

CHAPTER-2I

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CHAPTER-21

MANAGEMENT STRATEGIES OF COVID-19

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ABSTRACT

In this present chapter, management strategies are discussed owing to COVID-19. The chapter insights on the industries which are grappling to stay afloat in different sectors such as automotive and industrial sector, energy and utility sector, technology sector, fashion and retail sector coupled with banking sector, transport sector, hospitality, travel and tourism Sector. This reflects the impact and global crisis shutting all the activities and section of industrial experts believe that counting on immediate return to business as usual is not a feasible strategy during the global pandemic situation.

I. Introduction

The world is changing all thanks to coronavirus. It is a pandemic that has gripped the entire globe. Since March 2020, we have seen countries go into lockdown in various stages. The industries have seen a rise in loss of revenue and job cuts. Companies across industries must put on their thinking caps and devise strategies on how to adapt to the new normal as there seems to be no end to the pandemic. Let us take a look at some of the industries to understand the impact the pandemic has had or will have in the coming future. Companies will have to think how to survive this crisis beyond the next fiscal quarter. They have to think of the long term strategy. To do so, they will have to rethink and curb spending on miscellaneous and frivolous activities, furlough workers and

probably suspend certain production facilities. Government lockdowns reduced auto sales to 10 percent of the pre-crisis forecast for current year [1].

As consumer sentiment is less volatile in the European union, sales will not see a recovery of 90 percent of the pre-crisis forecast until later this year. Up until now, close to 5 million unit sales which represents nearly 25 to 30 percent of the pre-crisis forecast, has been marked as losses. Owing to economic pressures, they will have to quickly step up and take care of the near-term cash management challenges. The experts will have to carefully plan an approach to supply chain, do a volume and actual demand analysis and lay maximum emphasis on protecting their workers. Ramping up factories will be mission critical. A shift in inclinations will likely occur as the expectations of workers and leaders change. Significant societal changes loom large in the near future. To avoid this crisis, the industry will have to address some likely issues. The industry will need to adopt digital and analytical tools to gain maximum benefit of predictive monitoring and demand vs supply matching [2]. Industrial companies will have to re imagine with the following strategies

- Mergers and acquisitions. Companies tend to make these deals when market capitalization is at an all-time low.
- Collaborations and associations. To reduce the funding burden, working together to endorse technology innovation.
- Floor employees' job profile. Businesses will further strengthen the digital imprint each of its processes have.
- Costs. Shifting from fixed to variable cost will permit a lower breakeven volume in these uncertain times.

In the new normal, we expect to see the human resources change the employment letter to include clauses on work hour flexibility and work from home which will allow the companies to utilise global talent pool to its best ability.

2. Energy and Utilities Sector

As the lockdown lifts and companies begin production, many will have to rethink their supply chain. The risk of sourcing material from afar will have to be evaluated, given the gravity of the situation. We may see sourcing of raw materials becoming more of a

local affair. To reduce transportation costs, keeping the supply chain short (sourcing, production, supplying to markets and consumption) might work out to be a good option. The demand for electricity has plunged drastically. As air travel has been restricted, the demand for fuel has gone down too. In the oil and gas sector, for example, high cost producers that have been left exposed by the collapse in the oil price may need to turn to collaborative partnerships or consolidation as way of bringing costs down. As the days' pass, scenario evaluations and strategizing will have to be a regular affair. Companies who had already invested into their processes being digitized, felt a lesser adverse impact of the pandemic. Companies who were resistant to digitization, will have to adopt this strategy as quickly as they can or face falling off the radar. Management will have to evaluate supply chains, operations, customer management and other processes and make investments to maximize digitization. Many businesses dependant on business travel and personnel movement for revenue generation, will have to rethink their game plan. This will have subsequent impact on demand for transportation fuel [1-3].

3. Technology Industry

This seems to be the best time for this industry. It is going to be a big wave for businesses and banks following the pandemic. As companies across sectors digitize their processes, the digital world will need to come up with better and personalized products, to cater to the demand. There has been great demand for developing new or novel based concept or device which can aid in managing the COVID-19 situation across the globe. One such technology was recently developed by Nadikattu et al., 2020 who were capable of developing novel device which can monitor and detect the infected person in outdoor environment which was well applauded in among the different scientific communities [4].

4. Fashion and Retail Industry

An industry famous for its fashion weeks and trade shows, it is showing signs of being affected by the pandemic. Industry players are rising up to the occasion and putting humanity first and certainly changing their game plan to stay in the business French luxury conglomerate, LVMH, has announced that it will now manufacture hand gel sanitisers in its beauty and perfume factories. It will also supply 40 million surgical face masks to France.

