



Bucks County

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Certified Mentor

Next-Normal and its Business Impacts

September 2020

Topics

Covid-19 Crisis and Evolution

Business Transformations

Moving Forward Process

Key Takeaways

Topics

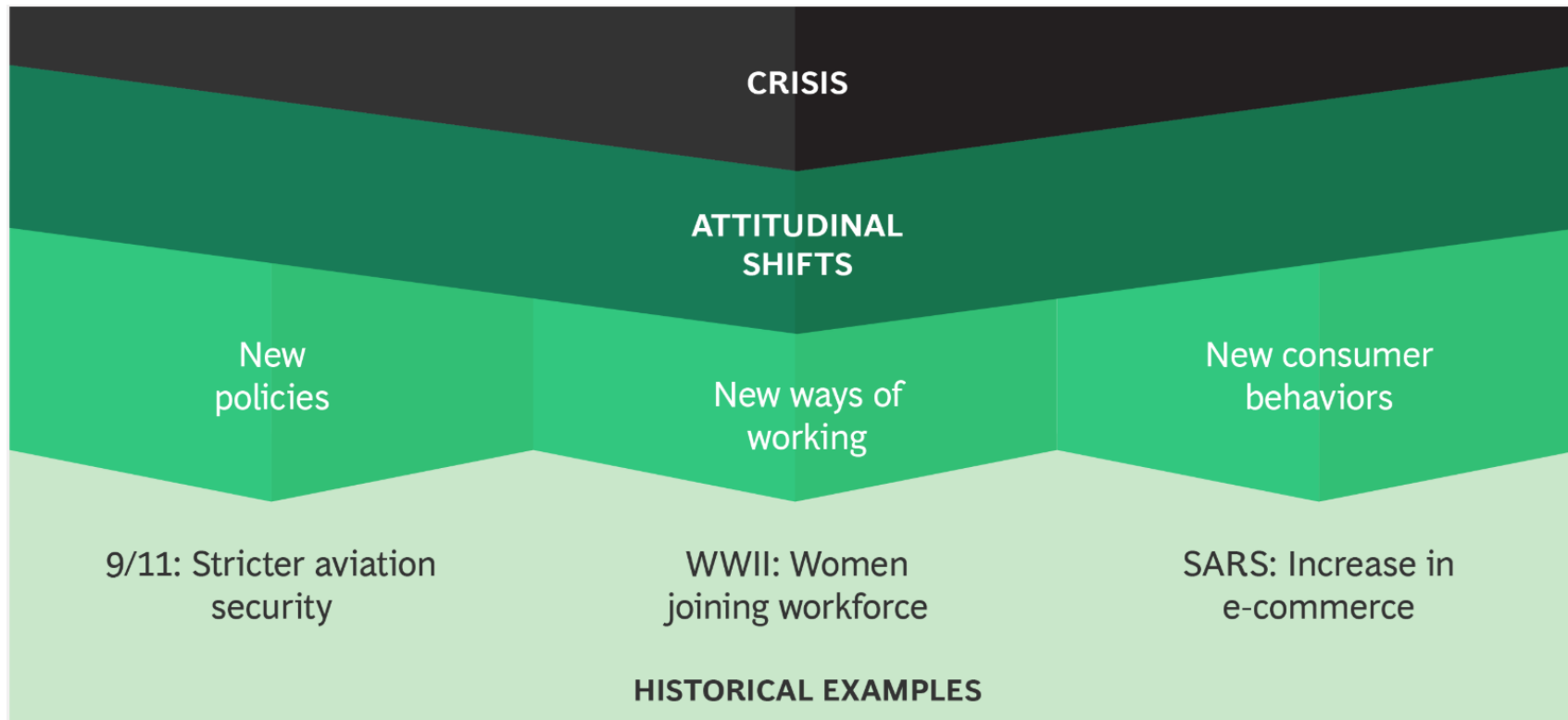
Covid-19 Crisis and Evolution

Business Transformations

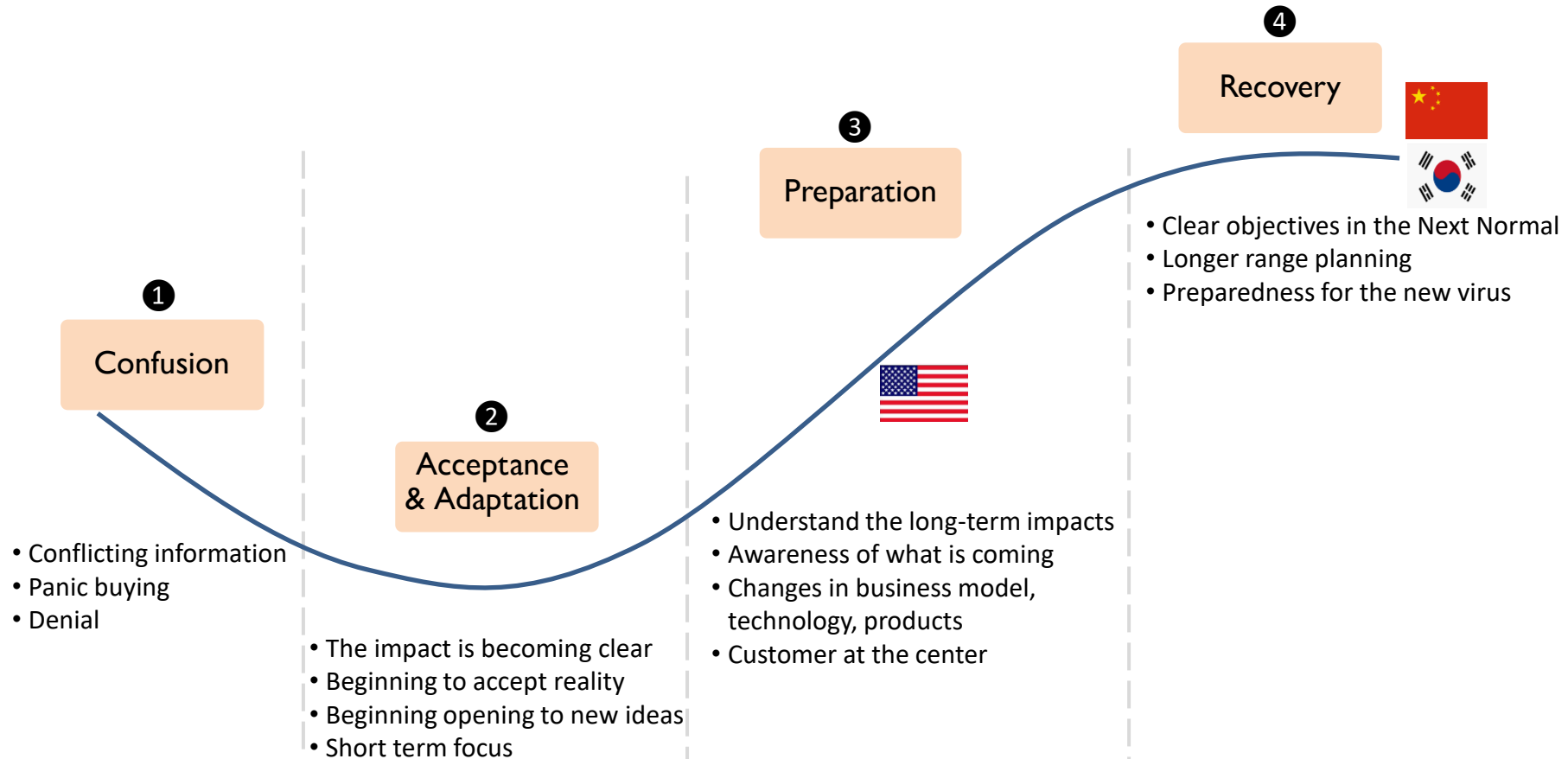
Moving Forward Process

Key Takeaways

Disruptions always have long-lasting effects



Phases of the Business Covid-19 reaction

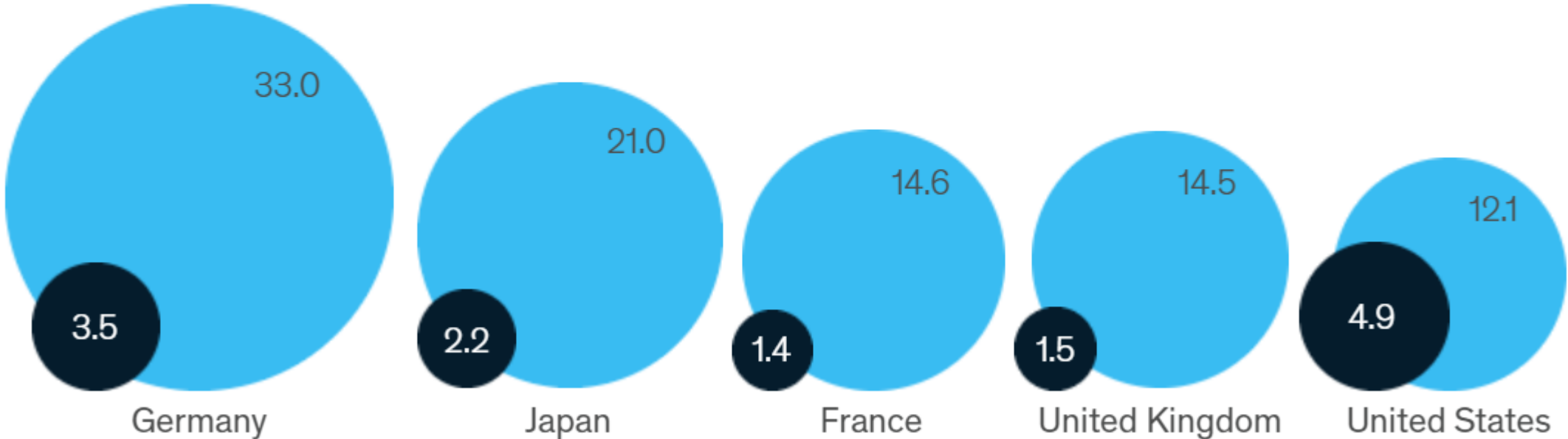


Significant stimulus to the economy ...

