

Enterprise transform and performance improvement strategies during the Covid-19 pandemic

Expectations for positive revenue growth have declined significantly due to COVID-19. Compared to pre-COVID-19 expectations, the percentage of respondents globally expecting positive **revenue growth is down 40 points.**

Cost structure is considered the top internal challenge. Inability to adjust cost structure to meet demand is the top internal challenge globally and in all regions. Inability to meet employee safeguards, and inability to satisfy increased demand round out the top three.

78% Inability to rapidly address cost structure to meet demand

Inability to meet higher measures related to employee safeguards **74%**

71% Inability to satisfy increased demand or increased sales opportunities

Lack of liquidity or credit to ensure business continuity **69%**

COVID-19 financial impacts are demand-driven.

74% drop in consumer demand

67% shift in consumer behavior

65% cyber security vulnerabilities

65% and supply chain challenges

Coping with COVID-19: Respond-Recover-Thrive

Required actions to address the COVID-19 crisis can be divided into three major stages: respond, recover and thrive. These three stages are interspersed with two additional interim stages ("respond to recover" and "recover to thrive", and culminate in a long-term operating environment we call the "next normal.")

Respond to Recover.

Most companies globally have effectively responded to the immediate crisis and are now starting to focus on recovery. The majority of companies surveyed (**59%**) now see themselves in the "respond to recover" or "recover" stages.

Revenue growth expectations are very positive in the thrive stage.

Expectations for revenue growth, although down from pre-COVID-19 levels, remain somewhat positive in the respond stage (55%) and recover stage (58%). **In the thrive stage**, the vast majority of companies **globally (74%)** and in all regions have a **positive revenue** outlook.

The "Next Normal"— Respond-Recover-Thrive

Meanwhile, COVID-driven changes to how people live and work are boosting demand for new kinds of products and services. According to the survey results, the fastest growing revenue sources in the future will be: **digital channels (vs. physical channels); new products and services (vs. existing pre-COVID offerings); and domestic operations (vs. international operations).**

IT infrastructure, remote work and digital channels are expected to be the top operating model priorities. Globally, the top operating model priorities during the next normal are expected to be:

78% enhance IT infrastructure

76% enable remote work

72% enable pre-sale, sale, and post-sale activities through digital channels

Top product strategies for the next normal focus on innovation, health and safety measures, and customization.

Globally, the top product strategies to compete in the next normal are:

74% adjust, redesign or innovate your product/service offering to expand to adjacent and/or new markets

73% leverage new health and safety measures by redesigning your current product/service offering

73% and customize products or services to meet new customer and/or government requirements

Next normal customer engagement strategies will be driven by digital channels and flexible customer experiences.

Globally, the most popular strategies for customer engagement will be:

Shift most transactions to digital channels **75%**

73% Increase flexibility before and after the sale

Cybersecurity and cloud will be the key technologies. According to the survey, the most relevant technologies in the next normal will be cybersecurity solutions (80%) and cloud computing (80%).

Save to Transform is becoming Save to Thrive

The strategic priorities associated with the COVID-19 thrive are the strategic levers of cost, growth, talent, technology and digital enablement to transform how companies do business.

Most companies expect a second wave of COVID-19. The **majority of respondents (67%)** expect a COVID-19 relapse, with an estimated timeframe of early 2021.

Decisions that companies make today to cope with the COVID-19 crisis can help or hinder their positioning for the future.

