers
- 7 **Environmental resilience:** The goals of environmental sustainability and business resilience need not be in conflict. Businesses should be using this opportunity to accelerate green initiatives that will also help to improve long-term business performance
- 8 **Think big about business model change:** COVID19- may be the trigger many businesses need to adopt a radical new approach - and yet our analysis only %7 are looking to make transformative changes to their business model. Organizations should use this time to really challenge the status quo in their business
- 9 **New working methods:** Use this time to engage with employees to discover how comfortable they are with new ways of working, such as increased homeworking or different shift patterns. Be sure to model the consequence of these new working habits on real estate needs.

RETHINK YOUR FUTURE





# A REAL CHANCE TO RETHINK YOUR FUTURE AND ADOPT NEW BUSINESS

Changes need adapting, and to be able to do that companies need organizational agility. Speed is very essential in a company, receiving, interpreting and acting on new information quickly is what determines a business's agility. It should be comparable to the average rate of environmental volatility that determines the risk or the opportunity. Some industries are facing more volatility, organisations like restaurants and retailers must show more agility than other industries.

Data is in the heart of agility. Data is the reason for faster and smarter decisions. Every business process from core operational to management to support processes, should be data driven and It starts with insight-led innovation. This concept is about optimizing today's innovation so it can pave the way for tomorrow's . A future where business intelligence will guide the corporate strategy and will represent a determinant of risk versus return. Companies should benefit from the innovation to make better strategic decisions based on data to tighten the business performance management cycle and ensure the achievement of critical success factors and the efficiency of the strategy. It's a way to respond to short-term needs while reinforcing the innovation capacity and business intelligence.

The current changes of the business climate require agile business capabilities to

quickly understand and react in order to reallocate resources, avoid risks and benefit from the opportunities.

Organizations who are slow to act will fail to prosper and will miss opportunities in favor of their competitors. Covid19 may lead organizations to think about short term stability, but they shouldn't forget about their long-term strategic aspirations. Companies should review their business models for the purpose of recovery. Leaders are given the chance to rethink the way their organizations work to ensure success in the future. If they're aiming for significant change and the assurance of strength , they have to transform the procedures of their front and back office operations and how they operate with product, service mix and customer relationships.

Crisis comes with issues but also with opportunities. Taking a step back, thinking beyond tactics and acting rapidly could lead companies to prosperity. It may seem risky but missing opportunities is far riskier for companies.

## SEIZING OPPORTUNITY IN A DOWNTURN

- Give important clients "honorary pathway" treatment to ensure—and possibly extend—the fort. .
- Win brand reliability and altruism by attempting worthy missions to help the pandemic aid project.
- Update your ability and make key recruits while the accessible work pool is bigger and less serious..
- Assess how contenders are performing and what openings might be made by any territories of underperformance..
- Make strategic acquisitions at a bargain.
- Harness client's knowledge to address a neglected customer problem area.

# 10 BUSINESS FUNDAMENTALS

As organizations visualize the horizons of 2021 with cautious optimism, now is the perfect time to refocus attention on business basics and to start planning for the future. Agility is without a doubt the key for making quick decisions that allows the company to seize new opportunities as they appear.

Based on the analyses and the input from BDO's advisers, we have identified ten areas to consider. Ask yourselves the questions below to assess how well prepared you are what to address what is next for your business:

**1 What is the correct harmony between contributing for development and controlling expenses inside your association?**

Leaders need to accommodate these competing priorities within their organization to guarantee their competitiveness.

**2 It is safe to say that you are exploiting the drive to extend universally?**

At a time when domestic markets remain unpredictable, geographic development can open up new development openings. Innovation makes this simpler than at any other time.

**3 Where are the open doors for reexamining your plan of action?**

The pandemic has given an occasion to reconsider your association's motivation, system, and plan of action. It is safe to say that you are identifying territories to improve and develop your methodology?

**4 By what means can grasping innovation and digitization assist you with accomplishing your development and productivity objectives?**

At the point when conveyed in the correct use cases innovation can be both an impetus for development, improved client experience and better business insight. It can likewise give huge efficiencies by reducing manual business measures.

**5 Is it accurate to say that you are putting resources into development situated business capacities to help your methodology?**

Besides technology, would you say you are giving close enough consideration to deals and marketing, research and development, item and administration arrangement? These growth oriented functions are significant drivers of progress.

**6 How sure would you say you are that you have tended to vulnerable sides?**

Issues, for example, digital protection, administration and business manageability may have dropped down the chief need list, however these dangers have heightened. Try not to ignore them.

**7 Where do you need to expand or assemble store network strength?**

Coronavirus has uncovered new weaknesses in inventory chains. Is it an opportunity to review your provider relationship to diminish your supply chain risk, or consider alternative sourcing game plans?