Across countries, economic-stimulus responses to the COVID-19 crisis far exceed those to the 2008 financial crisis.

Economic-stimulus crisis response, % of GDP

● 2008 financial crisis ● COVID-19 crisis (as of May)



Source: McKinsey

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Business Planning Horizon

Stable, predictable, long term



Reality today: Less predictable, short term



Key trends in China since Covid 19 crisis

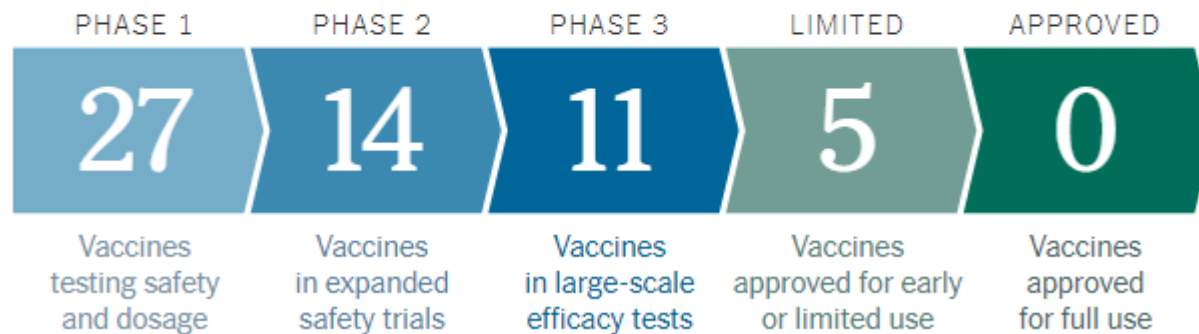
- Major acceleration on digital transformation
- Declining global exposure
- Raising competitive intensity – technology and agility
- Consumers more prudent and health conscious

