

BUSINESS WEBINAR

Wednesday 20/05/2020 | 10:00am-12:00pm

Keeping the Business Afloat Key survival strategies



with **Gideon ATARAIRE,**

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Allianz Life Insurance Ghana**



OUTLINE

03-04

AIM & OUTCOMES

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HOW COMPANIES ARE REACTING

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IMPACT ON WORLD ECONOMY

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SCOPE

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INDUSTRIES MOST IMPACTED

10-18

KEY PILLARS TO KEEP BUSINESS AFLOAT

07

IMPACT ON GHANA'S ECONOMY

19-20

SUMMARY & AUDIENCE PARTICIPATION

AIM

The aim of this presentation is to *share experience* on some key survival strategies to implement to keep businesses afloat during this period of the pandemic



OUTCOMES

At the end of this session, participants will:

- Will get an overview of the impact of the pandemic on the global economy
- Develop some knowledge of the impact on the local economy
- Understand how some businesses are reacting
- Discern some key levers to tweak to keep businesses afloat
- Learn from other people's experience in managing the situation



COVID-19 IMPACT ON WORLD ECONOMY

- Bloomberg has projected a cost to the world of world \$2.7 trillion due to the pandemic, equivalent to the UK economy
- Developing countries will be severely hit without assistance in the form of debt relief and debt restructuring
- Disruptions in the global supply chain of basic goods has seen the rise of manufacturing activities in the ASEAN countries (China+1 Strategy)
- Top 5,000 Multinationals in the world have revised their annual earnings downwards by 5%
- Multinational companies in developing countries have projected a downward profit fall by 16%
- 18 year low slump in global oil prices

INDUSTRIES IMPACTED



Oil and Gas

- 18-year low dip in crude oil price
- Low national income from oil



Airline

- Lufthansa expects 10,00 job cuts
- America, Delta and United Airlines roughly 750,000 jobs at stake
- Leave without pay for some local airline staff



Hospitality

- Occupancy rate from 70% to 30% - 5%
- Booking cancellations 90% in Italy
- AirBnB cut down 25% workforce, ie, 1900 jobs
- Job cuts in some prominent hotels



Manufacturing

- BMW: 6,000 job cuts in Germany by 2022
- Local companies such as Kasapreko had to diversify



Financial Services

- Default loans
- Payment default
- Drop in revenue

IMPACT ON GHANA'S ECONOMY

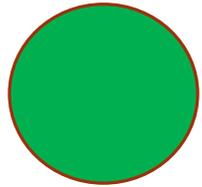
- Cedi lost early year gains against the dollar and currently trading at 5.77 per USD
- The global demand and trade disruption has caused a crash in cocoa and crude oil prices; gains from gold is partially making up for this loss
- With treasury bill rates and stock prices falling, Gold is now the safest haven
- Moody has revised Ghana rating from B3 positive to negative
- As exports reduce it is expected that fixed income and household spending will also reduce
- Expected expansion of the economy of 1.9% was down 3.3 percentage basis points in May
- 5 out of 8 listed banks have experienced a fall of 10% or more for most part of April with the hardest hit, Ecobank falling by 20%
- Anticipated drops in FDIs, capital flight and remittances

HOW COMPANIES ARE REACTING

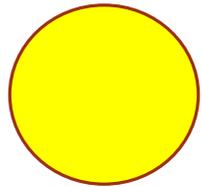


- Forced paid leave
- Unpaid leave
- Retrenchment
- Pay cuts
- Shut down
- Branch closure
- Enhanced products and services

