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WITHIN CHAOS LIES OPPORTUNITY

Business readiness strategies to
help businesses in India thrive
in a post-Corona world

SUMMARY

- The world is headed into a global recession and the interval between crises keeps shortening. Businesses in India need to move beyond crisis response, towards building resilience and maturity.
- Crises alter customer habits, and India has moved away from face-to-face interactions in this crisis. This impacts external relationships - with customers, suppliers, partners.
- Businesses with a strong digital backbone - with established high levels of resilience and maturity - are most likely to come out as winners from the crisis.
- Businesses are faced with a unique opportunity to redirect resources and capacity to establish a digital backbone - which would improve their odds of weathering this crisis as well as position them better for economic growth, or any future crisis.
- Several short term initiatives and examples are outlined to show how organisations can act now and grow the initiatives further in the quarters to come.

A GROWING NEED FOR BUSINESS RESILIENCE AND MATURITY IN INDIA

Governments around the world have taken measures to counter the COVID-19 pandemic, thus disrupting production, supply chains and markets, inadvertently sending economies into a crisis. There will be winners, losers and those in between who merely manage to survive.

Businesses are faced with the challenge of recalibrating their strategies for an upcoming global recession, unprecedented in scope and duration in our lifetimes.

Additionally, intervals between crises have been shortening, and a number of crises might combine forces at any time - think the ever aggravating water shortage or regional floods in India.

Finally, crises impact businesses even after they are over - through customers forming new habits that stay for the good. Consider generation Z, who formed their spending habits in a protracted period of heightened job insecurity following the 2008 crisis, and who are now the most frugal cohort in decades.

In this context, it is essential for businesses to shift focus from mere crisis response to building business resilience and maturity - two critical factors predicting a company's fate in the current crisis as well as in its aftermath.

THE DEMISE OF FACE-TO-FACE INTERACTIONS AND ITS IMPACT ON INDIAN FIRMS

Under the COVID-19 pandemic, two major behaviour shifts have been witnessed - one, customers being reluctant to step out to shop and two, corporates ordering everyone to work from home. These have a common characteristic: a near complete elimination of physical interactions almost overnight. This applies around the world, and agile players have already been adjusting: Movies are now premiered online instead of in theaters, for example, and remote healthcare diagnostic services are also seeing a surge in demand.

The longer the counter-measures continue, the more people will grow accustomed to the new normal, and temporary isolation and social distancing will result in long-term diminished dependence on in-person communication.

We will witness some rapid acclimation in grocery ecommerce - and there is a precedent. In 2003, the panic around SARS in China turned out to be a major catalyst behind the country's mass migration to shopping online - with hitherto low key players growing into giants within months: Alibaba in B2B, JD.com in B2C or Taobao in C2C, to name a few.

The COVID-19 pandemic has the ability to bring about the same effect to other major markets. In the US, prior to the outbreak only 4% of people bought groceries online - now online sellers are struggling to meet the demand. More strikingly, only about 2 million Indians were buying groceries online by the end of 2019 ¹. E-grocers like Big Basket are now reporting 88% growth in daily order volumes from before the lock down. They also expect daily orders to scale to 5-6 times during the COVID-19 crisis and are ramping up to meet demand ².

In the two weeks preceding the lockdown announcement, Indian retailers were already challenged in fulfilling their online grocery orders and the average wait time increased from hours to days - a situation that got dramatically worse with the lockdown's onset. While in these early days, retailers have mostly been unable to meet the demand or to provide a smooth experience, they will adjust eventually, and the sooner they do, the more likely they are to retain the market share after the crisis. Such a shift away from face-to-face interactions is likely to spread across industries.

1. Source: <https://www.marketwatch.com/press-release/india-online-grocery-market-size-share-price-trends-report-and-forecast-2019-24-2019-10-18>