US Businesses are reacting to the crisis

- Innovation related to Covid-19
 - Vaccines under development in less time
 - Many new products and suppliers – testing, sanitation, PPE

Coronavirus Vaccine Tracker

By Jonathan Corum, Sui-Lee Wee and Carl Zimmer Updated September 29, 2020



US Businesses are reacting to the crisis

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- Huge expansion of e-commerce



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- Contactless delivery
 - Home or curbside delivery services
 - Drone/robot deliveries
- Remote work >>> Decentralized work



 DOORDASH

- In April, achieved more than 50% of the food delivery in the US
- Expanded services for pharmacy and grocery stores
- Company values at \$16 billion

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- Expansion of Telemedicine



Children's Hospital Cincinnati
2019: 2,000 sessions

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- Expansion of Telemedicine
- Airline industry – cargo flights



Children's Hospital Cincinnati
2019: 2,000 sessions
2020: 5,000 sessions/week

Other Small Business creativity



Assumptions Moving forward

It will take time for next-normal(s)

Some impacts will be permanent

Social distancing

Many opportunities

Safety is key for Customer trust

Fast innovation/changes will continue

Lean, flexible, agile business

Financial resilience

Be prepared for virus surges

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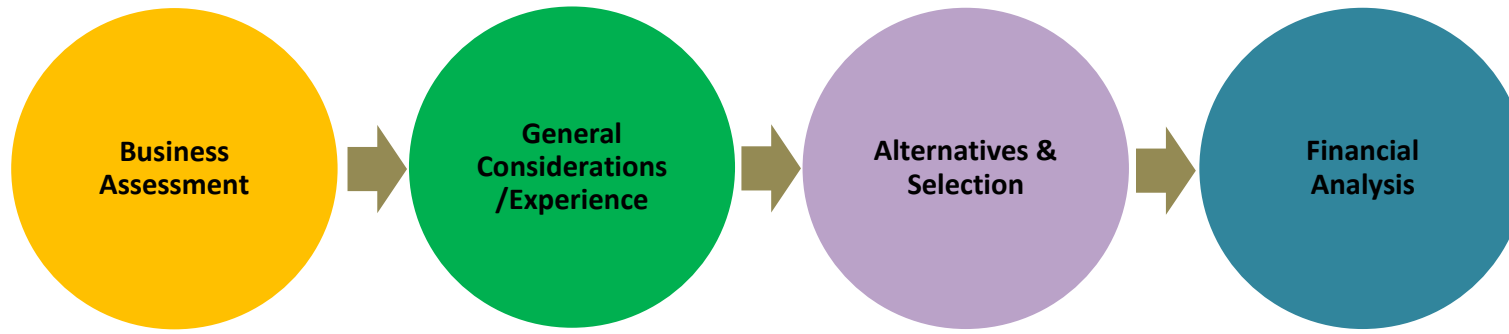
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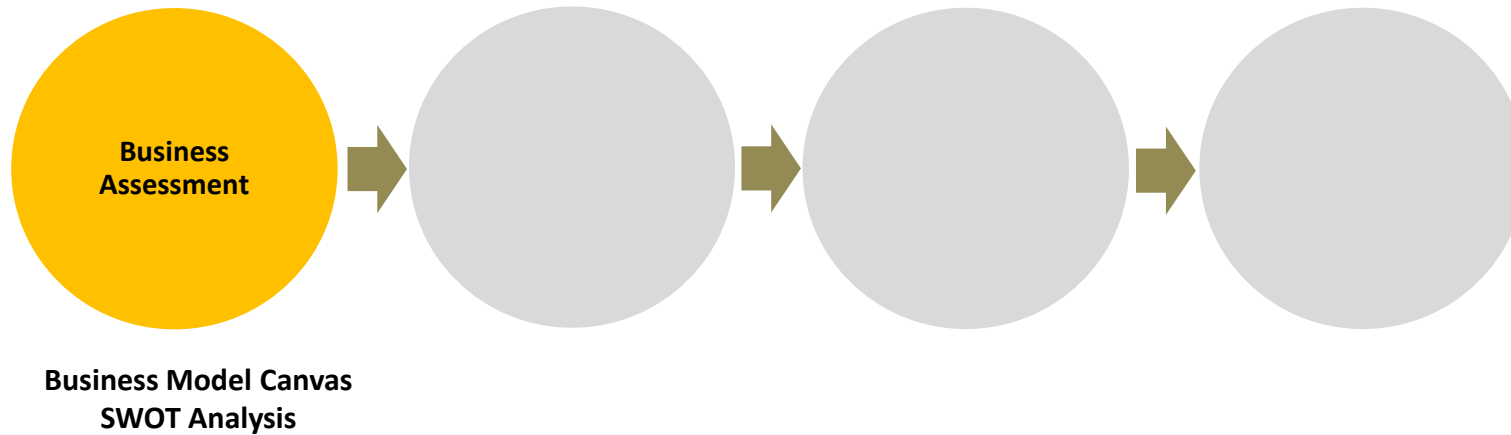
POLL – what are your specific concerns at the moment?

