

Whitepaper:

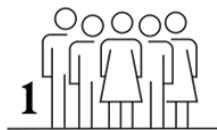
COVID-19: Lessons and the Future of Business

For years, most businesses, especially here in South Florida, have been told to prepare for a natural disaster. In fact, here in South Florida we have a full season dedicated to just that – Hurricane Season. The COVID-19 pandemic that has hit the world has had a difficult, often tragic, impact on people and business. Clearly, some businesses were better prepared than others to strategically mitigate that impact on employees, customers, operations and bottom line revenue. Michell Consulting Group has put together this document to highlight some of the initiatives that those businesses previously had in place. Knowing that the “normal” landscape will be forever changed by this pandemic, all businesses should be prepared to utilize the tools needed to succeed in our new, post-pandemic world.

In a fantastic article written by Kevin Sneader and Shubham Singhal of McKinsey & Company, it is said that companies need to think and act across five horizons.

Companies need to **think and act across five horizons.**

The five horizons



Resolve

Address the immediate challenges that COVID-19 represents to institution's workforce, customers, technology, and business partners



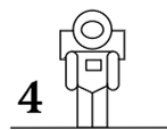
Resilience

Address near-term cash-management challenges and broader resiliency issues during virus-related shutdowns and economic knock-on effects



Return

Create detailed plan to return business to scale quickly as COVID-19 situation evolves and knock-on effects become clearer



Reimagination

Reimagine the next normal: what a discontinuous shift looks like and implications for how institutions should reinvent



Reform

Be clear about how regulatory and competitive environments in industry may shift

McKinsey
& Company

This white paper is focused on the “Return and Reimagination” phases above and aims to explain how these initiatives can not only help mitigate future challenges, but also digitally transform organizations. We will list some of the areas that will help companies navigate through the new world we are returning to and explain why these tools are essential to their overall success.

Business and Technology

Lessons Learned from the COVID-19 Pandemic:

Communication:

- a. **Internal** – Companies that had already implemented a robust internal communication platform, such as Microsoft Teams, were able to maintain a structured platform to give and receive instructions by department without having to depend on personal mobile numbers. Department heads could communicate with entire teams or individuals quickly and effectively, which led to organized collaboration.
- b. **External** – Companies quickly realized that without a hosted VOIP solution in place, incoming customer communication was greatly affected. APPS significantly improved the company’s ability to receive and send out critical information to clients and vendors by having a system in place that seamlessly allowed for incoming call flow to be routed to departments and individuals via computer or mobile phone. These platforms also allowed companies to have client and vendor contact information readily available at their team’s disposal.

Collaboration:

- a. Beyond the communication solutions above, the ability to share important files and documents from anywhere has become crucial to organizations. A platform such as SharePoint allowed teams, departments and whole organizations to collaborate and find information needed to maintain continuity during this pandemic.

- b. The ability to combine this with an internal communication platform allows organizations to stay focused on completing tasks, being productive, sharing information and keeping clients and vendors informed.

Access:

- a. Companies that had already created cloud-based environments ready for remote access were exceedingly more prepared to face this crisis. Many organizations had already shifted to platforms like Azure, AWS, or private platforms. This enabled those organizations to continue executing tasks efficiently and with minimal downtime. However, even in those cases where organizations had those environments up and running, there were still challenges left to be addressed.
 - **Printing** – Many organizations often still print invoices and checks locally. During this time, it was critical to redirect printers to allow for operations to proceed uninterrupted despite entire facilities being closed off during quarantine.
 - **Banking** – Accounts Receivables became a challenge given quarantine regulations as well. Beyond the difficulty of normal collections, receiving paper checks, and even depositing them in some cases, was deemed impossible. As such, setting up ACH payments or some form of digital funds transfer has become imperative to manage cash flow and sustaining organizations through this time.

Segmented Applications:

- a. Companies using multiple applications that are not interconnected have faced enormous challenges to maintain operations. Bringing data in via huge excel spreadsheets, or some other platform, have crippled remote functions. Organizations that have undertaken the initiative to have a robust line of business application that is integrated within the critical departments, have been significantly ahead of the curve in maintaining day-to-day operations. Their accounting, order taking, invoicing, and shipping systems are all able to be updated with real time information as normal business processes continue. This functionality has avoided errors, and during a time where every order is critical, has helped those companies be prepared to take advantage of an economic rebound when it comes. Below is a critical example of this with e-commerce.

E-commerce Platforms that are fully integrated with their line of business applications have added a tremendous amount of flexibility for these companies, their customers, and vendors. Those companies that have implemented

platforms that do not require a separate database are uniquely able to give clients and vendors a way to continue business while also updating information such as inventory, sales orders, purchase orders, and general ledger impacts automatically. Those companies that do not have an online presence need to evaluate how to quickly and efficiently add one.

