Changing Business Strategies during Pandemic COVID-19

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Abstract: *The paper provides more information on strategies that can be applied by businesses to survive the COVID-19 while operating to ensure business survival. The spread of the pandemic to almost all countries has affected the supply chain of business organization globally. Behavioral and cultural shift can assist businesses to survive if well maintained. Another idea is on maintenance of the business by revising the organization's crisis and continuity plan. Online business channels and burn-rate analysis assists business to work beyond the restrictions imposed due to the pandemic. The paper concludes by bringing the concept of lockdown exit analysis that can be used by the business to continue implementing changes to ensure that they are at a better position even when the lockdowns are uplifted.*

Key words: *Covid-19 (Coronavirus), organizational behavior, cultural shift, e-commerce, pandemic crisis, continuity plan, digital tools, online sales, burn rate and lockdown exit strategy.*

I.   Introduction

The outbreak of coronavirus (Covid-19) has created a business crisis for organizations globally, posing a business continuity challenge. Covid-19 global pandemic has seen revenue drop in almost all sectors forcing companies to take reactive steps to remain afloat during and after coronavirus. Measures that have been adopted by governments globally, like travel restrictions, social distancing, and lockdowns are costing businesses huge losses that they need to overcome for their survival. It is predicted that by the end of the Covid-19 global pandemic, a significant number of business organizations will have been eliminated in the market, especially those specializing in entertainment, hospitality and travel industries. Companies need to make changes in their business strategy to lessen the impact of Covid-19. The essay aims to argue that Covid-19 is a global pandemic affecting businesses, requiring them to change their business strategies and operations for their survival during the pandemic crisis.

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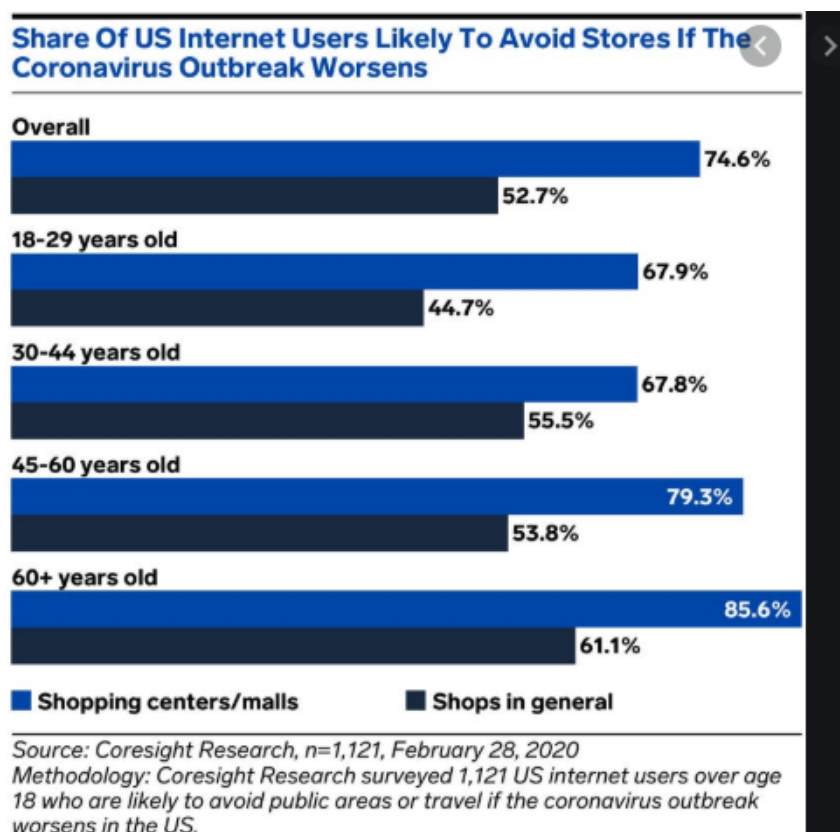

Behavioral and Cultural Shift

The business organizations need to embrace behavioral and cultural shifts that the pandemic has brought about in their strategies. Covid-19 has made some of the traditional business practices to become irrelevant as their application would cost the firms dearly (Parodi& Liu, 2020). The businesses can take advantage of modern technology to make a cultural shift in handling its operations. Electronic commerce (e-commerce) has proven to be the most effective way of conducting business as it facilitates social distance and movements which are the most recommended strategies to curb the spread of Covid-19 (Parodi& Liu, 2020). Video-conferencing can be used to avoid people meeting face to face to share company meetings. The online sales is another area that companies can venture in to reduce travelling during the lockdowns and curfew introduced due to the pandemic (Prem et al., 2020). Capitalizing on cultural and behavior shift would assist the businesses to remain relevant and competitive during the pandemic.

Revisiting Business Crisis and Continuity Plans

The pandemic offers businesses an opportunity to revisit their crisis and continuity plans to assist them in running their businesses. The pandemic plan that is already in place can be turned into a reality as it will help in the realization of the organization's readiness to face crises (Van Bavel et al., 2020). The plan should be tailored to assist the company in addressing the challenges of a pandemic. The methods may include continued operation strategies when the workers are unable to access the work station. Communication channels should be sufficient to assist in giving timely information when a crisis is encountered (Parodi& Liu, 2020). The existing continuity and crisis plan can assist the organization in adopting new changes quickly to help maintaining business transactions in the face of the COVID-19 pandemic.