Please select your answer(s) on your screen

Developing an Action Plan



Developing an Action Plan



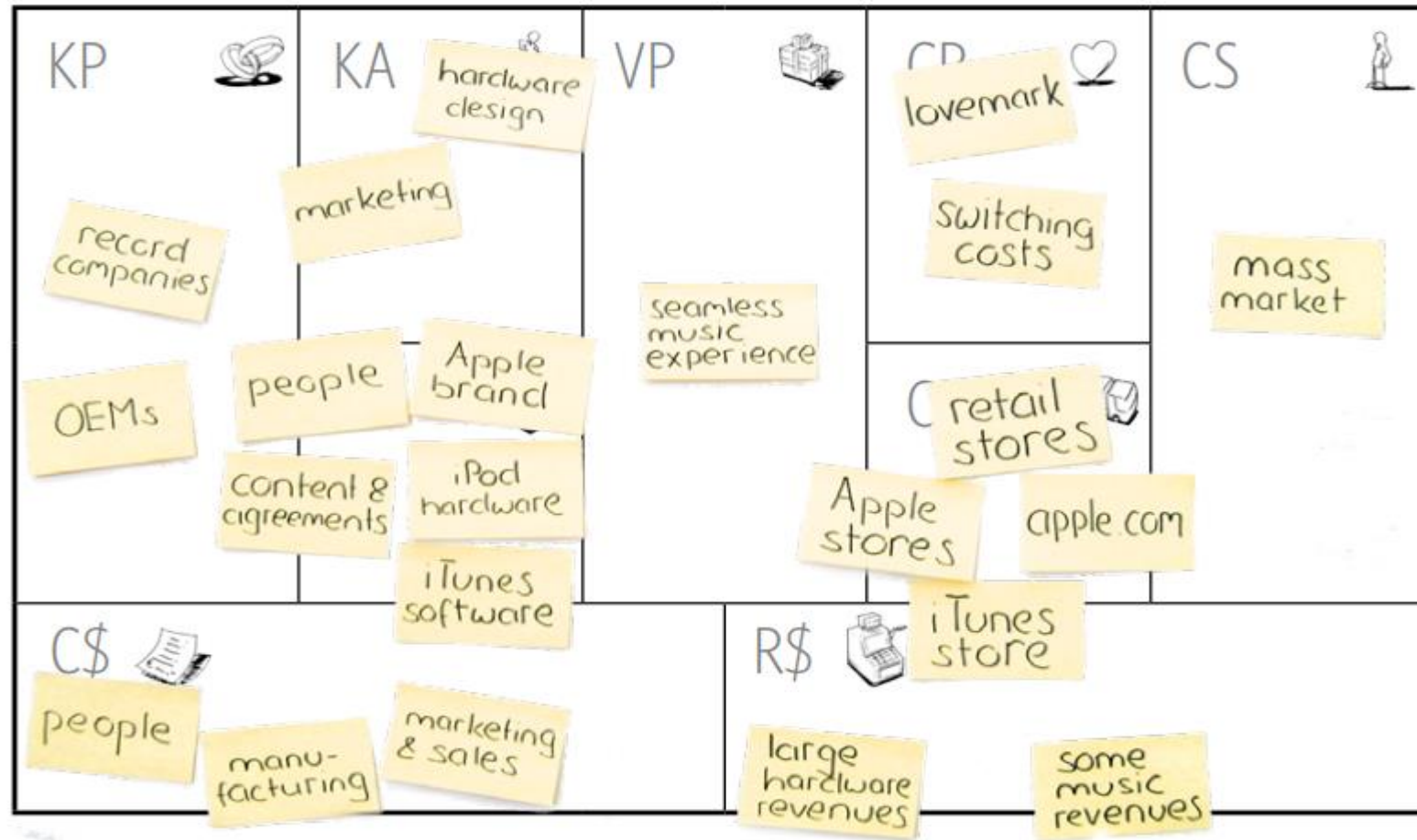
Business Assessment – Business Model Canvas

Two Assessments – Covid Impact and Post-Covid

<p><u>Key Partners</u></p> <ul style="list-style-type: none"> • Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from partners? Which key activities do partners perform? 	<p><u>Key Activities</u></p> <ul style="list-style-type: none"> • What key activities do our Value Proposition require? Our distributions centers? Customer relationships? Revenue Streams? 	<p><u>Value Proposition</u></p> <ul style="list-style-type: none"> • What value do we deliver to customers ? • Which customer problems are we helping ? • What bundles of products & services we offer ? 	<p><u>Customer Relationships</u></p> <ul style="list-style-type: none"> • What type of relationship does each of segments expect to establish and maintain with them? • How costly are they? 	<p><u>Customer Segments</u></p> <ul style="list-style-type: none"> • For whom are we creating value? • Who are our most important customers?
<p><u>Key Resources</u></p> <ul style="list-style-type: none"> • What key resources do our value proposition require? Our Distribution center? Customer relationship? Revenue streams? 			<p><u>Channels</u></p> <ul style="list-style-type: none"> • Through which channels do our customer segments an to be reached? How are we reaching them now? 	
<p><u>Cost Structure</u></p> <ul style="list-style-type: none"> • What are the most important costs inherent in the bus model? Which key resources are most expensive? Which activities are most important? 			<p><u>Revenue Streams</u></p> <ul style="list-style-type: none"> • For what value are our customers really willing to pay? How are they currently paying? How much each rev stream contribute to overall revenue? 	