**8 How strong and all around upheld is your workforce?**

Are you doing everything possible to create a happy and engaged workforce at this uncertain time? It will cultivate devotion and profitability benefits over the long-term.

**9 Is it true that you are on top of changing administrative and consistency commitments?**

As the macroeconomic scene advances rapidly, it is imperative to keep steady over improvements in tax and regulation to comprehend their potential impacts for your organization and to guarantee compliance.

**10 Have you really learned the lessons of the recent year to decrease your ongoing risk exposure?**

How will you use the experience of 2020 to make 2021 a more fruitful and successful year for you and your business?

# RETHINK BDO FRAMEWORK





The COVID19- crisis continuous effects touched companies in different angles and at different times. BDO has developed the RETHINK model as a practical guide to help businesses assess potential risks and issues. RETHINK is a BDO global framework encouraging a broad rethink around original business models and commercial assumptions and re-evaluating the future.

The diagram illustrates the RETHINK model as a central teal circle connected to three surrounding circles: a grey one at the top left, a light teal one at the bottom left, and a dark grey one at the bottom right. The background is filled with a faint, light blue network of circles and lines. The text in the circles describes the stages and actions of the model.

The 3 stages of the model are  
**REACT,**  
**RESILIENCE &**  
**REALISE**

How to **REACT** to the crisis: ensuring that measures are taken to secure business survival in the short term

How to look forward to **REALIZE** the future benefits of sensible business decisions, taken calmly and pragmatically.

How to build **RESILIENCE** throughout the prevailing business environment: Safeguarding vital elements of a company where necessary.





The model can be used as a starting point for reviewing a situation and answering to each phase- **REACT, RESILIENCE, REALISE.**

The three stages can be thought of separately to help organisations manage their business priorities and deal with the issues they are facing in the 'here and now'- or as part of a roadmap to help manage the pandemic's consequences over the medium-to-long term. It can be used to manage business first preoccupations, deal with issues and positive thinking, acting as an extra dimension for strategic level consideration and discussion, without any concern about where in the cycle an organisation sits, or the measures that are already taken. It provides a practical approach through which BDO partners can work with our clients to evaluate the issues they are likely to face throughout the COVID19- disease and help them to recover and optimise operations in the short to medium term, to accomplish some form of health. Rethinking the model or structure is moving safely through the new reality: it is accepted that the world will change as a result of pandemic and businesses need to imagine this 'new reality' as early as possible-and rethink how they will be positioned in it. Safeguarding business is critical for companies, who must think about belt-tightening and cost-saving measures into the medium term and search for connected stimulus and grants.

**REACT** deals with the emergency in which an organisation responds to the effect of the COVID19-virus, by limiting the terrible effects on its business operations, employee safety, supply chain and financial management.

**RESILIENCE** is about being able to adapt in the face of changing business conditions and the provision of critical functions. We cannot sacrifice resilience over efficiency to ensure business continuity in the longer term.

**REALISE** is about successfully adapting to new business models and ways of working needed to address essential and obligatory political, economic, socio-cultural, and technological change



## REACT

SAFEGUARDING  
YOUR BUSINESS



## RESILIENCE

EMBEDDING RESILIENCE  
AND KEEPING YOUR  
BUSINESS RUNNING



## REALISE

SUCCEEDING IN THE  
NEW REALITY

## REACT

SAFEGUARDING  
YOUR BUSINESS

### DEAL WITH THE EMERGENCY:

The way in which a company responds to the initial impact of the COVID19 crisis, **minimising the catastrophic effects** on its business operations, employee safety, supply chain and ongoing financial viability.

### INTERPRET & UNDERSTAND EVENTS:

Beginning of the downturn: initial risks are assessed

- Immediate crisis management actions are required to ensure employees are safe and healthy, capital is adequate and suppliers and customers are closely connected with the business
- Planning is based on Government policy, guidelines and support.

## RESILIENCE

EMBEDDING RESILIENCE  
AND KEEPING YOUR  
BUSINESS RUNNING

### ANTICIPATE AND RESPOND TO FINANCIAL PRESSURES:

Maintaining business operations during 'lockdown' disruption using methods that allow people, processes and information systems adapt changing patterns. The ability to change operations in the face of changing business conditions, preserving the constant quality of the provision of critical functions to a company's customers

### SUSTAIN OPERATIONS :

- Running the business in 'lockdown' / reduced demand and supply
- Operations are being upgraded and optimised based on customer demand
- Business is under control and workers are safe
- Capital structure is solid
- Regulatory compliance maintained and scenario planning is underway using economic and customer data.

