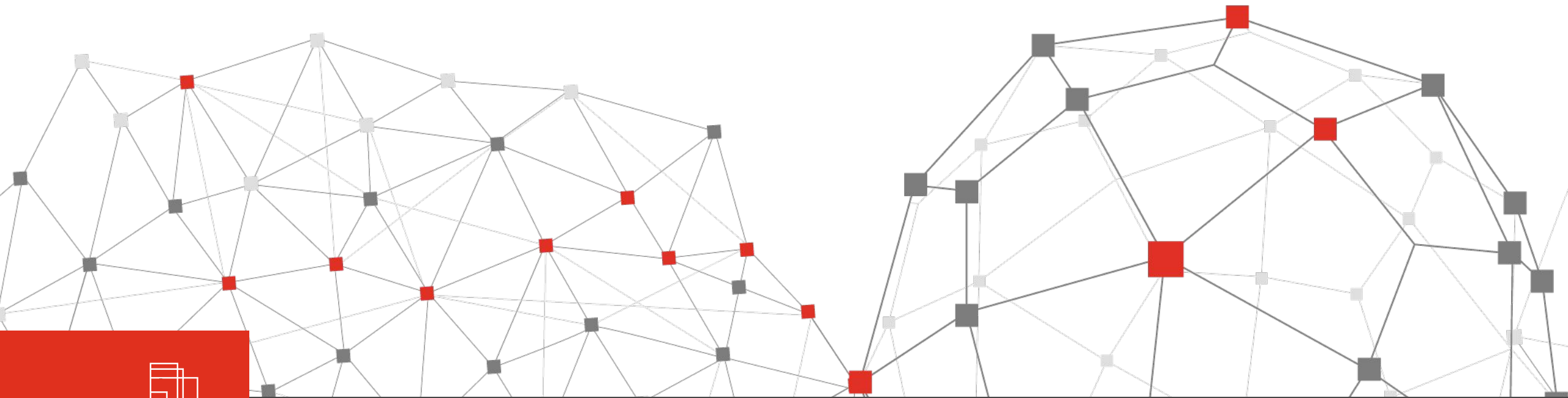


COVID-19

Impact of COVID-19 on demand:

How can B2B organisations protect revenues and build a commercially strong future?



COVID-19 continues to affect businesses worldwide, and has a significant impact on profitability

COVID-19 global impact

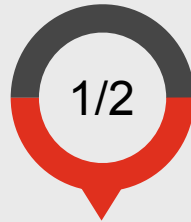
- Since its outbreak in December 2019, COVID-19 has been **affecting businesses worldwide**
- What we see today is **only the beginning** – impact will likely increase in the coming weeks and months
- **Global impact** across all nations and sectors / industries, bringing **challenges but also opportunities** (e.g., modified behaviours, different timing of impact, stimulation of ecommerce)

206

countries affected*

1 trillion \$

potential cost for global economy**



of total world population under quarantine as of March 25***



Key business challenges

- **Potential slowdown or discontinuation of supply and demand**, due to:
 - **Government containment measures** creating significant disruption (e.g., quarantines, travel restrictions, schools and offices closure, social distancing)
 - **Labor inefficiencies & shortages** (e.g., employees infected by virus / under quarantine, home office, travel restrictions)
 - **Material delays & shortages** (e.g., supply challenges, low forecast and planning accuracy, closed factories, supplier bankruptcies)
 - **Economic uncertainty** (e.g., low investment rates, fear of recession, economic unemployment, price consciousness, bankruptcies)
- **Leading to significant impact on profitability:**
 - Reduced **incoming cash flows**
 - **Price fluctuations** of required materials / labor
 - Potential **claims** due to missed contractual obligations
 - **Cybersecurity** threats as a consequence of remote working