Source:
Business Model Generation
by Alexander Osterwalder and Yves Pigneur

Business Model Canvas – example ipod

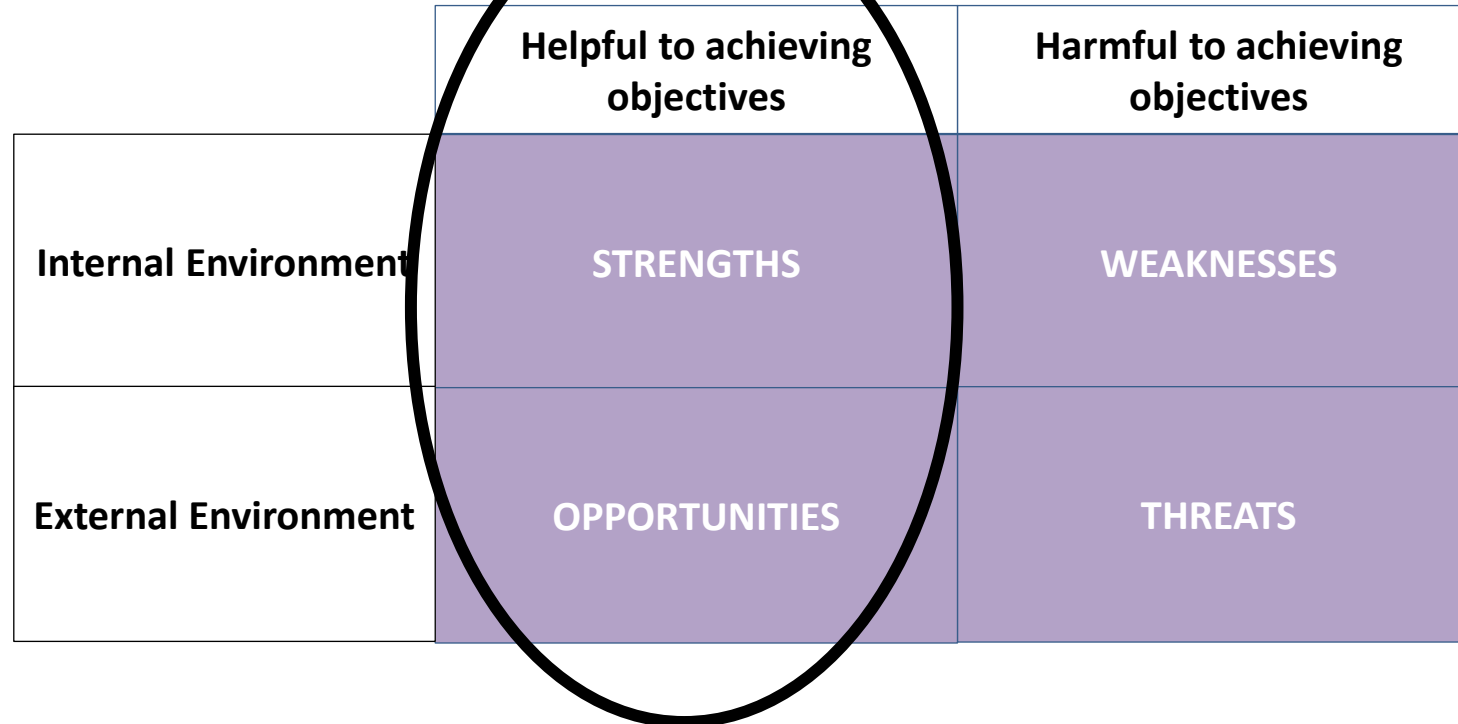


Business Assessment – SWOT Analysis

	Helpful to achieving objectives	Harmful to achieving objectives
Internal Environment	STRENGTHS	WEAKNESSES
External Environment	OPPORTUNITIES	THREATS