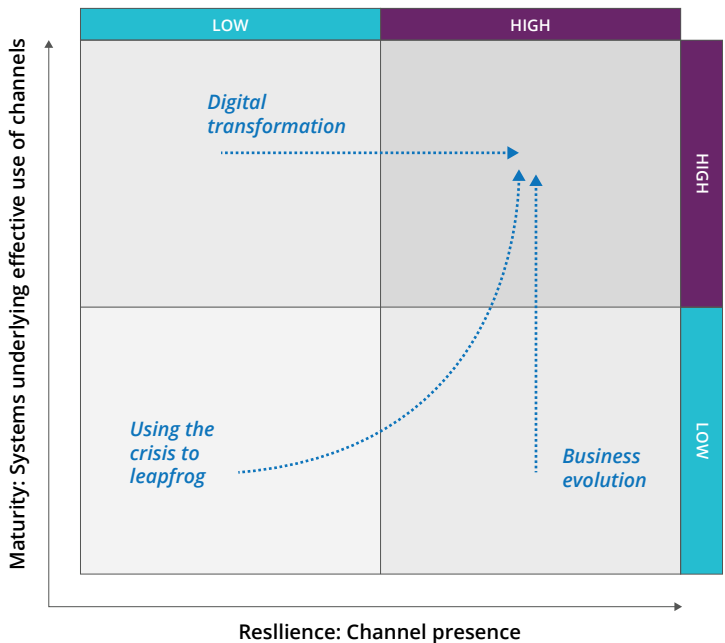
2. Source: <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/e-grocers-like-bigbasket-grofers-others-surge-ahead-on-deliveries/articleshow/75284089.cms?from=mdr>

WHO WILL BE THE WINNERS AND LOSERS OF THE CRISIS?

The businesses that will survive the crisis or even thrive in the world of social distancing are the ones that have a strong digital backbone. The rest are granted a short window of opportunity to put measures in place to even out the playing field before they are out of the running in a few months or quarters.

Digital backbone vis-a-vis external parties: customers, suppliers, partners

In external relationships, resilience translates mainly into established digital ecosystems, and maturity in an organisation's ability to use them effectively, thanks to underlying systems, processes and strategies. Companies can be divided into categories based on their score along each of these axes:



Source: ThoughtWorks

Businesses that already have a modern digital business strategy in place (top right), coupled with business maturity, will be the least impacted by the crisis - the shutting down of their physical presence doesn't prevent their customers from interacting and transacting with the brand. Some of these businesses may have been unable to deliver products and services, but they will bounce back the fastest once the supply chain is restored. This quadrant has currently few representatives in India across industries.

A significant number of businesses in the country have established their channels (bottom right) - but are unable to use them effectively, lacking the required maturity. It is one thing to keep your customers informed via social media posts; ensuring that your sponsored updates match the reality of your warehouse or stores in real time is quite another.

There are businesses that do not have to rely on physical presence or experience but have chosen to do so until now (top left): the typical example being banks in India. When a bank has no digital customer acquisition channels, no means to service their customers and to receive and execute their transactions remotely - then both sides are going to suffer.

This last category of companies faces a significant opportunity to utilise the current sense of urgency to re-architect their business (bottom left). While their current position is the weakest, they can "leapfrog" into the top right quadrant in the matrix if they act swiftly and in the right direction.

Digital ways of working

When it comes to internal delivery of outcomes, business resilience in times of crisis should translate to tools and infrastructure that enables employees to be productive while working from home, and for leaders to support their outcomes. These are relatively easy to introduce - and companies that previously allowed occasional work from home as an employee benefit probably have many of those in place. Such tools alone can help businesses weather the storm of a three week lockdown. However, what if it takes months or quarters to gain control over the pandemic, for employees to return to offices?

Ensuring long-term productivity from home for the entire workforce requires maturity: a larger change to leadership and management style, to incentives and reward mechanisms, with orientation shifting away from tasks towards outcomes.

Businesses with an established remote working culture and/or distributed workforce stand a better chance of surviving the crisis with minimal disruptions to their operation. The model delivers better performance even when the sea is smooth - according to studies by Stanford and Harvard universities, among others ³.

3. Source: <https://www.vox.com/recode/2019/10/9/20885699/remote-work-from-anywhere-change-coworking-office-real-estate>

Having said that, businesses and government bodies for whom the lockdown has meant an effective freeze of operations should have the biggest incentive to re-engineer their operations. Banks are a notorious example here, one example being the new client onboarding process mandated by them. With the sector already in turmoil, how long can they afford to stay on the current course, if social distancing becomes a preference or norm?

CRISIS IS THE RIGHT TIME TO ACT: HERE IS WHAT YOU CAN DO

Change is happening now. Can your business take advantage of the current slow down, in order to emerge stronger when this crisis goes away? The timing might be better than one would think.

In many organisations, amid current uncertainty, new or ongoing investments have been de-prioritised, put on hold or are impeded by reality on the ground. This creates an opportunity to redirect some of the newly freed up capital and capacity to a new strategy that would yield results the moment things go back to normal. Furthermore, growing awareness of the severity of the crisis might allow for internal alignment and momentum for such a recalibration.

A savvy approach would be to implement quick enhancements as part of short-term crisis response, and to then build on top of them towards long-term evolution: continuing the effort to re-engineer, remodel, re-architect the whole business after the crisis - thus making the firm resilient and mature ahead of the next disruption. Experience indicates there would be advantages during business as usual too - with reduced costs, greater efficiency or increased customer loyalty.

