

Newsletter

Founders' Note

The current pandemic has disrupted almost all industries and sectors. Thus, the following three concerns would probably top everyone's mind today:

1. When will the pandemic be over?

Pervasive lockdowns have slowed the virus, but a vaccine seems to be the only lasting solution. However, it may still be many more months until a vaccine is realistically available for everyone.

As per WHO April-end update, 8 candidates of the Corona vaccine are in the clinical trial stage, which is less than four months since the virus's genetic sequence was first published on 10-Jan. This is the shortest time ever to reach the human trial stage for any vaccine developed. Besides the above, 94 other vaccine candidates were also in the various pre-clinical stages as of 30 April.

For the clinical stages, Ervebo from Merck – the only available vaccine for Ebola – took the historically shortest time of 12 months for completing all the human trials. Hopefully, the development of the Corona vaccine will break all the previous records with the massive global efforts underway currently. For example, the Oxford University-led team, whose vaccine is in phase 1/ 2 of the clinical-stage, anticipate starting production by Sep 2020 itself. Similarly, three Chinese companies are also in phase 1 and 2 stages of clinical trials. Several Indian companies too are in the fray. For example, the Serum Institute of India in Pune would be probably the first mass producer of the COVID-19 vaccine if the Oxford University trial succeeds.

While we hope for the best, clinical trials are known to be tricky and unpredictable. Thus, in all likelihood and even with the fastest development, the world is expected to face uncertain times for the next 12-18 months till a vaccine is available on a mass scale.

2. What does it mean to the economy and business?

The economic impact of the pandemic is expected to be severe in 2020 but recovery may also be swift depending on how fast the pandemic comes under control. However, it's still an unfolding story.

In its April 2020 publication, IMF presented quite a grim scenario. In its base-case scenario where the pandemic is assumed to come under control in the second half of the current year, the global economy is predicted to contract by 3% in 2020 but recover with 5.8% growth next year. In the second scenario where the pandemic is expected to last longer through the current year, world GDP is predicted to contract massively by 6% in 2020 and grow less than 1% in 2021.

In the worst-case scenario when the pandemic lasts longer in 2020 and also resurges in 2021, the world GDP is predicted to decline by 6% in 2020 followed by another year of contraction at 2.2%. This may spur a period of continued global recession as well.

Even in the base case, all major economies will have high negative GDP growth with India and China just scraping through to 1.2% and 1.9% growth respectively. WTO- World Trade Organization, also forecasted a 13% to 32% drop in global merchandise trade in 2020 with likely recovery of 21% to 24% growth in 2021, which broadly concurs with the IMF base case projections.

One can only hope optimistically that the pandemic comes under control this year itself, and the worst-case scenario does not pan-out. But, it's also true that the world is grappling today with a nightmarish situation not seen in many generations.

3. How to cope-up with the disruption and prepare for the aftermath?

The current crisis is bringing new habits and hastening many trends that were underway earlier. WFH (working from home) doesn't appear awkward anymore. Everyone is noticing productivity gains through video meetings, remote collaborative platforms, or other online tools. The environment is cleaner with much fewer vehicles on roads. For sure, some of these changes will stick longer, spawning new habits and practices. Many will reverse as businesses normalize. Yet, some will be worth persisting with due to better productivity and ease of working.

For most of the organizations, bringing the business-cycle back on track would be the prime concern and would rightly be taking all of the management's attention.

But the currently forced downtime also needs to be utilized in re-imagining the businesses for the future that will have many elements that were only peripheral in the past. A key question will be how to adjust and exploit these changes for long-term business advantages.

Without any doubt, technology and digitalization present huge opportunities to leap forward but they also present challenges in making the right choices. Besides, organizational value chains are stretched currently to the limits with many weak-links exposed. Instead of just repairing these broken links, it may be worthwhile to review the value chain afresh and recast the same with new capabilities more suited to exploit the new realities better. Thus, today is not only a crisis handling time but more importantly, a critical strategic time to prepare a leapfrog forward.

However, each of these actions – current crisis management and designing a leapfrog strategy – are resource-intensive. Many organizations may find it difficult to meaningfully allocate resources to both of these objectives or may not have the internal capabilities to do justice with both. But, it will be important for the business leaders to deliver on both. It may require reorganization of internal resources or bringing external collaborations onboard. In any case, a lost time now is a lost opportunity and must not be squandered.

Hope you find the above information and perspective useful. We will be more than happy to hear from you about your thoughts on dealing with the current uncertainties. I and our founding team can be connected at connect@bizproworld.com.

Praying for the safety of everyone and for the return of normal times!!

Best Regards,

Sanjiv Ray

Managing Director & Co-Founder

(On behalf of the founding team)

Keep Your Team Motivated During The Lockdown

India has now officially entered the 6th week of its nation-wide lockdown. 6 weeks ago, all companies and organisations leaving the ones helping essential supplies shifted their working structure to work-from-home. There is no more daily commute or lunch break jokes now but there are innumerable hours of virtual meetings, brainstorming sessions on how the company can get through the pandemic with the least damage. Yet with each passing day employees are succumbing to lethargy and stagnation. Productivity is reducing and hence the output in an already slow economy is getting affected. As per an ET survey at the end April-2020, productivity of employees working-from-home during the lockdown is estimated to be only 65% as per the employers. However, managers can avoid this from happening by motivating and encouraging employees. Here are a few ways how you can virtually motivate your employees during the lockdown:

- 1. Conduct virtual Town Hall meetings** - Town Halls are a great way to interact with your employees. Take efforts in arranging online activities during this time. Let your employees interact with each other and reminisce about the office going days.
- 2. Arrange incentives for completing big tasks** - A little encouragement goes a long way. Along with kind and supportive words, try arranging incentives for the tasks completed. These incentives need not be monetary but could be online vouchers, a reduced task list when the office begins or something the employee would look forward to.
- 3. Break time is important** - Every individual across the globe is now anxious about what is coming next and at the same time, everyone is stuck at home. If possible, give the weekends off or make sure the employees are not working more than required. Automate as many processes as you can to reduce the burden.
- 4. Do not micromanage** - Assign tasks and deadlines and leave it to the employees to get the work done. No one appreciates constant questions and updates. This will reduce the employees' stress and would provide better quality results.
- 5. Support skill upgradation** - This is a good time to learn new skills. Support employees in accessing relevant learning portals and incentivise adding new skills. It will go a long way in not only keeping employees gainfully engaged but will also help business processes to build higher capabilities.

Interesting Reads From April:

Importance Of Business Consultants During Crisis

Expert opinions can change the course of your business towards a positive and profit-making path. Check out this blog explaining why Consultants play an important role during crises.



Blog Link- <https://bit.ly/3cuoSCH>

BizPro World May Focus

Clear goals and visions help BizPro World grow each day. For the month of May, we have decided to focus our attention towards the following domains for manufacturing and service industries and we would be striving to get the best talents out there for them.



1

Supply Chain
Management

2



Sales and Marketing
Management

3



Turnaround & Strategic
Management

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