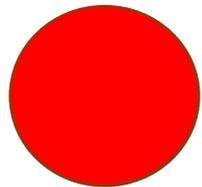
SCOPE



Little or no impact

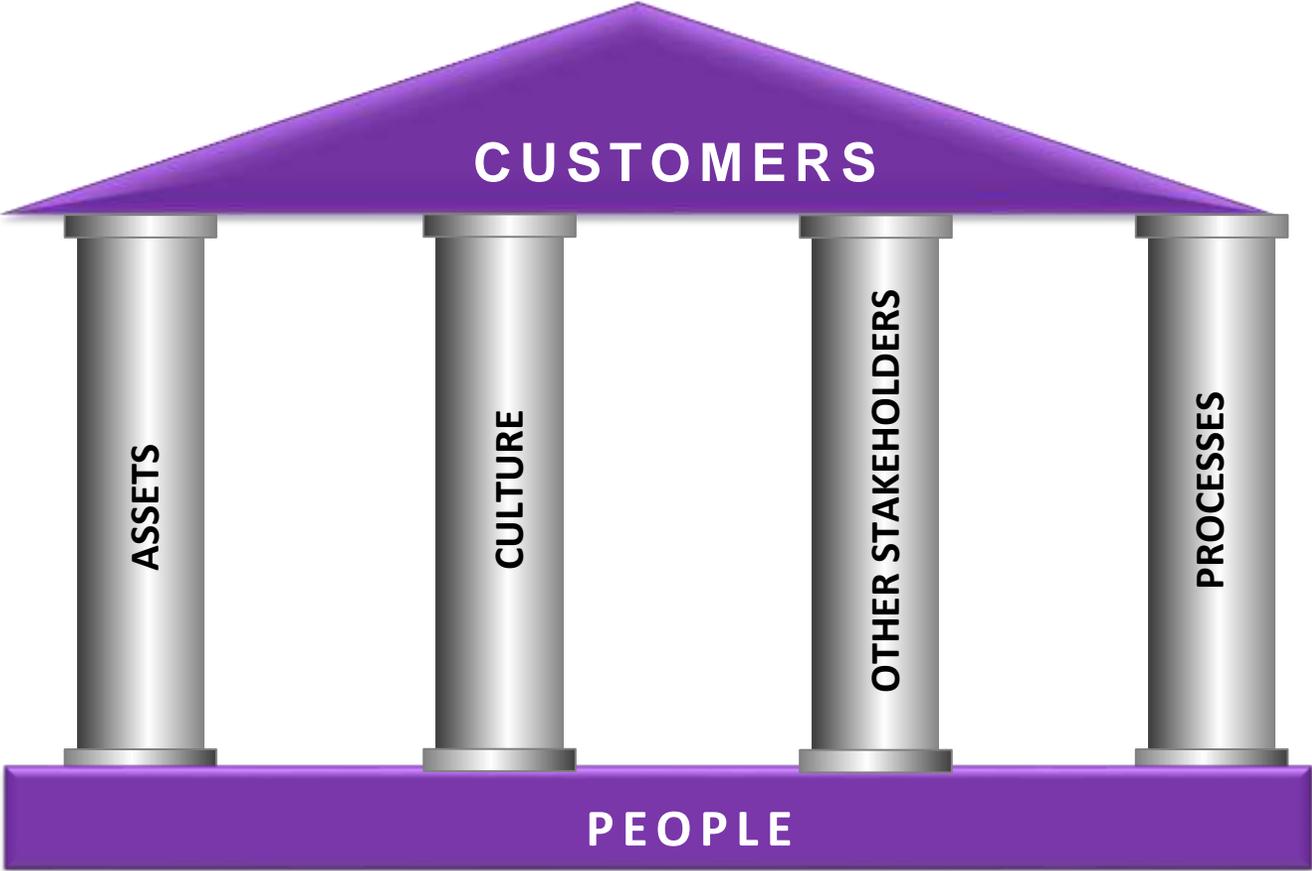


Low to medium impact



Red to vey high impact

KEEPING BUSINESSES AFLOAT

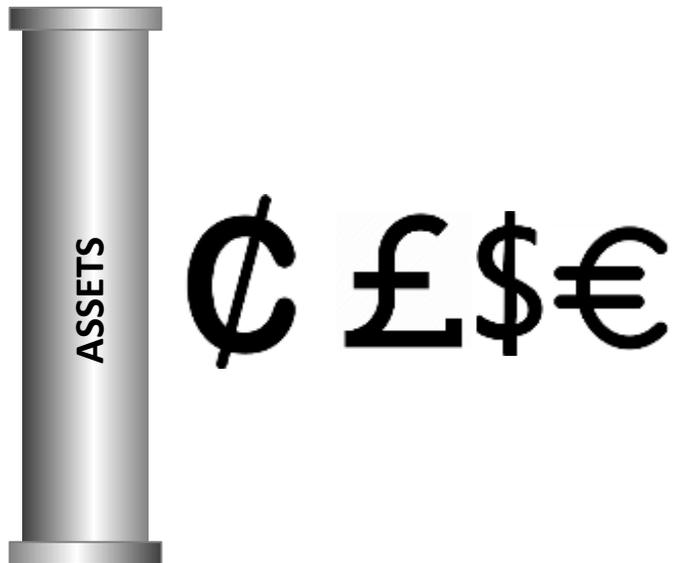


CUSTOMERS



- Identify top 20 customers giving you 80% of your revenue
- Engage them
- Support them when necessary
- Show appreciation
- Identify and eliminate any threats in your customers journey

