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The future of hospitality

Uncovering opportunities to recover
and thrive in the new normal

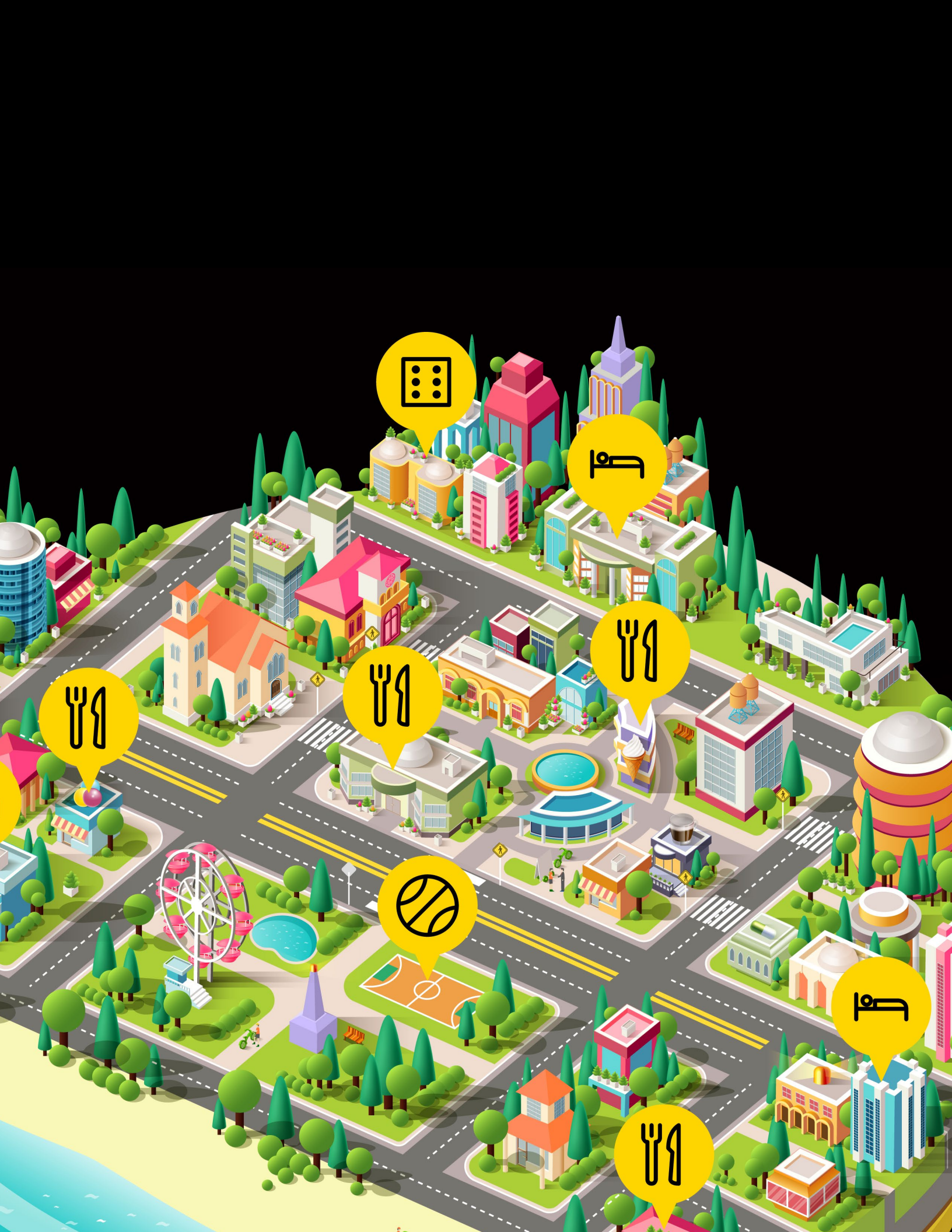




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Introduction

The global hospitality sector has been hit hard by the COVID-19 crisis. Restaurants, hotels, casinos, and sporting venues have stood empty for months as governments and public health authorities acted to contain the spread of the coronavirus. These organizations moved swiftly to mitigate the impact on their business, furloughing staff, reducing costs, pivoting online, and more, until given the green light to reopen.

Now that time has come. Authorities across Canada and other parts of the world have begun to reopen their economies, and the hospitality sector is gearing up to open their doors once again. Yet the world in which the industry now finds itself has changed. The COVID-19 pandemic and the resulting global lockdown have dramatically affected consumer behaviour. Some behavioural changes in motion before the outbreak have accelerated; others have slowed or stopped. New habits and expectations have arisen. Discretionary spending has suffered, and spending patterns have changed.

Understanding and responding to consumers' changing behaviours will be essential to the recovery of the hospitality sector. Organizations will need to reimagine the customer experience and re-engage with customers to build and maintain their trust. At the same time, they will need to improve their operational agility and financial resilience to navigate the uncertainties of doing business in a world wracked by pandemic.

In this report, Deloitte explores some of the ways the COVID-19 crisis has changed consumer behaviours and what this could mean for the hospitality sector. We also look at opportunities that can enable restaurants, hotels, casinos, sports organizations, and other hospitality organizations to adjust to our new normal, recover, and thrive once more.

The pandemic is driving changes to customer behaviour

The COVID-19 crisis upended our daily lives at dizzying speed. Travel screeched to a halt. Schools, stores, restaurants, and entertainment venues shut. Sports leagues suspended their seasons. Hotels emptied. And billions of people found themselves under lockdown, working from home—or suddenly out of work.