## REALISE

SUCCEEDING IN THE  
NEW REALITY

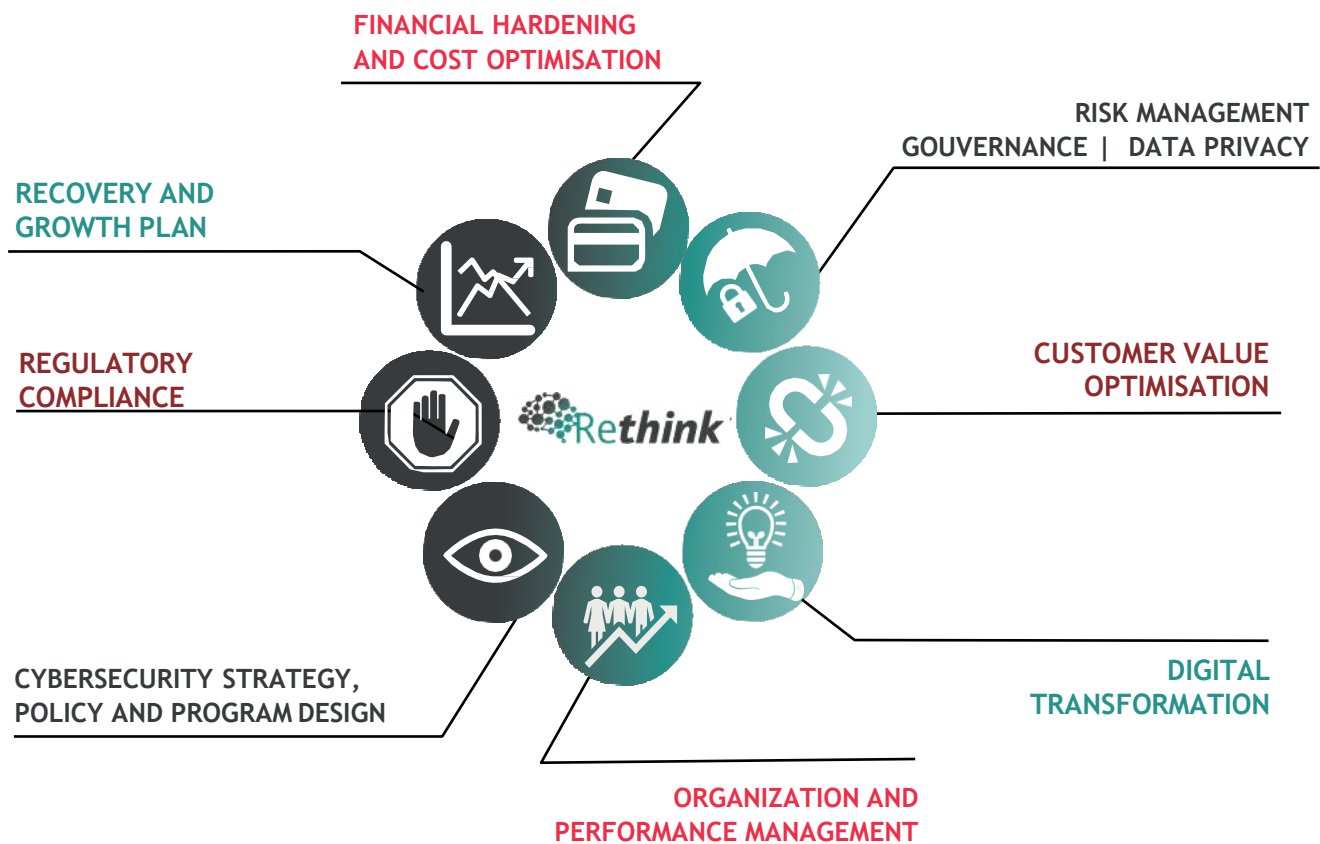
### THE NEW REALITY:

Applying the learnings from key **REACT** and **RESILIENCE** activities and **continuing to adapt**. Successfully adapting to new business models and the ways of working needed to address essential and obligatory political, economic, socio-cultural and technological changes

### PLAN FOR THE LONGER TERM:

- Future state and business needs are anticipated.
- The new reality of demand and supply is established in the business
- Areas for transformation are clear and adaptation is underway
- Business is meeting or exceeding market expectations.

# BDO RETHINK SERVICES



For more informations about our Rethink support services contact [rethink@bdo.ma](mailto:rethink@bdo.ma)

**RETHINK**, the framework that bring to your business the principals keys to work faster and better



**RAPIDITY**



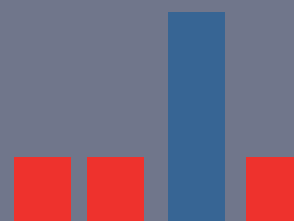
**AGILITY**



**CREATIVITY**







## BDO ADVISORY

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