ASSETS



- Guard revenue streams
- Avoid risky investments
- Keep funds in A-rated institutions
- Be prudent with OPEX
- Restructure debts
- Postpone capital intensive projects
- Redirect marketing from above to below the line
- Halt or reduce recruitment

CULTURE



- Trust
- Ownership
- Customer centricity
- Performance driven
- Excellence

OTHER STAKEHOLDERS



- Keep in touch with them
- Be transparent
- Negotiate new terms and deadlines
- Ensure you do not pay out more than you are getting in revenue
- Be alert to assistance from the government

PROCESSES



- Ensure the stability of critical business processes
- Enable remote work
- Develop and implement Business Continuity Plans (BCP)
- Relook at your internal processes to make them seamless and efficient
- Strengthen your risk management practices

PEOPLE

PEOPLE



- Protect your workforce from the direct effect of the pandemic
- Provide assistance and support for your critical workforce
- Provide reassurance and communicate extensively to relieve anxieties
- Keep them engaged and motivated
- Manage their productivity

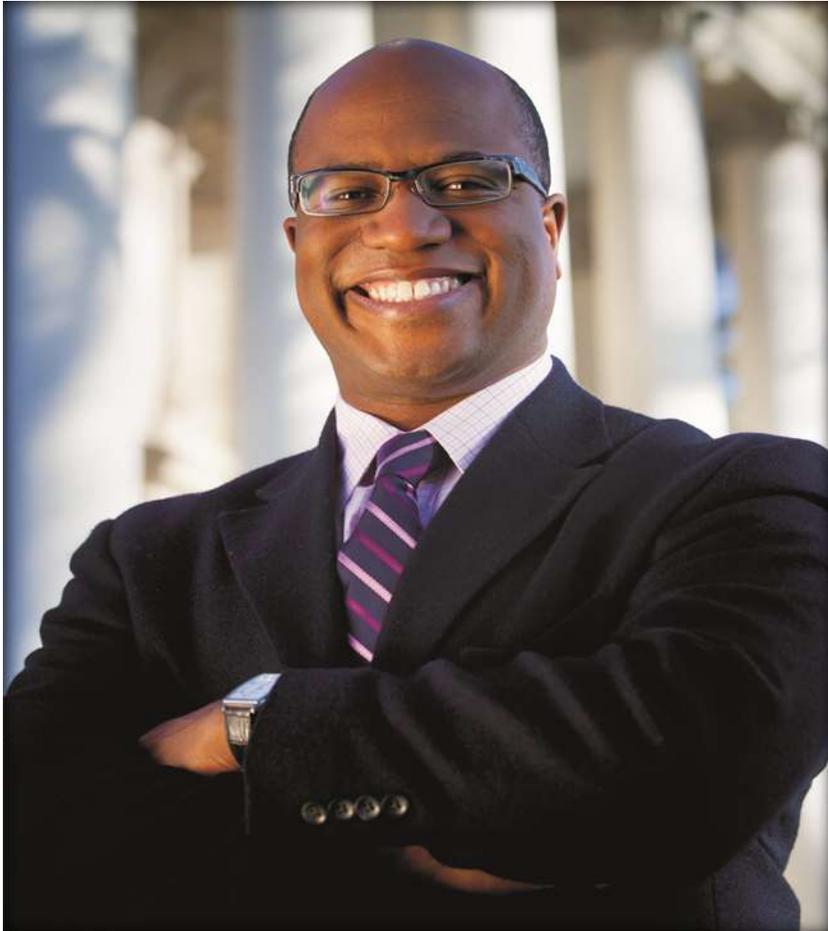
IF YOU MUST DOWNSIZE

PEOPLE



- Prioritize pay cuts over outright disengagement
- Put a human face to the exercise
- Communicate clearly the reasons
- Fulfill all your contractual obligations
- Get legal assistance to guide you

THE LEADERS



- Be safe and healthy
- Talk to as many people as possible and make the most of the current situation
- Develop a healthy mind and a positive outlook
- Focus on things you can control
- Develop empathy and decisiveness

SUMMARY

- Covid-19 has impacted negatively on economies and organizations globally and locally
- While some organizations have drowned many others are struggling and battling to stay afloat
- To stay afloat, organizations must:
 - Protect your critical workforce and assets
 - Keep your most important customers
 - Create the right culture and environment
 - Implement processes backed by technology
- Be disciplined enough to execute your strategies



AUDIENCE PARTICIPATION