Months of self-isolation and, in many cases, significant spending constraints quickly and dramatically changed how consumers behave. And in the absence of a vaccine for the novel coronavirus and in a world facing ongoing economic pressures—the Organization for Economic Co-operation and Development (OECD) forecasts that the global economy will contract 6 percent this year¹—many of these behavioural changes are likely to endure.

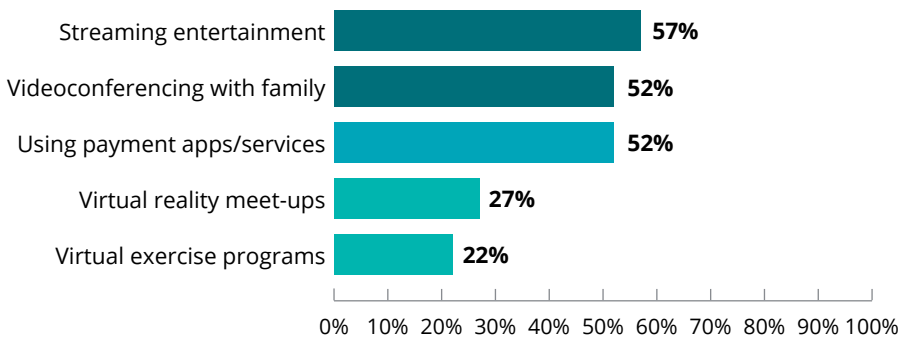
Consumers reduce and redirect discretionary spending

It's normal for people to reduce discretionary spending in times of social or economic uncertainty. The COVID-19 crisis also seems to have prompted consumers to re-evaluate their overall spending priorities: many pre-pandemic must-haves are now seen as nice-to-haves—at best.

According to [Deloitte's State of the Consumer Tracker](#), which is measuring global consumer sentiment during the pandemic, Canadian consumers expect to spend 20 percent less on discretionary items in the next four weeks than they did in the previous four weeks. They expect to spend 51 percent less on travel, 15 percent less on restaurants and takeout, and 14 percent less on entertainment over the same period. In contrast, consumers expect to spend 29 percent more on groceries and 16 percent more on internet and mobile services.² These trends indicate it will still be quite some time before the hospitality sector returns to business as usual, and those businesses that depend on travel and tourism are likely to face deeper challenges.

Business travel, long a key driver of hospitality sector revenues, will also take time to recover, though estimates range from the end of 2020 to two or three years from now. Some portion of business travel—perhaps 5 to 10 percent—may not return at all because the companies that once paid for that travel may disappear.³ Hospitality organizations will want to stay on top of business travel trends and adjust their business planning accordingly.

Canadians intend to use digital to meet many needs:



Source: Deloitte, Global State of the Consumer Tracker, Canada, June 27, 2020

Consumers' embrace of digital accelerates

COVID-19 lockdowns have seen Canadians work, shop, socialize, and entertain themselves online more than ever; some for the very first time. This is likely to not only increase their comfort with digital technologies and experiences, but their appetite for them as well. As provinces ease restrictions, many Canadians will remain concerned about exposure to the coronavirus and will be open to new technologies such as self-check-ins and check-outs, touchless payments, app-based services, augmented or virtual reality, and more. For hospitality organizations, this should be seen as an invitation to innovate and invest in digital technology.

Consumers may be slow to return to old habits and crowds

Canadians are undoubtedly pleased to see governments take the first steps toward reopening the economy in the "new normal." But the hospitality sector shouldn't expect a swift return to full houses, Las Vegas' huge reopening crowds notwithstanding.⁴ For one thing, authorities are likely to maintain strict, if evolving, rules on venue capacity, physical distancing, and more in an effort to ensure that reopening doesn't spark a new wave of viral infections.

But consumers themselves may be reluctant to return to their old habits. Nearly half (47 percent) of Canadians are concerned about their own physical well being, and 58 percent are concerned about the health of their family. Only 15 percent of Canadian



consumers say they feel safe attending in-person events; 34 percent feel safe going to a restaurant, and 29 percent feel safe staying in a hotel.⁵ Canadian consumers may want to go out for dinner, a night at the casino, or a sports event—but many still don't believe it's safe to do so. To persuade consumers to return, the hospitality sector must ensure it delivers a clean, safe experience and effectively communicate this to consumers.

Travel? What travel?

Border closures and travel restrictions brought global travel and tourism to a virtual standstill, devastating airlines, cruise ship operators, hotels, casinos, and tourism-related businesses worldwide. After the S&P 500 reached a new high in mid-February 2020, the market capitalization of the so-called BEACH sector—booking, entertainment, airlines, cruises, and hotels—dropped CAD \$450 billion within a month.⁶ There are signs of recovery, with cruise line bookings up significantly from the same time last year and a potential return to the seas in late summer or early fall. This example illustrates what is likely pent-up demand for experiences and fun after the prolonged lockdown, and may translate into rapid re-engagement across the sector categories.

While travel restrictions are beginning to ease in parts of the world, it could still take two to three years for the travel and tourism sector to regain its former strength. Canadian consumers say they expect to spend much less (45 percent less) on travel in the weeks ahead,⁷ and with Canadian travel restrictions remaining in place, it seems unlikely that spending will rise much in the months to come. In the near term, Canadian consumers are likely to stay close to home, visiting destinations within easy driving distance—such as cottages, where authorities allow it. This will require many hospitality organizations to redirect their efforts to understand and engage with this new domestic, short-trip traveller.



