

Halt-Plan-Refresh

A guide to appraise business plans during COVID-19

19 March 2020



The big picture

Over the last few months, the optimistic business lobbies around the world looked hard for signs of recovery in the global economy. There was an expectation that India would fill the void created by US-China trade wars. Additionally, the repressed news from China about a rare virus threatening to dent the already troubled Chinese economy surfaced, presenting an opportunity for India to meet the unmet demand.

Little did one imagine that an outbreak in a commercial centre in China will become a pandemic in a couple of weeks threatening the sustenance of human life.

COVID-19: How the Indian economy is affected

- Number of infected in the country have crossed 147
- 3 deaths reported as on 17 March
- Schools, colleges, cinema halls have been shut by many state governments
- IPL and other sports events have been postponed
- To maintain social distancing, companies have introduced a work from home policy for their employees
- Stock markets plummeted and continue to be volatile
- Global oil prices have crashed and Indian rupee has further weakened
- India has cancelled all visas issued and is under lockdown



Getting ready for uncertainty

The next fortnight is crucial for firms to get future-ready to manage expected headwinds of the resulting slowdown

Grant Thornton's approach

After studying real-life cases on how businesses have reacted in extreme environments, our experts brainstormed to develop a methodology which businesses can adopt during downtime to mitigate business disruption.

Our methodology follows a 3-pronged approach:

Halt → **Plan** → **Refresh**

Halt

At a time when business activity is low and employees are working remotely, business leaders have time to introspect. We suggest using this phase to take a stock of the situation. Below is the sample checklist:

Checklist

<input checked="" type="checkbox"/>	Forecast how markets will react once COVID-19 subsides
<input checked="" type="checkbox"/>	Preempt what competition would do once the outbreak is moderated
<input checked="" type="checkbox"/>	Stress test your annual operating plan/run sensitivities on potential loss from missing the annual operating plan and build plans on how to fund these losses
<input checked="" type="checkbox"/>	Evaluate synergies of your business offerings and how these could be used to mitigate the impact of lost business
<input checked="" type="checkbox"/>	Contemplate what you could have done to plan for this situation (do you have a business continuity plan?)
<input checked="" type="checkbox"/>	Evaluate cost-cutting opportunities
<input checked="" type="checkbox"/>	Identify vulnerabilities in your supply chain
<input checked="" type="checkbox"/>	Conduct a workload analysis to determine the critical roles and tasks within your organisation's structure

In effect, in this phase, one should apply the Murphy's Principle on the critical parameters on which one's business functions. **The outcome of this phase shall give you a long list of business vulnerabilities which you ought to plan for.**

Plan

In this phase, inputs from the previous phase are used to plan ahead. 'The post shake-up, wake-up period' allows business leaders to learn from past experiences and to plan better. An indicative list of what to do in this phase is presented below:

Checklist

<input checked="" type="checkbox"/>	Rewrite the Annual Operating Plan (demand, supply, pricing forecasts)
<input checked="" type="checkbox"/>	Consider drafting a robust enterprise-wide risk management framework including disaster recovery planning and business continuity planning
<input checked="" type="checkbox"/>	Ensure alignment with business leaders on sales, marketing, production and people-related metrics
<input checked="" type="checkbox"/>	Get a robust digital strategy in place (no matter which industry you belong to). Not only would teams need to work offline but consider offering suppliers and customers an offline business model too
<input checked="" type="checkbox"/>	Strengthen the supply chain elements and look for ways to optimise
<input checked="" type="checkbox"/>	Develop a strategy with customers at the centre highlighting retention, acquisition and communication
<input checked="" type="checkbox"/>	Define communication protocol for the new plan and ensure buy-in from all stakeholders
<input checked="" type="checkbox"/>	Assign the key tasks from the various plans developed in this phase to key personnel

The outcome of this phase should be a timebound roadmap highlighting action plans for implementation.

Refresh

The most critical phase of our approach is the implementation plan. Additionally, the change management and communication strategy for your teams to adopt the refreshed strategy also need to be envisaged. For you to draft an implementation checklist, a sample is provided below:

Checklist

<input checked="" type="checkbox"/>	Convert your plan into a set of actionable steps
<input checked="" type="checkbox"/>	Onboard/assign an independent programme manager
<input checked="" type="checkbox"/>	Assign the action steps to personnel in your organisation
<input checked="" type="checkbox"/>	Conduct workshops to inform personnel of what has changed and how it will impact the business and their roles
<input checked="" type="checkbox"/>	Monitor the performance of the listed action steps on a periodic basis.

A taskforce comprising key personnel from different verticals within the business should be formed with the leadership directing this work. Emails, phone calls, video chat may be used by businesses that do not have enterprise solutions for online meetings.

The outcome of this phase is a detailed implementation plan ready to be executed as soon as the workforce returns.

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Grant Thornton has the requisite skills, experience and technology to assist you with this 'Halt-Plan-Refresh' approach. Reach out to our experts if you wish to explore how we can bring value to your business in these troubled times.

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