The below two tables represent a few examples of quick-win initiatives that businesses can undertake now in order to considerably improve their odds in the new normal - and illustrate how to grow further from crisis response to a digital maturity and crisis resilience.

Resilience and maturity in external relationships

Function	Short-term	Long-term
Call centers & customer support	<ul style="list-style-type: none"> • Implement fundamental tools and processes to enable staff to receive calls and deliver support from home; • Integrate key applications, scale up applications for increased volumes 	<ul style="list-style-type: none"> • Build distributed, remote and autonomous teams; • Introduce self-service channels; • Take advantage of bots, AI, ML for greater efficiency;
Customer acquisition & engagement	<ul style="list-style-type: none"> • Mobilise workforce to operate remotely • Establish online presence / engage customers online • Map key customer journeys • Implement mobile access for core service(s) • Reassign available resources / capacity in order to improve online experience 	<ul style="list-style-type: none"> • Create strategy and execution plan for offline to online transition, incl.: • Digitisation of sales / sales enablement; • Online customer acquisition channels; • Digital customer journeys; • Translate F2F processes into digital workflows; • Blending of physical and digital experience;
Supply chain & logistics	<ul style="list-style-type: none"> • Bridge issues with temporary ecosystem partnerships. 	<ul style="list-style-type: none"> • Build a digital platform; • Build capabilities for real time information about inventory, predicting demand (exploiting data, AI, ML); • Diversify the supply chain, consider decentralizing and localising • Automate and integrate functional silos;

Resilience and maturity in internal relationships

Function	Short-term	Long-term
Governance	<ul style="list-style-type: none"> • Setup small agile business teams to focus on critical business functions • Set a daily momentum to monitor progress, very much like a daily business standup • Setup digital dashboards and reporting systems to provide real time updates of business metrics 	<ul style="list-style-type: none"> • Foster a decentralised management culture, and autonomy of decisions (manage based on outcomes instead of tasks and on the basis of information instead of relationships); • Build business agility as a capability (enable rapid change when needed); • Adjustments to business forecasting;
Technology	<ul style="list-style-type: none"> • Assess endpoint security; • Assess systems / network security; • Introduce a secure remote working policy; • Create incident response protocol and assign responsibilities. • Stress test scaling of systems given increased traffic and dependency on digital systems 	<ul style="list-style-type: none"> • Establish access control and ensure all devices can be locked / wiped remotely
Data	<ul style="list-style-type: none"> • Collect data to enable real time monitoring of key business metrics and KPIs to help in capturing bottlenecks, plan responses & track recovery in the business. 	<ul style="list-style-type: none"> • Streamline processes of data acquisition, data quality check, insights generation and decision making. • Make insights available to autonomous teams for empowered decision making. • Utilise AI / ML in insights generation or decision making.

Resilience and maturity in internal relationships

Function	Short-term	Long-term
People	<ul style="list-style-type: none">• Provide must-have infrastructure for remote working and productivity;• Identify gaps in collaboration tools and procure & train staff accordingly;• Establish social norms for remote work and collaboration, ensuring productivity;	<ul style="list-style-type: none">• Map employee experience to identify impediments, grievances and opportunities;• Improve infrastructure accordingly;• Organise training for productivity and effective communication for a remote workforce;• Make sure all supporting functions are available to employees remotely;• Measure effectiveness of collaborative efforts;• Consolidate of existing physical workspaces;
Operations	<ul style="list-style-type: none">• Identify opportunities for process automation and digitisation;• Simplify processes where possible	<ul style="list-style-type: none">• Digitise and automate processes where applicable;• Ensure all business areas are connected and able to collaborate remotely;• Consolidate physical assets (stores, branches).

CONCLUSION

The current disruption is acting as a trigger for people to find alternatives for currently unavailable products and non-consumable services. If these alternatives prove more convenient, the customers may never come back. Change is happening now. Can your business take advantage of the current slow down, in order to emerge stronger when this crisis goes away? The timing might be better than one would think.



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Rohit with 20 years of experience in the technology industry is passionate about design-led digital experience, understanding people, leadership and developing unrecognized potential be it in ideas, people or businesses. His journey over the last couple of decades has led him through various roles and experiences in managing and building teams, launching new products and businesses. Rohit experiences have been focused in the digital arena primarily in the areas of online services, retail & fintech, across India, Europe & China. Rohit's strength lies in launching new ventures & products in the digital space backed by a strong foundation in strategy, finance & design thinking-led innovation. strategy, finance & design thinking-led innovation.

About ThoughtWorks

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