Responding to the challenges, seizing the opportunities

As authorities begin to lift public-health restrictions and reopen the economy, the hospitality sector can turn its attention to recovering from the shock of lockdown. However, the recovery process will be challenging. Businesses in the sector will need to adhere to authorities' guidance to help prevent outbreaks of coronavirus infection. They will need to respond and adapt to consumers' changed behaviours and expectations. And they will need to manage the operational and financial implications of doing business in the new normal. Those that do so effectively will be well positioned to overcome the challenges and seize the opportunities that are emerging in a changing business environment.

Trust will be essential

Trust will play a pivotal role in enabling organizations to recover and rebuild in the near term, and thrive in the long term. Allowing businesses to reopen may represent a return to some degree of normality, but Canadian consumers are still worried about COVID-19. They need to be able to trust that organizations are taking sufficient action to protect their health. Every hospitality-sector business will need to actively engage with consumers and communicate the steps they're taking to keep customers and employees safe—and demonstrate how they're living up to those commitments at every point of interaction.

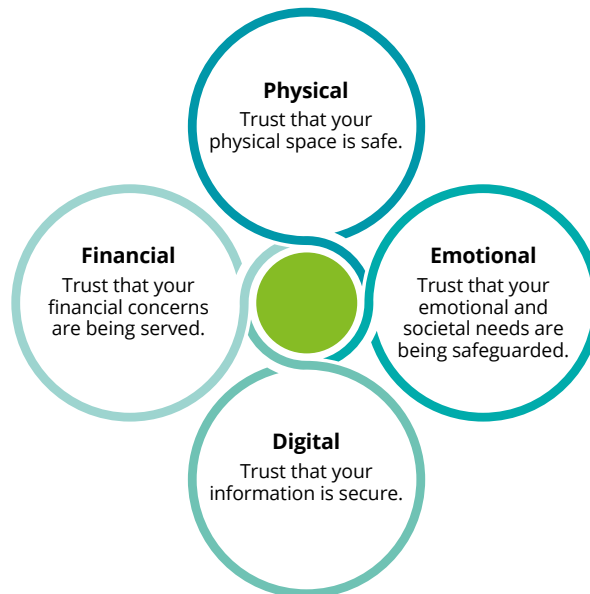
Companies that adapt their offerings to reflect changing preferences and behaviours demonstrate their desire to listen, understand, and respond to their customers. In the near term, this can help deepen consumer trust in the organization, fostering the kind of bond that can drive future growth and success. Consumers will remember the brands that paid attention and “took care” of them.

Maintaining and building trust will be essential for organizations of all sizes, but larger hospitality organizations are likely to have an advantage given their greater capability not only to invest in trust-building improvements but also to ensure consumers know about them.

Our economy is built on trust and confidence among businesses and consumers

Many countries, including China, New Zealand, and Germany, have noticed a remarkable decline in consumer activity even after lockdown restrictions were eased. These changes in consumer behaviour can be attributed to citizens' lack of trust that reopened businesses are maintaining safety on a daily basis. Early research evaluating the German economy has also shown that an effective public health response drives better, faster economic recovery.

Resilient organizations understand that recovery is a human and multi-dimensional experience that requires trust and confidence. These involve physical safety, emotional support, digital security, and financial stability.



All four of these dimensions need to be addressed for a true recovery. Governments and public health authorities must facilitate and foster this trust among businesses and consumers. Businesses, for their part, must ensure they focus on building trust for all their stakeholders—not just shareholders, but customers, employees, and others.



Reimagine the customer experience for a COVID-19 world

The pandemic has fundamentally changed the customer experience, and it's likely to stay this way until the virus fades, populations achieve herd immunity, or a vaccine is discovered. Companies have no choice but to reimagine the customer experience for the realities of this new normal.

SafeEntry helps keep Singapore's hospitality sector and customers safe

In Singapore, customers use the SafeEntry smartphone app to scan a QR code before they enter any restaurant, hotel, or other venue. The app creates a digital diary of each customer's travels and visited locations to support Singapore's contact-tracing efforts.

Make the physical environment as clean and stress-free as possible

As the hospitality sector reopens for business, organizations must do all they can to not only provide a clean space for customers but also one that alleviates their health-related worries. Authorities will continue to require businesses to adhere to certain guidelines, but it's incumbent on the organizations to implement those rules in a way that both fits their business and takes away as little as possible from the customer experience.

All hospitality organizations will want to adopt rigorous, frequent cleaning and sanitation protocols and require the use of masks in public areas. Research by OpenTable found that 72 percent of US respondents said it's extremely important to see strict cleaning policies in place at the establishments they visit, and 60 percent said it's extremely important to visit places that aren't crowded with other people.⁸

Businesses welcoming especially large numbers of people will likely want to introduce temperature checks at entry or before service, and possibly track-and-trace measures. Other actions may vary depending on the nature of the business. Rather than simply remove seating, for example, some restaurants are opting to use black and white tablecloths to identify seating and non-seating areas, or installing plexiglass screens to protect diners from each other. Others are establishing separate spaces for take-out and dine-in service, or designating one-way routes around dining rooms to minimize contact between staff and customers. Some restaurants are creating touchless end-to-end service, including digital menus. Others are moving outside— in Vancouver, authorities have approved dozens of applications that will see restaurants set up patio areas on sidewalks, street, parking lots, and other public spaces.⁹