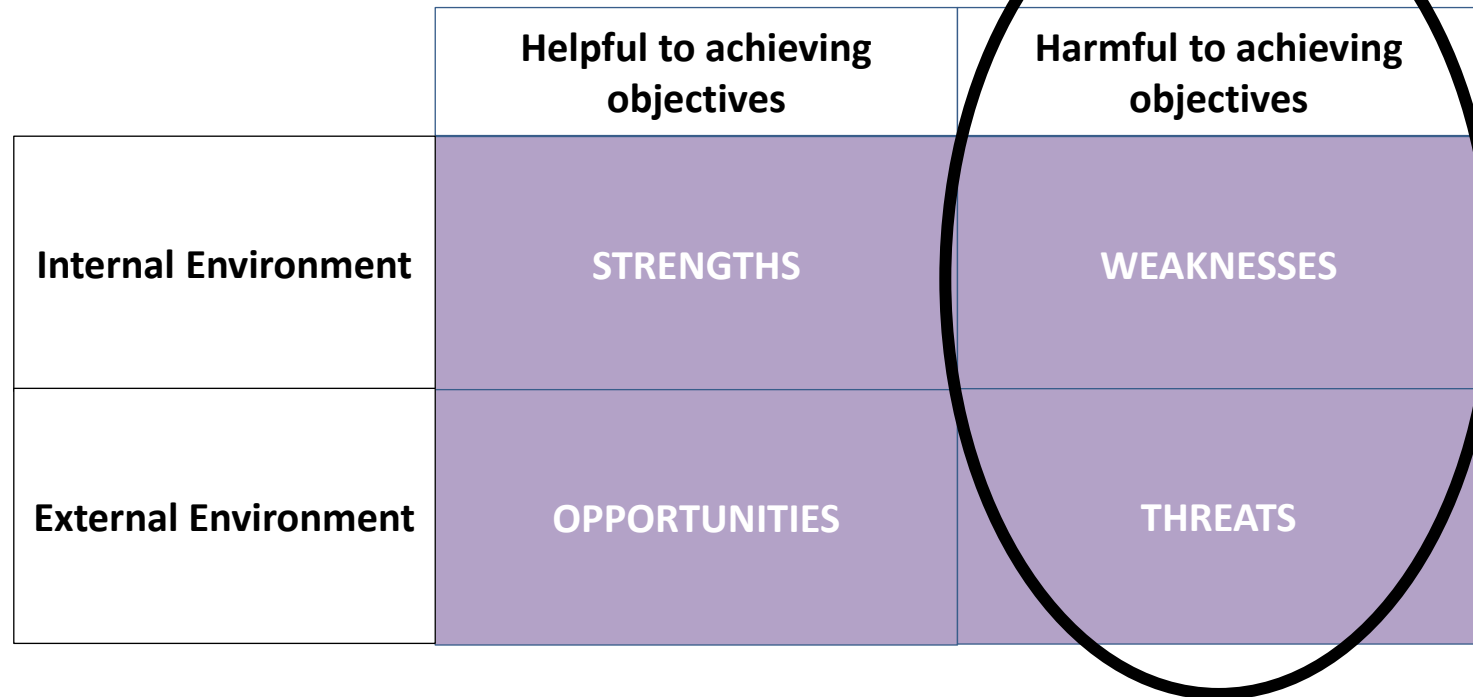
Business Assessment – SWOT Analysis

- Use core capabilities to pursue opportunities
- Strengthen good performing products



Business Assessment – SWOT Analysis

- Mitigate weaknesses and potential threats



	Helpful to achieving objectives	Harmful to achieving objectives
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SWOT Analysis Example

STARBUCKS SWOT Analysis

- No. 1 brand in coffeehouse segment.
- Strong brand image
- Largest coffeehouse chain in the world



- To extend supplier network
- Increase product offerings
- Expansion of retail operations



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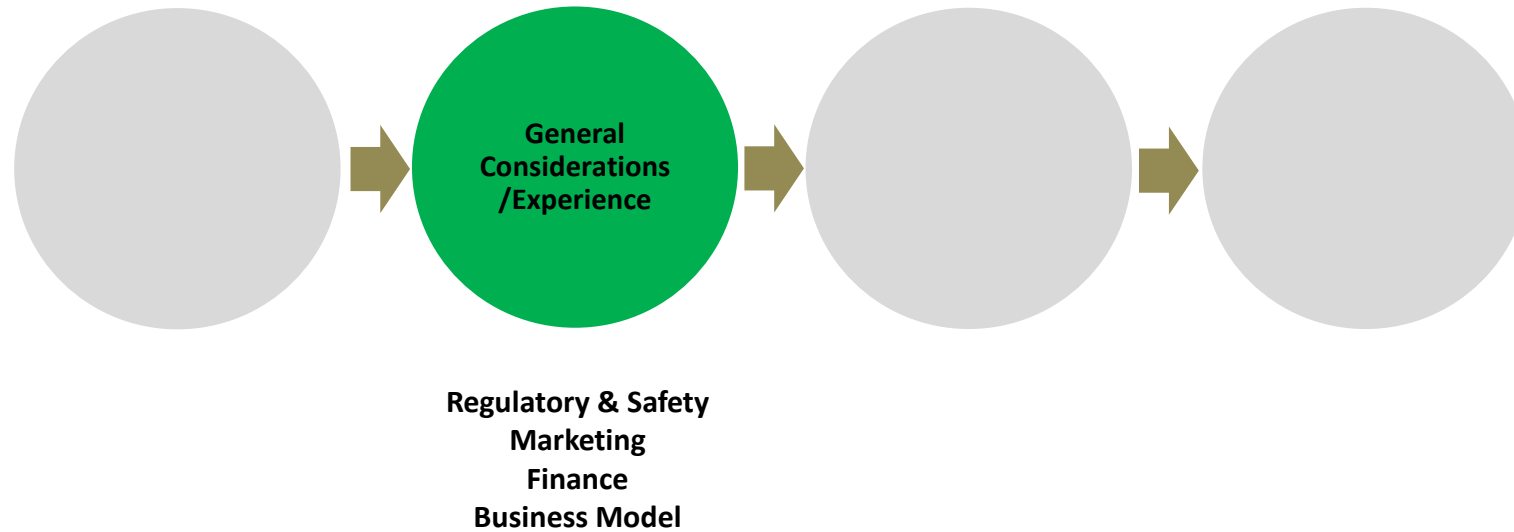


- Competitors price is the major influence over firm's profit
- Product pricing
- Negative publicity

- Rising coffee beans and dairy products
- Increased competition from local cafes
- Supply disruptions
- Product boycott



Developing an Action Plan



Regulatory and Safety

Prioritize safety, make it visible

- Comply with CDC recommendations and State/Local requirements
- Make visible all measures in place for a welcoming and safe environment
- Provide necessary protection equipment to employees
- Develop guidelines for Employee health monitoring

Manage short-term response and resilience

- Mitigate financial risks
- Take advantage of aid programs
 - SBA programs: EIDL and PPP
 - Grants: State, County, Corporations
- Run a super lean business
- Obtain a line of credit