Online Business Channels

Businesses can ensure continuity during the pandemic by trying to consider online channels in offering their services and products to help control physical contact. The digitalization of the business transactions for the company can help the company continue operating without risking the lives of employees (Van Bavel et al., 2020). Work from home can assist workers in avoiding traveling to work as they would be able to make use of digital tools to deliver their services using computers and smartphones (Van Bavel et al., 2020). Online sales, marketing, and transactions, which is a vision plan for some companies, can be turned to a reality to help the companies maintain being in business in the middle of the Covid-19 pandemic.
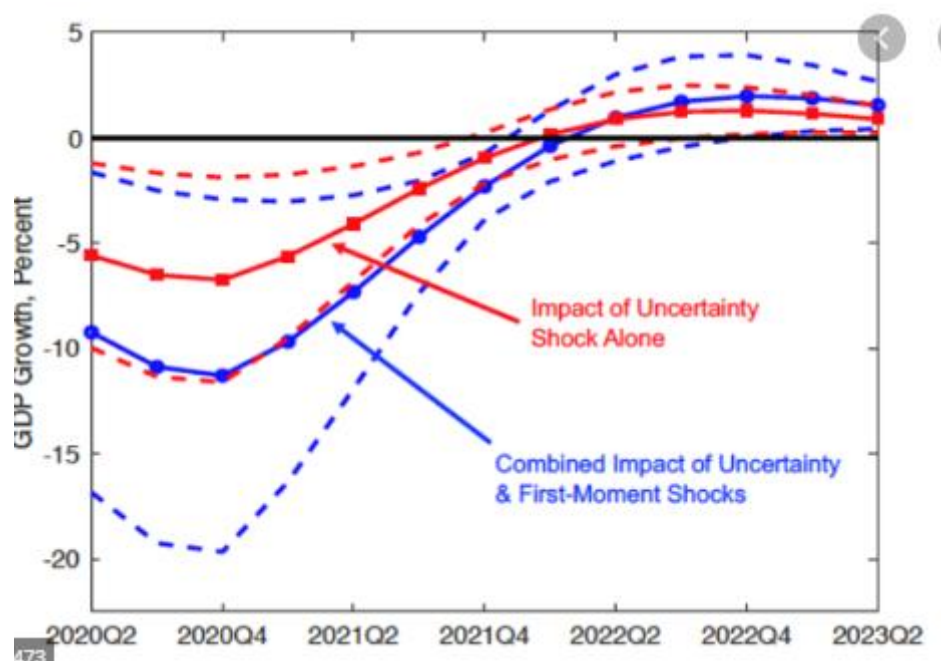
Share Of US Internet Users Likely To Avoid Stores If The Coronavirus Outbreak Worsens

Overall
- Shopping centers/malls: 74.6%
- Shops in general: 52.7%

18-29 years old
- Shopping centers/malls: 67.9%
- Shops in general: 44.7%

30-44 years old
- Shopping centers/malls: 67.8%
- Shops in general: 55.5%

45-60 years old
- Shopping centers/malls: 79.3%
- Shops in general: 53.8%

60+ years old
- Shopping centers/malls: 85.6%
- Shops in general: 61.1%

■ Shopping centers/malls ■ Shops in general

Source: Coresight Research, n=1,121, February 28, 2020
Methodology: Coresight Research surveyed 1,121 US internet users over age 18 who are likely to avoid public areas or travel if the coronavirus outbreak worsens in the US.

Retrieved from Parodi& Liu (2020)

Analysis of Burn-Rate

The management should consider analyzing the ongoing burn-rate to determine how the business spends finances. According to Gössling, Scott and Hall (2020), the process aims to identify unnecessary expenses that can be avoided during the crisis. Sutainable approach should be prioritized to avoid the threats associated with Covid-19. The organization has to focus on maximizing savings by considering excesses that the company reduce without affecting business quality (Prem et al., 2020). Efficiency is essential in running a business during a crisis (Gössling, Scott & Hall, 2020). It is a perfect opportunity for the business to reduce spending without sacrificing quality while dealing with emergencies. The exercise also pertains economical use of the available resources, and it might include temporary relieving some employees duties and limiting concentration on products and services that appear less-essential during the pandemic period.

Transparent in Communication with Customers

Businesses should ensure transparent communication on the impact of Covid-19 to their customers with an understanding that the pandemic affects everyone. The company should not keep secrets of the issues they are facing since this may help to win the empathy of customers on the crisis facing the brands (Ebrahim et al., 2020). Proper communication creates a better understanding of the situation as it may make them to value less service they can receive during the crisis (Prem et al., 2020). The company also needs to be transparent to all stakeholders on measures it is undertaking to help mitigate the risks and assist the community during the pandemic.

Retrieved from Ebrahim et al. (2020)

Lockdown Exit Strategy

Businesses need to device a lockdown exit strategy that enables them to restart their operations while considering the wellbeing of their staff. They need to work on a way of creating customer sites or allowing the team to return to their offices while ensuring maintenance of social distancing (Parodi& Liu, 2020). The same strategy is being implemented by governments to reboot their economies in the middle of the crisis. The exit strategy should include the acceptance that the virus is part of the society and the company needs to learn to live with it. Reports from the WHO shows that the virus vaccine or treatment might not be revealed soon so the society needs to learn to live with it. Maintenance of customer service during the pandemic will have a positive impact on employee morale, costs, and productivity (Parodi& Liu, 2020). The strategy includes ensuring the running of essential business services like work attendance or working from home while maintaining protective measures like wearing masks, sanitizing, and social distancing. Therefore, flexibility in the supply chain needs to be ensured to keep the company afloat in its business.

II. Conclusion

The pandemic created by the novel coronavirus requires businesses to crisis management strategies that can help them survive during the pandemic. The companies need to be keen on ensuring a better lockdown exit strategy. Organizations may take advantage of technology by operating online to conduct their businesses and

minimizing contact among employees. They can keep their clients updated about inconveniences of their action plan by reducing spending while maintaining quality. Therefore, making strategic changes may assist businesses to survive the pandemic while observing behavioral and cultural behavior shift introduced to help mitigate its spread.

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