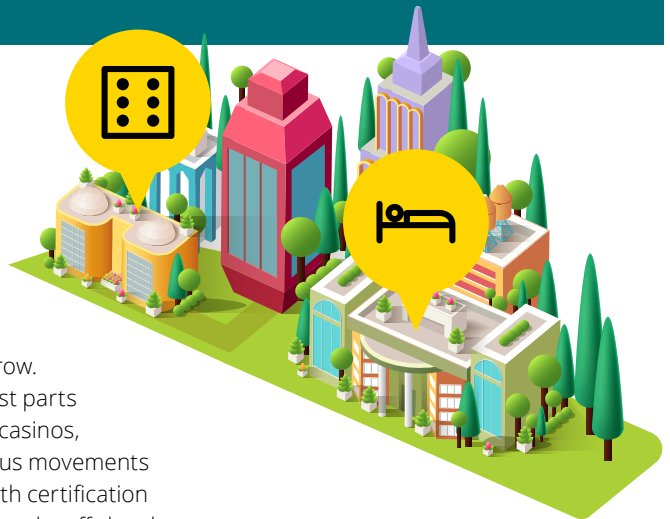


Hotels are “sealing” rooms after cleaning, putting stickers on doors and doorframes to assure guests that no one has been in the room since it was cleaned. They’re also accelerating plans to replace furnishings and surfaces with ones that are both easier to clean and perceived as clean, such as swapping carpeting for luxury vinyl flooring.¹⁰ Major hotel chains are forming strategic alliances with third parties to demonstrate their commitment to cleanliness. Hilton is consulting with the Mayo Clinic to develop new health and safety standards, and partnering with Reckitt Benckiser, makers of Lysol, for its CleanStay initiative in North America. Four Seasons is collaborating with Johns Hopkins Medicine International. Extended Stay America is partnering with Procter & Gamble, maker of Spic and Span and Mr. Clean products, on its own cleaning program.¹¹ Some hotels are exploring the use of artificial intelligence to pre-screen staff and customers though doing so could give rise to privacy concerns. And some hotels are creating or reformulating their signature scents in order to increase customers’ *perception* of cleanliness.

Apple readies for reopening by looking for symptoms and screening at the door

Businesses in the hospitality industry should also look to retail and other sectors for ideas and approaches that could be adapted. Prior to reopening its stores, for example, Apple launched a COVID-19 screening app and website that allows employees to conduct their own self-assessment to determine whether there is any risk in their coming into the workplace. The company is also instituting temperature checks at their store doors, doing more frequent deep cleaning, and requiring staff and shoppers to wear face masks.

In the gaming sector, casinos are reducing the number of players at gaming tables, installing protective screens between players and staff, and cleaning dice and chips between each throw. In Macau, one of the first parts of the world to reopen casinos, tracking players’ previous movements and checking their health certification is required upon entry, and staff shred playing cards after each round. The expanded use of private rooms and VIP areas is also seen as a way to minimize health risks while delivering the same or elevated experience patrons expect and desire. In Alberta, where casinos were allowed to reopen in mid-June, strict cleaning protocols and physical distancing measures are mandated—and table games such as roulette and blackjack remain prohibited.¹²



While sports teams have been able to prepare for a return to play through rigorous team testing protocols to monitor and manage players’ health, sports venues are likely to be among the last to reopen their doors to crowds. Here too, organizations will need to rethink a host of issues. How will they direct the flow of fans into, out of, and through the stadium? How will they maintain safe space between fans, staff, and potentially even players? How will concessions staffing and service need to change? How will washroom crowding be managed?



New Zealand uses app to help small- and medium-sized business sectors reopen

New Zealand's Ministry of Economic Development introduced a voluntary app that uses a simple QR code linked to company registration numbers. After a business has done the appropriate things needed to reopen, it can choose to enter this information into the app—it is then listed as "green," meaning it's in compliance with authorities' reopening guidance. Customers can check for "green" businesses online or by scanning a QR code displayed on the storefront to be reassured that the establishment is safe to enter and do business with.

Engage customers actively

Canadians are undoubtedly keen to enjoy a restaurant meal, a hotel stay, a few rounds of poker, or a day at the ballpark. Nonetheless, it may not be easy to persuade customers to return while infection remains a risk, and attracting new customers could be even more challenging.

It's not enough to implement physical distancing measures and adopt stringent new cleaning protocols. Companies will need to connect actively with customers new and old to communicate how they're protecting their customers' health. From signage to emails, social media posts to YouTube videos, they should take the initiative to explain and show what they're doing to keep everyone safe as business slowly reopens. Clear, consistent, hype-free messaging is vital to ensuring customers understand what they're doing and to building their trust.

Beyond this important step, companies should be searching for any opportunity to use incentives and special offers to welcome existing customers back or attract new ones. Discounts, extra privileges, two-for-one ticket offers, and more can all help bring customers back while recognizing the difficult economic circumstances so many find themselves in. Loyalty programs should be capitalized on as much as possible: companies can aim to drive customer traffic by lowering point redemption requirements, or target members with special reopening offers tailored to different program tiers. Ultra-flexible change and refund policies can also be powerful customer incentives, particularly given ongoing COVID-19-related uncertainties.

Using price as a means to drive customer traffic, on the other hand, should be considered carefully. This approach risks sparking a price war that could all too quickly become a race to the bottom, and risks leaving money on the table when higher demand does start to rebound. It's especially important for those operating in the luxury space to weigh the option; price concessions may have stimulated demand in the aftermath of previous major events (SARS, hurricanes) and recessions, but it took longer for revenues to return to historic, pre-event/pre-recession levels.¹³

Move customer touchpoints online and expand the experience

Across the hospitality sector, companies will need to take every opportunity to move touchpoints online as part of a broader effort to protect the health and safety of customers and employees alike. Restaurants are doing away with the need to pay the delivery driver. Gambling service providers may look to partner with food delivery companies and online or click-and-collect grocers through which to distribute lottery tickets and other products. Casinos may consider moving the gambling table experience online to bring their core customers together without subjecting them to intrusive physical distancing measures, or invest in increasing the penetration of existing online offerings. Hotels had already begun to use smartphone apps to bypass the front desk with mobile check-ins and keys, though this was mostly done to reduce costs; COVID-19 has turned these cost savings into a revenue driver, and we should expect to see much more investment in similar no-contact technologies.