H&M, Gucci and Kering are also supplying masks to people. The Della Valle family which owns Tod's has announced a project in which they will be aiding the families of healthcare professionals with a €5 million donation. Primark created factory worker wages fund to take care of the wages component of orders that have been cancelled (countries include Bangladesh, Cambodia, India, Myanmar, Pakistan, Sri Lanka, and Vietnam). The external stakeholders and Primark's ethical trade team will join hands to ensure that this money reaches the workers. The Fashion Design Council of India (FDCI) and Lakme Fashion Week (LFW), launched a COVID-19 fund to help small businesses and fashion entrepreneurs around the world during this pandemic. Anita Dongre, a celebrated fashion designer, is taking adequate measures to ensure safety of her workers. Apart from the existing medical insurance, support will be provided to the workers in case an emergency arises given the current circumstances. Her current employee strength is 2,700 and thousands are indirectly connected to her company from across factories and villages located in India. She has started a project called A D Torchbearers, which will showcase their stories and highlight the brand's core . Crocs, Inc. will donate 10,000 pairs of footwear to healthcare professionals for all day comfort. Burberry will continue to maintain base pay for all its employees who are unable to continue work due to store or site closures [3].

5. Banking Industry

This is the best time for small and medium enterprises (SMEs) to get into the global supply chain as more companies seek to diversify sourcing inputs. The businesses should go digital to help banks serve them better. Going digital will ensure that the banks assess their creditworthiness faster and more effectively. A significant shift in the way the customer behaves in terms of physical branch visits, day to day transactions, etc. can be expected to take place for years to come. Physical money transactions have given rise to increase in online transactions in the form of e-wallet payments, online account transfers, etc. The onus is now on the banks to step up to the demand. Certain banking products are seeing a surge in demand. Example being, mortgage refinancing in the U.S. People will be more dependent on banks for their financing and insurance needs. Digitizing essential

services like deposits, credit payments, etc. will help minimize the adverse effect on people [5].

6. Here are 3 key findings from PWC's financial service technology report:

- Currently 89% of people use mobile banking. It is a significant increase from 83% as of 2017.
- Nearly 44% people who fall under the salary bracket of less than \$ 75,000 (annual) and 68% of people who fall under the salary bracket of more than \$1,00,000 (annual) say they would consider innovative payment alternatives to traditional banking.
- Insurance shoppers come across at least one digital channel through their buyer journey. The percentage of such shoppers is more than 80%.

Marketing in banking sector should concentrate on customizing better customer engagement and socially responsible messages. Banks should ensure that they provide smooth digital experience to their customers and proactively update them about important information. They should regularly update them about:

- Safety measures being taken at their premises
- Special sections for the senior citizens
- Any COVID related phishing emails, etc.

7. Transport sector

It is only during the pandemic, that we all realized the significance of essential goods and its transportation. People always need a steady supply of medical equipment and food. Mobility service providers' response during this pandemic has shown how mobility options and public-private partnerships have come together to provide a smooth experience to the consumers. When we are in crisis we tend to become more inventive about how to get customers and things where they need to go. Converting buses to supply food to a remote location, using e-bikes to reach hospitals (by the medical professionals) are just a few examples of how we have been re-inventing. Efficiency of our mobility system is dependent on how united the system is.

8. Hospitality, Travel and Tourism

According to The World Economic Forum, the travel and tourism industry brings in \$8.8 trillion per year. Spain, France, Germany, Japan, United States, United Kingdom, Australia, Italy, Canada, and Switzerland are the top countries as of 2019 in the travel and tourism list. Not only do they have natural resources, infrastructure and capacity to welcome a huge influx of tourists but what they also have to offer is their dynamic. Once the pandemic struck, air travel was banned and borders closed. As lockdown lifts slowly, the question is – Will travel and tourism be the same again? According to a report by the World Travel and Tourism Council (WTTC), 50 million jobs related to this sector are under threat around the globe because of this pandemic. A few industry experts believe that this sector is expected to make a full recovery by 2023.

Transportation, accommodation, food and beverage, entertainment, and connected industries (travel agents, tour operators, etc.) are part of this sector. The U.S Congress passed a \$2 trillion stimulus to help support unemployed and businesses large and small. Question is: Will this aid package be enough as the country slips into a recession and what is in it for travellers? The industry's financial strategy was built under the premise of a hassle free future and high tourism demand and that no highs and lows could hamper their growth. Airlines might benefit from the provisions provided by the aid package. \$ 75 billion in loans, \$25 billion in direct grants and the government taking a stake in the businesses. There are a few conditions too- they cannot use it to buy back stock; this practice led to many companies being short on cash. Huge upscale hotels, which hold conferences, were majorly hit. Hotels and resorts in big cities have also seen a large drop. These have been the recipient of the bailout. Cruise companies aren't eligible for the \$500 billion aid package since they don't come under the wing of American enterprises. They have their headquarters located overseas. What this means is that they pay almost nil federal taxes and avoid multiple U.S regulation. As the lockdown lifts, there might a glimmer of hope. Experts believe that people's love for travel will get this industry back on track pretty soon [6-14].

Conclusion

The vaccine is still under development stages and the prediction is that it might be made available only in 2021. Continuous monitoring of all parameters inside a company, such as- social distancing, hygiene, shift scheduling, etc will have to be maintained and fine-tuned according to the situation. High degree of flexibility and toughness is the key mantra that needs to be practised by both the industry bodies and companies respectively when it comes to short and long-term strategies. Companies will need to have an early warning system to warn them about such future pandemics. This will help them prepare better. We have seen some resilient companies create detailed plans to get back on their feet.

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