Seven Cornerstones for a Resilient Digital Enterprise in the Post COVID-19 Economy

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COVID-19 has created an unprecedented global crisis. Every citizen and every business is living in tumultuous times. While the immediate focus for enterprises is ensuring business continuity with 'life-line' support, organizations should start planning now for the aftermath to bounce back strongly in the post-COVID-19 economy.

When the impact of COVID-19 eventually lessens, the business environment will reset to a 'new normal.' All previous forecasts and business plans need to be recalibrated based on consumers' altered priorities and demand, realigned global supply chain networks, lower employee morale, and potential restrictions on international trade by countries seeking to protect their domestic businesses. Above all, enterprises must evaluate their agility – i.e., their ability to pivot quickly to deal with future market shifts, including new crises.

We see seven key strategies to build such agile organizations. While the world is yet to see the full impact of COVID-19 and recovery times will vary by type of business, the time to consider these strategies is now.

Build an agile enterprise, powered by a digital foundation

Post COVID-19, the cash-strapped economy is set to trigger massive business realignments, where consolidation through mergers and acquisitions is bound to happen. Enterprises will be forced to collaborate with one another on new supply chain models, product and service offerings, customer insights, and other ways. This could be the way forward especially for severely impacted industries like airlines, transportation, hospitality, and tourism. Take the airlines industry. Multiple carriers including Flybe in the UK and US-based Trans States Airlines and Compass Airlines have gone bankrupt and are likely to be consolidated. Having shrunk their networks, major airlines will be forced to expand through code-share partners.

To address mission-critical realignments, organizations need digital power to make data-driven decisions, support lean and flexible enterprise structures, scale business integrations, and have the flexibility to sell off businesses that are no longer core.

Cloud platforms offer the foundation required for enterprises to build business agility. For companies currently relying on legacy systems, adopting modern cloud-based enterprise systems provides a clear path forward. Those already using cloud applications now can seize opportunities, for example to use enterprise data and AI technologies to enable agile decision making.

Shift the focus beyond customer experience towards customer value

In a weakened demand situation, customers will continue to expect businesses to deliver high-quality customer experiences. But now they will demand something more: superior outcomes that demonstrate value for their money.

The aftermath of COVID-19 is likely to see the demise of many existing products and service lines and the emergence of new, integrated offerings, co-created by multiple partners driving business value to customers. Digital channels will gain more traction with innovative ways of engaging customers, where customer-centric organizations tend to leverage AR and VR technologies across digital channels in sales and remote field services.

Creative companies were moving in this direction before the pandemic. For example, Uber enabled customers to listen to their favorite Spotify music playlists in the drivers' vehicles

during a ride. Siemens uses virtual reality technology for remote maintenance of their turbines, which may be located thousands of miles away.

Cloud-based enterprise applications are a key enabler here. New products and service will require validation with analytics, such as customer segmentation, profitability analysis and simulation models – all supportable by cloud-based systems. And cloud-based ERP solutions can enable the subscription business models that are likely to gain momentum.

Build employee empathy

Whether their employees are working remotely, or returning to their work routines, companies need to make their employees feel supported. Employers must deliver a consistent and caring experience to their employees to build empathy and create a healthy work environment. The COVID-19 experience will normalize different ways of working which are highly collaborative, self-service driven, focused on efficiency, ownership and accountability.

The cloud is central to this capability. To operationalize this new workforce model, enterprises will need to adopt modern human capital management (HCM) cloud platforms and implement applications that strengthen employee health and safety and social well-being. HCM solutions also can foster a new working culture, by supporting conversational bots and social collaboration features. Cloud-based HCM solutions enable transparent and feedback-based appraisal processes for employees, and the systems for applying a balance scorecard to human capital strategy.

Transform your supply chain

After the COVID-19 crisis lessens, re-establishing complex global supply chain will not be easy, especially when the demand side has had a severe shock and supply side has been broken abruptly.

Executives will need to monitor conditions closely. Nations are restricting movement of medical supplies during the crisis and they may increase regulations on other goods deemed critical. In the wake of the crisis, many large corporations are likely to re-examine their existing labor and environmental standards for responsible sourcing with an eye to strengthening the conditions they expect suppliers to meet.

For enterprises that have not revamped their supply chains, the aftermath of the crisis will prompt new efforts. Once their

supply chains are back in business, the focus moves to strategic decisions: should we buy or build this part? Should we seek alternate sources of supply? How can we confirm a supplier is qualified, that it performs well?

Digital technologies support a company's supply chain transformation by improving visibility, transparency and resilience. Digital technology will drive more actionable data-driven supply chain insights and support enhanced partner collaboration to mitigate risks across the cycle.

Technology also can drive automation of distribution, for example by the deployment of commercial drones to make deliveries. Cloud-based enterprise systems also enable a distributed, orchestrated, traceable supply chain using Internet of Things sensors on physical containers and goods, and blockchain ledgers to audit and confirm delivery outcomes.

As we move forward, 3D printing technology can provide alternate supply chain and manufacturing capability, such as providing parts and materials in critical industries like life sciences and healthcare.

Gain precise control on your working capital

Cloud-based enterprise applications are well suited to help enterprise leaders manage capital and cash.

Supply chain disruptions occurring during the COVID-19 crisis have severe cash flow implications. Finance leaders need to build a recovery strategy that provides scenario-based cash forecasts, evaluates current capital expenditure plans, and explores alternate revenue streams, among other strategies.

Some cloud-based ERP systems include pre-built AI capabilities to help. These capabilities enable executives to better track cash-focused KPIs, including "days payable outstanding" for suppliers and "daily sales outstanding." Such systems also can provide insights about options such as dynamic discounting to retain valued customers.

The capabilities extend to procurement. As scrutiny on cash spending heightens, modern cloud-based purchasing and spend control tools can improve visibility.

Ensure robust business continuity

The black swan pandemic has tested business continuity and disaster response plans and exposed critical vulnerabilities. What do we do when our business offices need to close? When everyone has to work remotely? When demand unexpectedly plummets?

The lessons from this crisis will clarify why organizations benefit from the automated delivery of enterprise application services in the cloud, we call the Machine-First Delivery Model.TM It is powered by the end-to-end automation of processes and platforms, and embeds analytics and AI to adjust the delivery of digital services as needed.

Why is this important? It enables an enterprise to deliver superior user experiences, whether that means an enhanced online retail shopping experience so it's always available, automatically, or the ability to support employees engaged in agile development of new products and services while they are working on different continents.

As the pandemic has shown, the ability to support remote workers is no longer an "if," but a must.

Enable informed decision making, powered by data-driven enterprise

To offset the economic uncertainties of COVID-19, enterprises must be more intelligent and data-driven.

Typical enterprises have confined analytics and insights to certain select groups. One of the lessons of this crisis is that we can benefit from a broader view – into not only our operations, not only our customer bases and our supply chains, but also the broad world around us. To gain broader insights for better decision-making, enterprises need to look outside with a 360-degree view of customers and suppliers, macro-economic events and business risks.

This is what cloud-based enterprise applications empower businesses to do. Enterprises can leverage AI-driven solutions for dynamic, insightful company-level data. To better understand customers financial risks. To gain insight into the well-being and morale of employees. With forecasting and simulation capabilities, analytics will strengthen ecosystems by providing collaborative supply chain insights.

Once the pandemic is over, enterprises should embrace the lessons learned and plan for the future. Enterprise application services based in the cloud provide businesses a path to deepen their digital transformation efforts while also embracing data-driven insights to strengthen their resilience This will be the best path towards prospering in the aftermath of COVID-19.

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