However, moving these touchpoints online means that restaurants, hotels, and other hospitality sector organizations can't deliver the personal touch and interpersonal interactions that traditionally played a key role in the overall customer experience. Businesses will need to find ways to deliver a unique experience in order to differentiate themselves, strengthen their customer relationship, build customer loyalty, and retain their brand. How can restaurants make the delivery and take-out experience memorable? What can hotels do to ensure their guests feel special and even pampered when they no longer talk to the front desk or usher room service into their rooms? The key for all hospitality organizations will be to strike the right balance between technology-enabled self-service and the need or desire for human interaction in service-based offerings.

OEB Breakfast Co. goes contactless to keep customers safe

Vancouver-based OEB Breakfast Co. reopened its dine-in service in mid-May. The restaurant has limited seating in order to follow social distancing guidelines to protect patrons and staff. To manage guest numbers and prevent congestion at the restaurant's entrance, guests must make a reservation or sign up on a waitlist using the Yelp smartphone app. Contactless menus are accessed via smartphone using QR codes, and all servers and other employees wear masks.

The big pivot: Find new ways to do business

Traditional business and operating models have taken a beating amid the pandemic and the ensuing lockdown. Organizations that relied on packed gaming tables, full dining rooms, sold-out arenas, or a steady stream of tourists, business travellers, wedding guests, and conventioners must now find a way to do business without the usual crowds. They need to pivot toward new offerings that make sense for their customers and their business.

Many restaurants shifted to online ordering and home delivery once dining rooms were ordered to shut, and some have reimagined their business further. Some are offering do-it-yourself meal kits, providing both a delicious meal and the experience of preparing it with the restaurant's expert guidance. Others are considering transforming into so-called ghost kitchens full-time, abandoning the dining room in favour of home delivery alone. Confronted with the daunting economics of running a restaurant at mandatory half-capacity, it's likely that many more restaurants will seek to augment their traditional offering in the months ahead—or move away from it entirely.



With long-distance travel, conventions, trade shows, and other large events unlikely to return to any appreciable extent for a year or more, the hotel industry will likely need to refocus on local and domestic travel markets. “Staycation” packages could lure city dwellers eager for a close-to-home respite from the stress of lockdown; destination hotels and resorts could target consumers within a day’s drive, offering a safe, feasible getaway. Some hotel operators have already begun to offer short-term accommodation for travellers who must self-isolate for 14 days upon arrival. Hotels may even look for ways to help consumers bring the hotel experience home by delivering spa products, meals, or even hotel-quality beds, sheets, towels, and robes. Some might even offer exclusive online cooking sessions with their Michelin-starred chefs.

Unable to welcome the usual crowds to its gambling floors, shows, and restaurants, the gambling sector is likely to look to online offerings to reach consumers and rebuild business. In Atlantic Canada, gaming service providers saw tens of thousands of players migrate to online products during the lockdown; the goal now is to retain these new online customers in hopes of recouping some of the millions being lost to illicit/gray market online gambling elsewhere. Casinos and gambling service providers may also begin to look at app-based gambling as a way to reach millennials and older Gen Z gamblers who may not have the same level of interest in traditional games or slot machines. And many organizations may turn to e-sports as a way to attract new customers and generate fresh gaming revenues.

With many of North America’s professional sports leagues getting ready to start (or restart), teams face a near-term future of playing in empty arenas and stadiums—and a huge revenue gap. Even when fans are allowed to return in some fashion, teams are likely to find it harder to sell season tickets and corporate boxes. Teams will need to rethink how they go to market and how they package and sell tickets; expect to see more teams adopt subscription models for smaller blocks of tickets, pursue more same-day tickets sales, and more. They will also need to embrace the digital world to an even greater extent to keep fans engaged and find new sources of revenue; many teams may launch e-sports teams and new online services beyond the “special behind-the-scenes access” services many offer today.

Focus on operational agility to navigate uncertainty

COVID-19's impact on the customer experience in the hospitality sector is undeniable. Its impact on organizations' operational realities can't be understated either. And with the road to recovery likely to be a bumpy one, as the world deals with the ebb and flow of coronavirus infections, organizations that can maintain operational agility stand to be better able to navigate the uncertainties ahead.

Embrace an agile workforce and supply chain

Organizations in the business of hospitality will need to rethink their staffing needs in a world of physical distancing and fewer customers. The new normal may no longer support pre-pandemic staffing levels, and companies may need to look at reducing staff or reassigning employees to other roles (e.g., organizations may need more cleaning staff than before). Yet at the same time, they may find themselves dealing with sudden changes in customer volume for reasons related to COVID-19. An outbreak could suddenly require restaurants and other establishments to be closed temporarily, for example, or re-imposed travel restrictions could mean hotel guests don't show up for their reservation. To deal with this, organizations may want to make more use of flexible or contract staff or third-party service providers so that they can quickly respond to changing business conditions and staff up or down as needed.