Customer centric to gain trust

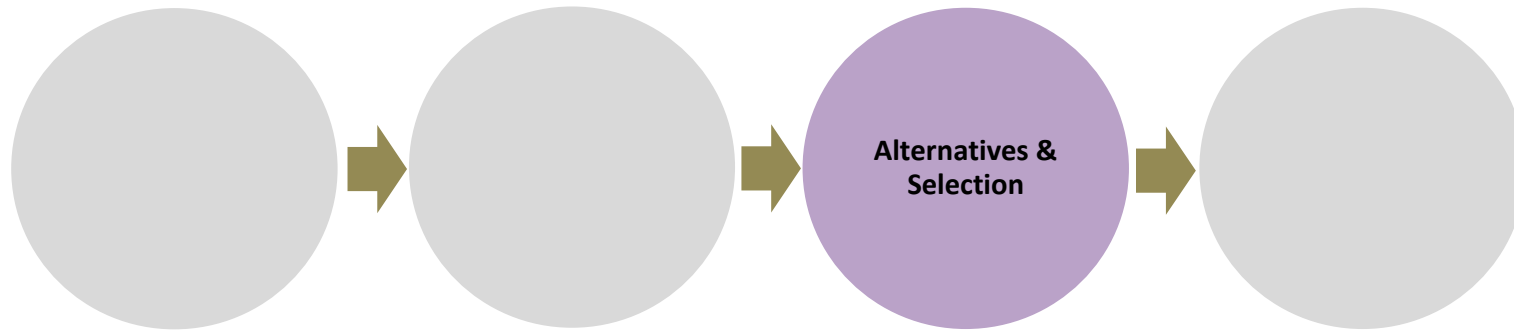
- Upgrade your website for easy customer experience
 - Rich content, images, storytelling short videos
- Direct Customer engagement – tailor your message for the different stages of the sales process (Look, like, trust)
- Pay close attention to trends: new needs and/or pain points
- Use Social Media, create promotions and obtain feedback

Business Model

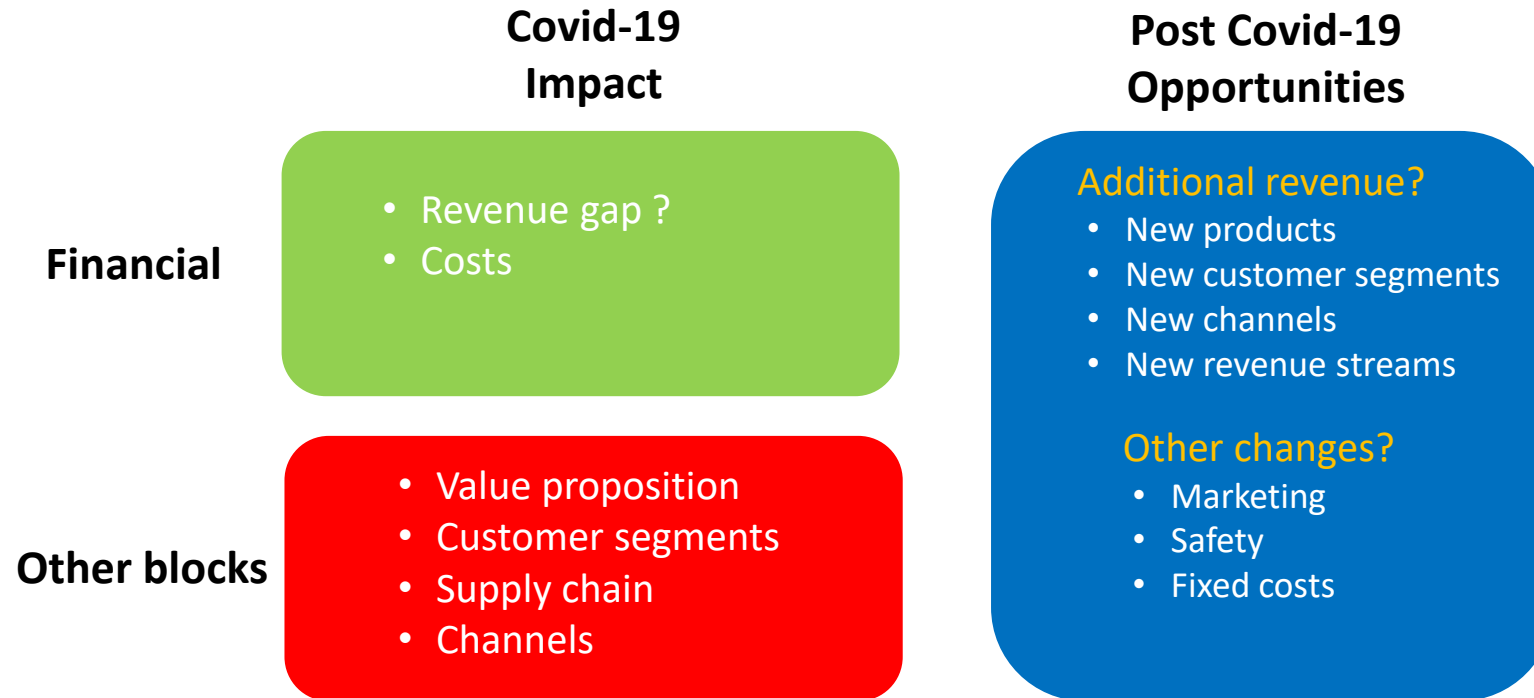
High uncertainty, business continuity

- Maximize digital presence to serve customers
- Focus on customer service
- Evaluate product mix and/or channels
- Short term planning but be prepared to pivot
- Agile response to market and competitive dynamics
- Assure security of supply