Security:

- a. Companies that had taken the initiative to follow NIST security guidelines and implement a true Information Security Policy have avoided a significant increase in threats that have had an enormous effect on businesses during the pandemic. The risk of cyber-attacks has been mounting well before this event. Elad Shapira, head of research for third-party security-management automation specialist Panorays, wrote in a research note, *“As a result, companies now face technology risks such as unmanaged devices, shadow IT and insecure access, along with human risks like phishing attempts.”* Microsoft has also singled out the ransomware campaign REvil (also known as Sodinokibi), which actively exploits gateway and VPN vulnerabilities to gain a foothold in target organizations. Those companies that took the initiative to do full Security Maturity Level Audits and create Security Plans ahead of this event have network visibility and hardening of assets already in place. This is the worst possible time for a company to face a ransomware attack.

“As a result, companies now face technology risks such as unmanaged devices, shadow IT and insecure access, along with human risks like phishing attempts”

A World Reimagined:

Our world will never be the same after the COVID-19 pandemic. Organizations in every industry need to be as nimble and efficient as possible. The days of “brick and mortar, onsite only” business was already becoming challenging to maintain, and therefore, it is safe to say that in a post-pandemic world, it will be virtually impossible to maintain.

Retailers will need to find ways to compete in an online world. Distributors will need to accelerate the deployment of their B to B e-commerce platforms. It will be paramount for the entire company's business process to be integrated and have the ability to complete tasks remotely. Every industry will need to find ways to collaborate and communicate from any given location.

We have already seen several major software publishers escalating functionality that uses artificial intelligence (AI), BOTS and Business Intelligence (BI) to automate warehouse functions and manufacturing processes. Pre-pandemic, these initiatives were on a timeline of years but now they are being worked on for immediate release.

The competitive landscape is forever changed. Even companies that resisted cloud initiatives and e-commerce in the past have been forced to adopt the beginnings of these initiatives during the past few months. This already will eat away at the competitive advantage early adopters have enjoyed but it is the organizations that focus on a true digital transformation that will lead their industries going forward. In a report from McKinsey Digital entitled “Building an e-commerce business: Lessons on moving fast” there is a great example of this. *One European retail chain that has around 1,000 brick-and-mortar stores across the world. The chain, owned by a private-equity fund, had no e-commerce presence. Although it had previously considered e-commerce, there were serious concerns about whether it could ever work, given the assortment, concept, and even brand constraints. Despite these issues, a variety of pressures, from consumer demand to competitive constraints, forced the company to act. Thirteen weeks later, it had a functioning e-commerce business in one of the regions it operated in. Not only that, its launch was successful from the first month, generating almost 3 percent revenue growth within the chosen region, tripling average basket size compared with retail stores, and maintaining a high customer-satisfaction score. When COVID-19 started disrupting daily routines in Europe, the e-commerce revenues jumped up threefold almost overnight.*

When COVID-19 started disrupting daily routines in Europe, the e-commerce revenues jumped up threefold almost overnight.

With an ever-increasing demand for remote business landscape, the need for more organized cyber security will grow exponentially. As access to information from any given location becomes more critical to every industry, cyber criminals will look for more ways to exploit that access. A business will no longer be able to depend on first line defenses such as firewalls and anti-virus to prevent interruptions of business. Company wide security policies will be required in order to successfully fight against this threat.

Ultimately, the business landscape is ever-evolving. We are excited about the opportunities change creates for our partners. While there may have been some organizations that were well prepared to handle the impact, this crisis imposed on their company, there may have been some that were not. However, no matter where an organization landed on the scale of preparedness, there is comfort in knowing that there are step-by-step ways to tackle these challenges head on. The best way to meet those challenges is to begin to look at what the opportunities are in a new landscape and create a roadmap that will lead to success in our new digitally transformed world.

Conclusion:

A global crisis like the one COVID-19 has imposed on us all, requires organizations to digitally transform their operations in order to thrive in a future where remote operations

are the new normal. However, digital transformation is not just about technology. Companies must think differently. Efficiency, speed, and instantaneous access will be forever linked as prerequisites for success in our global economy. However, with great power, comes great responsibility. It would be a company's responsibility to protect their assets and investments with cyber security. Organizations must maintain real time visibility of data to make critical decisions in a speedy and precise manner. Although these tasks may seem daunting for some, please know that the most important takeaway point is to create a roadmap that will allow for you to begin implementing changes within budget and within a timeframe that is most suitable for your business.

Think. Plan. Execute.



8240 NW 52nd Terrace
Suite #410
Doral, FL 33166

sales@michellgroup.com

1-800-442-5011