The pandemic has also illustrated the fragility of the global supply chains that companies have come to rely on: consider the problems that COVID-19 outbreaks in North American meatpacking plants are causing for restaurants, grocers, and consumers alike. The economic downturn may also have caused many of the small suppliers that hospitality sector companies had done business with in the past to shut their doors. Organizations should ensure they identify new sources of supply for the products or services they rely on so that should COVID-19 disrupt supply chains in the future, a Plan B is already in place. As well, organizations should determine how to change their offerings in case the supply of a key item is interrupted. If you're a steak restaurant, for instance, what happens if your steak supply suddenly stops?





Use technology to alleviate operational burden and promote safety

Adhering to authorities' COVID-19-related health and safety rules—and addressing customers' health worries—represents a significant burden for hospitality companies, especially as they may be unable to operate with typical staffing levels. Technology can help ease this burden.

For examples, hotels, casinos, and sports venues might wish to explore the use of non-invasive thermal scanning technology to monitor incoming customers for signs of fever and alert staff to intercept potentially ill individuals before they can enter the premises. The technology is already in use in restaurants, casinos, and car parks in Macau—as well as in airports in various parts of the world—and people have come to accept the scanning as a necessary part of life in the new normal. However, the technology's utility is still subject to some debate, and North American customers may be more skeptical of such mass surveillance.

Smartphone apps may also prove useful. Something like China's health status app, which indicates an individual's health risk on a colour-coded scale, could help hospitality organizations screen customers prior to entry; they may also prove useful in facilitating the return of domestic and international travel. The contact-tracing apps used or under consideration by governments and health authorities worldwide, meanwhile, could enable hotels, casinos, and sports venues quickly identify a sick customer's travels through their facilities and alert other customers about their potential exposure.

Technology can also help hospitality organizations communicate when rooms were last cleaned—and even assist in the cleaning itself. Marriott Hotels is testing UV light to sanitize guests' key and devices shared by staff and using electrostatic sprayers to spread hospital-grade sanitizers in guest rooms, lobbies, gyms, and other public areas.¹⁴ Sports venues and other organizations may choose to take a cue from transit operators in Asia, which have begun deploying drones and robots to reach and disinfect hard-to-reach surfaces.¹⁵ Digital screens can display cleaning schedules, when a space was last cleaned, and promote organizations' health and safety precautions overall.

Symptom monitoring solutions help businesses reopen and protect staff and customers

A number of digital solutions have emerged during the current health crisis to enable Canadian organizations to monitor and manage the health of both workers and consumers. One of these solutions is Thrive Health, a digital platform that provides businesses and other organizations with the key functionality needed to safely reopen, protect the health of employees and patrons, and minimize costly disruptions: coronavirus risk assessments of individuals. Throughout the pandemic, federal and provincial governments have relied on Thrive Health's platforms to perform these assessments on millions of Canadians.

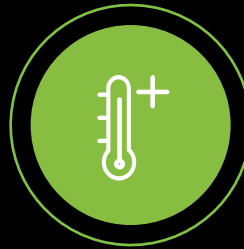
The platform helps organizations assess risk based on individuals' personal factors, roles, and symptoms—and it provides clear guidance, resources, and the latest recommendations on how to respond. Organizations can use the platform to keep their workforces updated, informed, and reassured while accessing regular updates on staff or visitor symptoms and personalized risk assessments. The platform's insights can provide the early warning needed to implement occupational health measures and avoid further disruptions.

Considerations for employee and customer health and safety



Use of various technologies can help organizations meet health guidelines and principles provided by governments to enable a safe reopening of the workplace. Assessments on the use of these technologies including impacts to legal, privacy and data security requirements is imperative to ensure digital and emotional trust beyond physical health.

Test & screen



Track & trace



Monitor & insights



Legal, privacy & security



Change & communications



Guidelines & compliance



Key questions for businesses



Test & screen

Employee symptom checking and screening

- What types of *health screening* solutions exist? And what is the best solution for a specific business?
- Who needs to be *screened* before returning to the workplace, and at what frequency?
- How can these *protocols* be *implemented*?
- How can public health's *testing initiatives* support *back-to-work efforts*?



Track & trace

Contact tracing and tracking "hot zones" through aggregated data

- What contract tracing support might the government deploy to support *employee-to-employee*, *employee-to-customer* and *employee-to-supplier contacts*?
- What are some *key considerations* when implementing a *contact tracing* solution?
- Do businesses need to leverage *tracking solutions* to help identify at-risk areas/zones?



Monitor & insights

Monitoring individual employees / at risk cases, developing wellness insights

- How should *individual cases* be managed?
- Do businesses need specific *policies* and/or *procedures* for *high-risk individuals* or *individuals in isolation/quarantine*?
- How can businesses *monitor employee health* and measure overall *sentiment and wellbeing*?
- What kind of *policies* are required to manage COVID-19 cases?



Legal, privacy & security

Legal, privacy and security considerations to support deployment of solutions

- What *additional information* does an employer need to collect from their employees?
- How should *data* be *effectively safe-guarded*? What additional *security controls* are required?
- How do these changes impact *privacy agreements* and/or employment contracts?



Change & communications

Communicating changes to employees and consumers, support change effort

- How can employers *communicate* these changes to their organization? To their customers and/or visitors?
- Will businesses require *use of a call centre* or other to support these solution(s)?
- Are there other *change management considerations*?