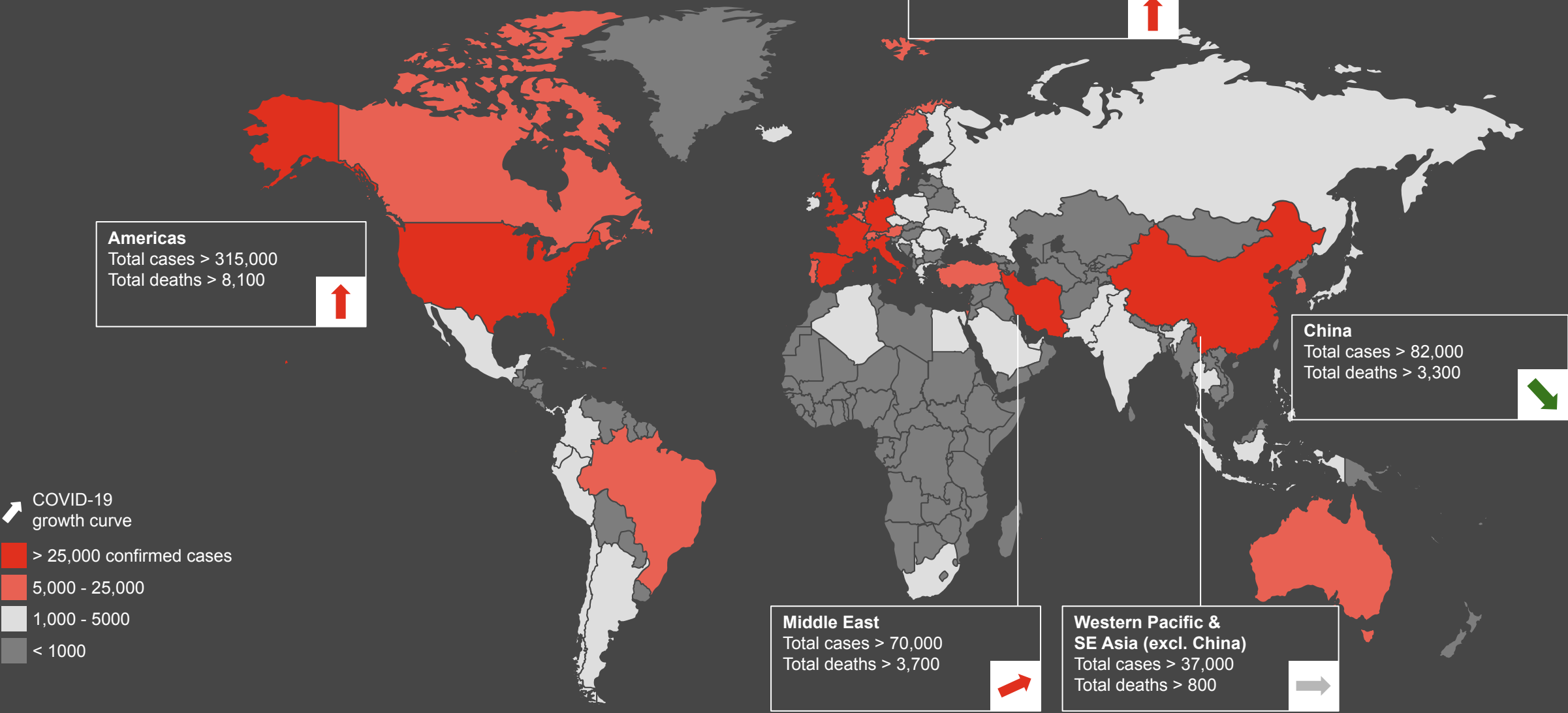
*Source: World Health Organisation, as of April 3 2020

**Source: UN's trade and development agency

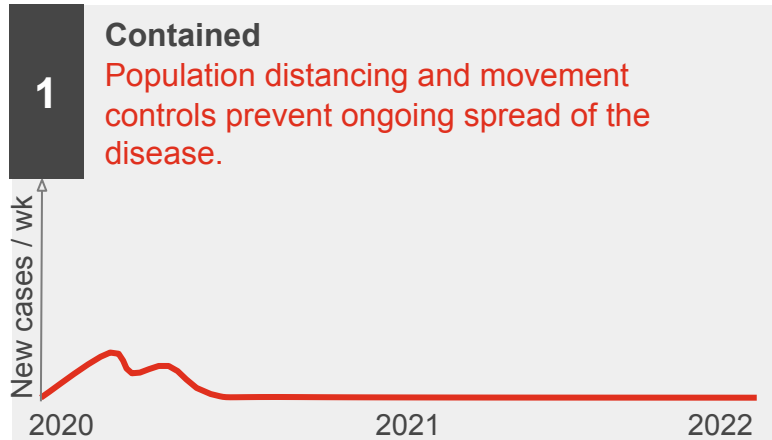
***Source: AFP database, April 3 2020

The epicenter of the pandemic moved from China to Europe and is moving to the USA

As of April 5, 2020



Different scenarios concerning the evolution of the COVID-19 crisis need to be taken into consideration

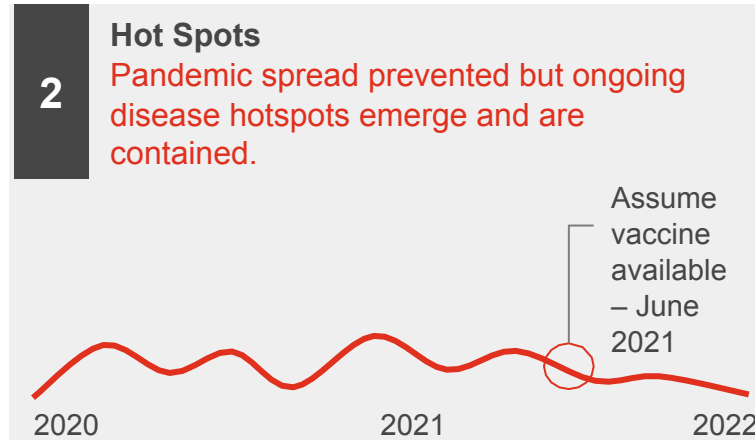


Assumptions:

- Near 100% case detection rate in all countries, including mild cases.
- Successful contact tracing and quarantine measures in all countries.

Impact:

- Economy: Uncertainty has a short term impact on markets. Affected countries more significantly impacted.
- Workforce: Home working and travel restrictions in affected countries as disease is contained.
- Supply chain: Reduced output from affected countries impacts supply chain in the short term.
- Timeframe: 3 to 6 months.