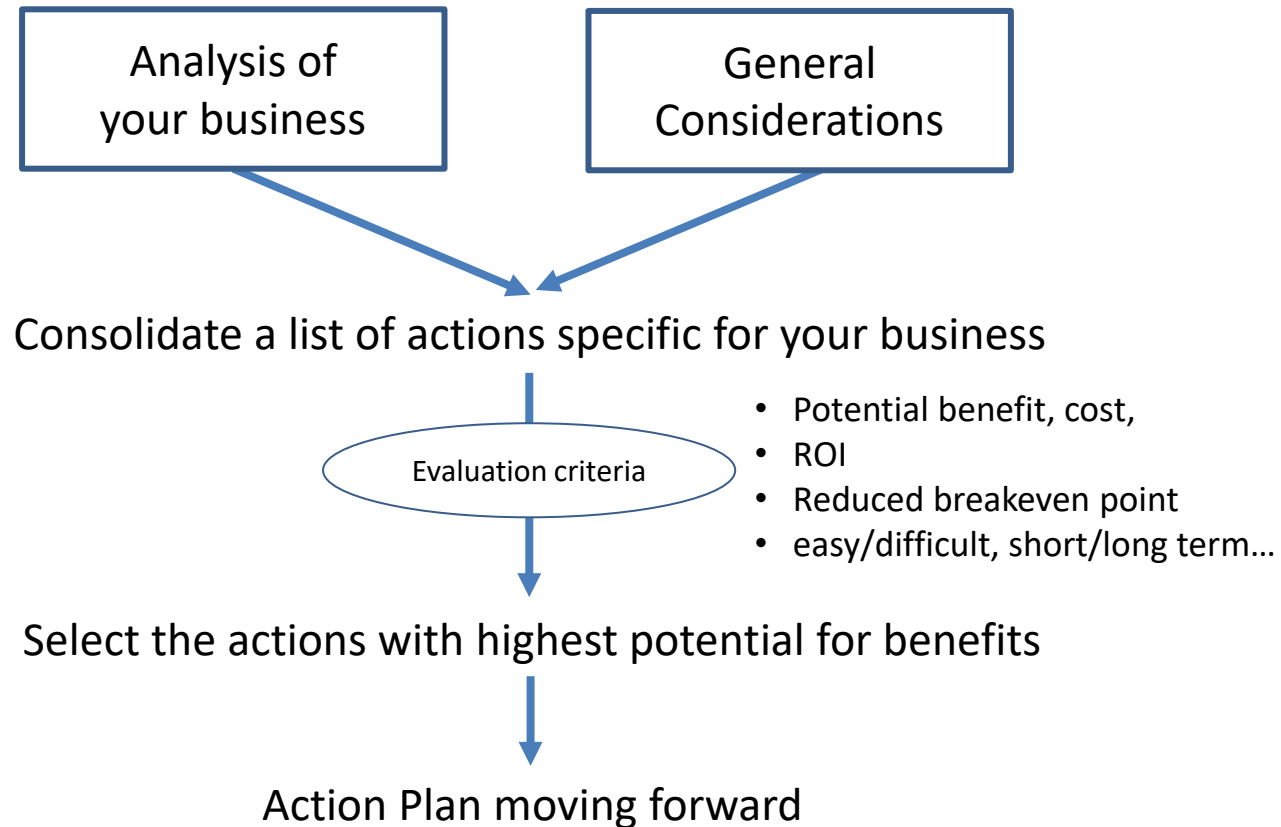
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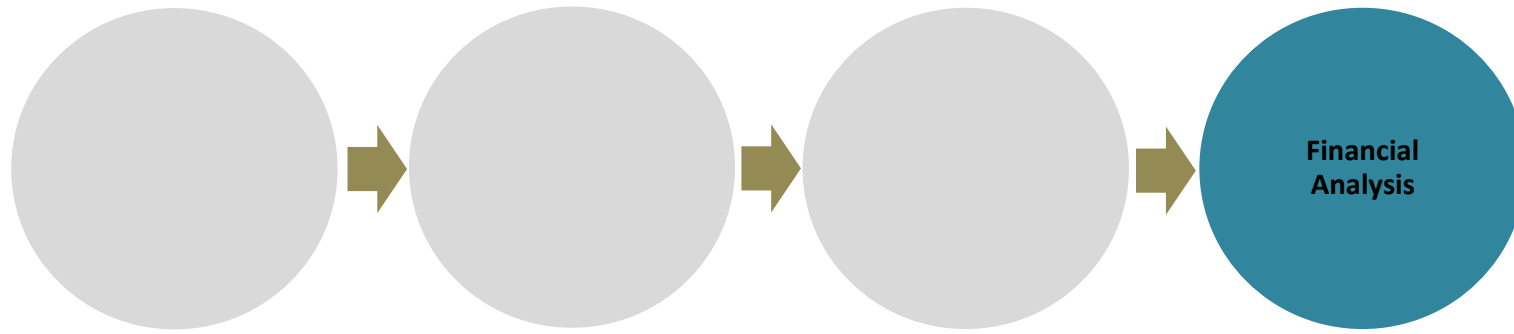
Business Analysis Summary



Alternatives and Selection



Developing an Action Plan



- **Develop a 6-month Profit & Loss Projection**
 - Scenarios: Best estimate business impacts and Pessimistic alternative
 - Estimate demand, costs (direct and indirect) to obtain net profits
- **Cash flow forecasts**
- **Profitable and sustainable?**
 - If not, go back to check how additional changes can improve
 - Decision point
- **Monitor trends closely and be prepared to adapt or change**

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- The 6-month P&L is the road map for your business, track closely and pivot if needed
- Disruptions >> accelerate changes >> many opportunities
- Customer needs, preferences, and behaviors are changing
- Business must be agile and quick to transform

You are facing an unprecedented challenge... Seek help



- SCORE Small Business Resilience Hub provides mentoring, training, and resources that can help you (score.org)
- Remote Mentoring via email, video, or telephone is routinely being done

Schedule an appointment with a SCORE Mentor

Thank You !

Contact information:

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