Guidelines & compliance

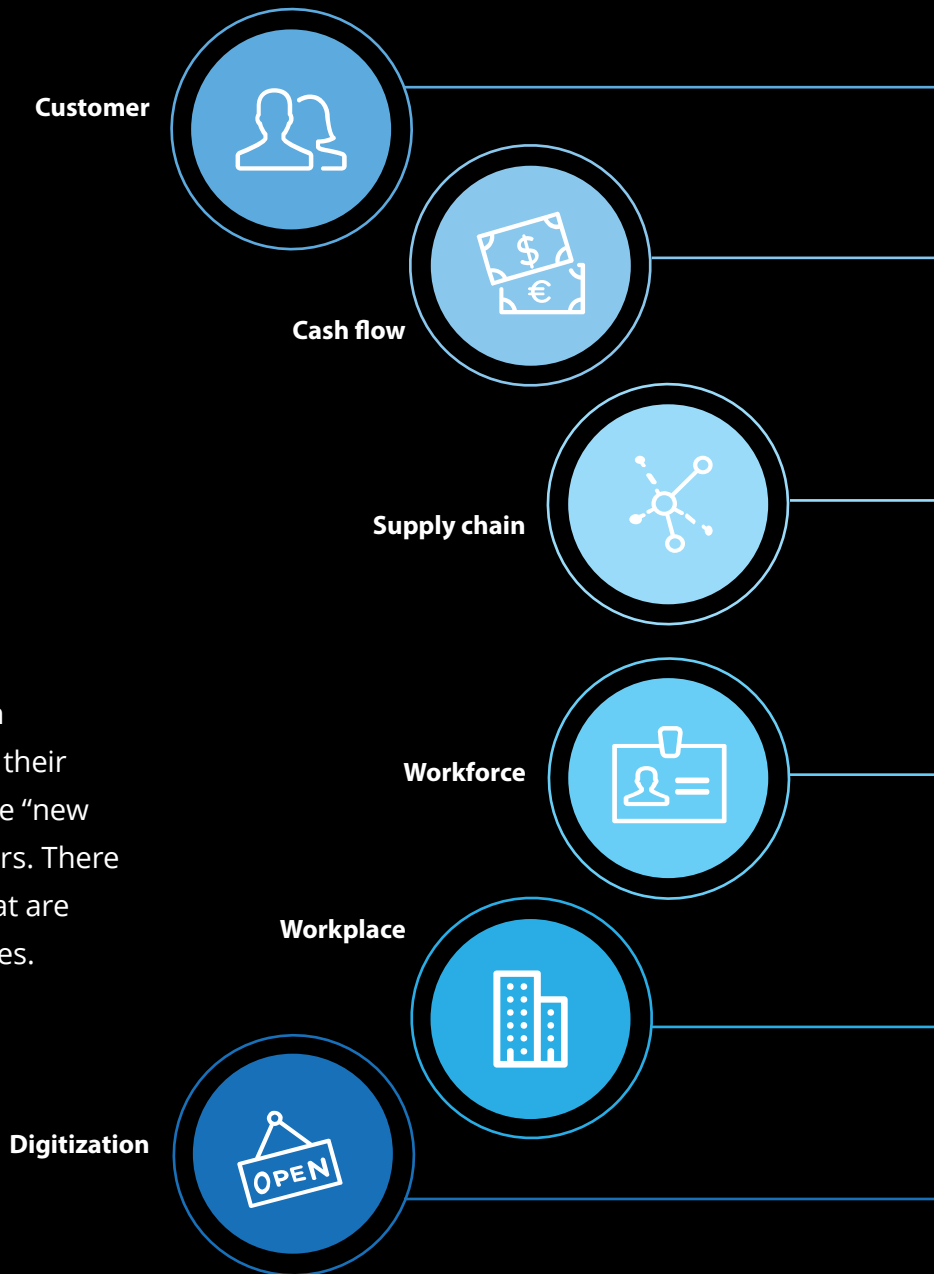
Understanding and complying with health and safety policies issued by public sector

- What *requirements and guidelines* are applicable to a specific business?
- How can businesses effectively *comply, measure and monitor* guidelines and regulations?
- What kinds of *reporting* may be required?
- What are industry *best practices*?

Considerations for effective business recovery



Once health & safety measures are in place, each business should reassess their operations, account for changes in the “new normal” and reconnect with customers. There are many business considerations that are common across all outlined businesses.



Key questions for businesses



Customer

Understanding customers' needs and communicating

- How have *customer expectations* changed?
- How do businesses *evolve their ways of working/product or service offerings* to meet new needs?
- How might businesses *re-connect and communicate* with their customers?
- How might businesses *engage with customers* with a capacity-constrained on-site or virtual customer service team?



Cash flow

Getting cash flow in order and assessing business health

- How can business owners accurately diagnose the *current health of the finances and liquidity* of their business?
- How might businesses *forecast revenue and increase demand* for their offerings?
- How might businesses *minimize cost and improve cash flow*?
- How might businesses *source and secure the financial support* required?



Supply chain

Re-organizing supply chain and forecasting future needs

- How might businesses *assess the effects on our supplier network*?
- How might businesses *maintain/improve visibility of inbound materials*?
- How might businesses *assess shortages/problems* in the supply chain?
- How might businesses *manage employee travel and product distribution*?



Workforce

Rethinking workforce—capacity, capability and affordability

- How can businesses identify *on-site work needs*? Do they need to *stagger return* to work of their employees?
- How can businesses ensure continued *workforce success* including *training for new skills* and requirements?
- How might businesses *manage visitors* to their facilities/offices/sites?
- How can businesses *promote continued employee engagement*?



Workplace

Managing physical and virtual workplace, risk and compliance

- How can businesses *re-design physical workplaces*? What *best practices* can we deploy?
- What kinds of *PPE* are required? How can businesses *procure and manage inventories*?
- How can businesses ensure appropriate *cleaning and disinfecting* requirements are met?
- How do businesses comply with *landlord* requirements?



Digitization

Making use of digital tools and assets to increase growth

- Are employees returning to the way they worked before, or *adopting new ways of working/SOPs*?
- Is there an *increased need for digitization/touchless technologies/ other*?
- What kind of *collaborating technologies* and tools can businesses use?



A recovery like **no other**

The hospitality sector in Canada and elsewhere around the world is poised to emerge from the COVID-19 lockdown and do business once more. Yet hospitality organizations will find themselves in a very different business environment and dealing with some important changes in consumer behaviour.

Understanding how this behaviour has evolved and responding effectively to those changes will be critical to enabling businesses to recover in a post-pandemic economy. Organizations will need to reimagine the customer experience and take deliberate action to maintain and build consumers' trust. They will need to develop offerings that reflect the impact of COVID-19 on customers' health and finances while also encouraging them to get out of the house, travel, and spend. As well, hospitality businesses will need to manage the operational realities of the new normal, investing in technology to help deal with the burden while building a more flexible, agile workforce.

In an environment of dramatically lower revenues, high fixed costs, less than optimal asset returns, and the need to conserve capital, hospitality organizations will need to determine which areas to prioritize and invest in. They will need to find the right balance between investment and conservation, one that achieves the highest ROI in the near to medium term. Some of these decisions will endure; others may not. But the decisions made in the months to come will have a lasting impact on the operating models of the hospitality sector for years to come.

The COVID-19 pandemic will eventually fade. The economy will recover, and the hospitality sector—from restaurants to hotels, casinos to sports—will regain its footing and look forward with confidence to a successful, thriving future. Now is the time for companies to act, adapt to the new normal, position themselves for nimbleness, and thrive in the years ahead.

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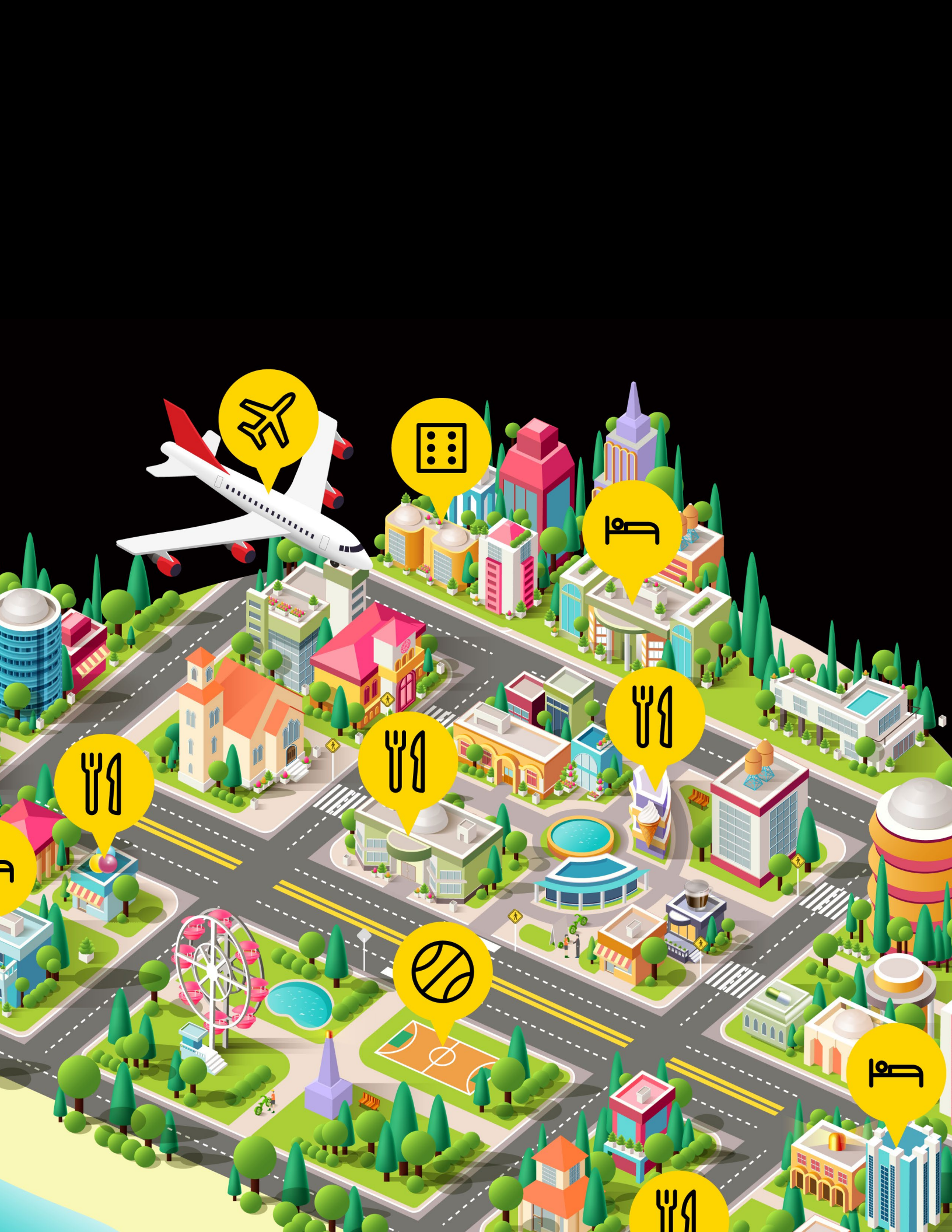
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