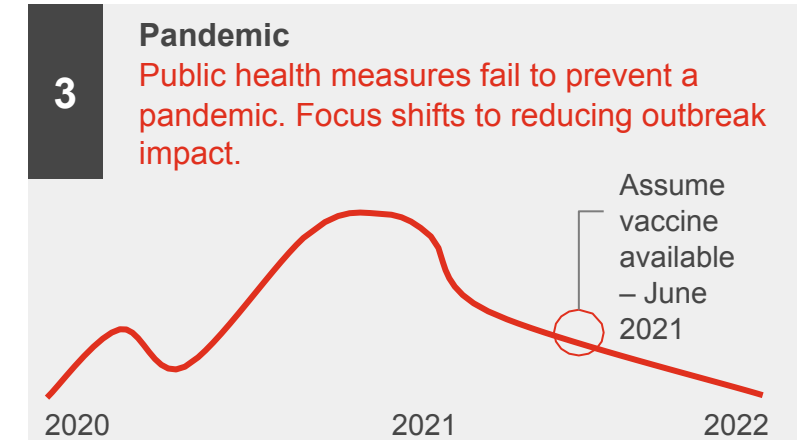


Assumptions:

- Not all cases are detected, allowing spread at a reduced frequency.
- Successful contact tracing and quarantine measures around emerging cases prevent a pandemic.

Impact:

- Economy: Ongoing uncertainty has longer term impact on markets. Affected countries more significantly impacted.
- Workforce: Home working and travel restrictions in existing and newly affected countries.
- Supply chain: Reduced output from affected countries impacts supply chain.
- Timeframe: 12 to 18 months.



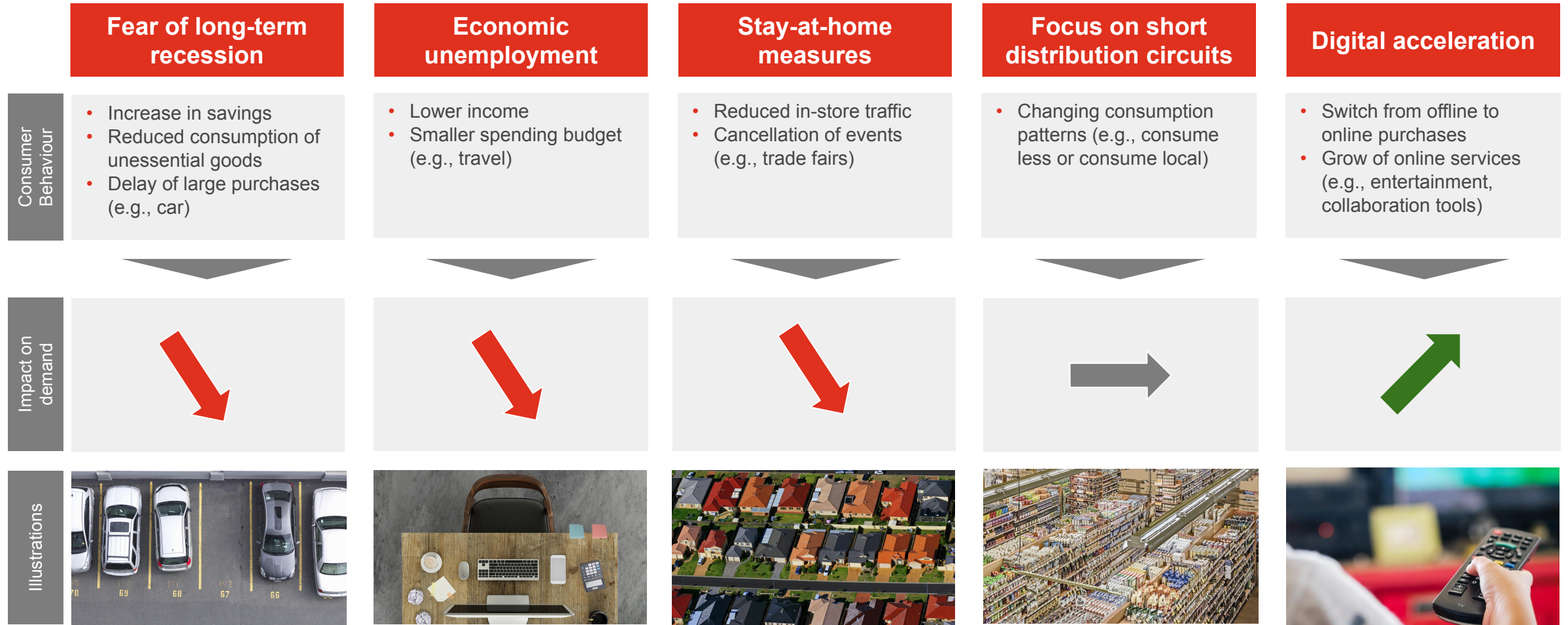
Assumptions:

- Contact tracing and population movement controls are unsuccessful in containing outbreak.
- Commercially available vaccine necessary to stop spread.

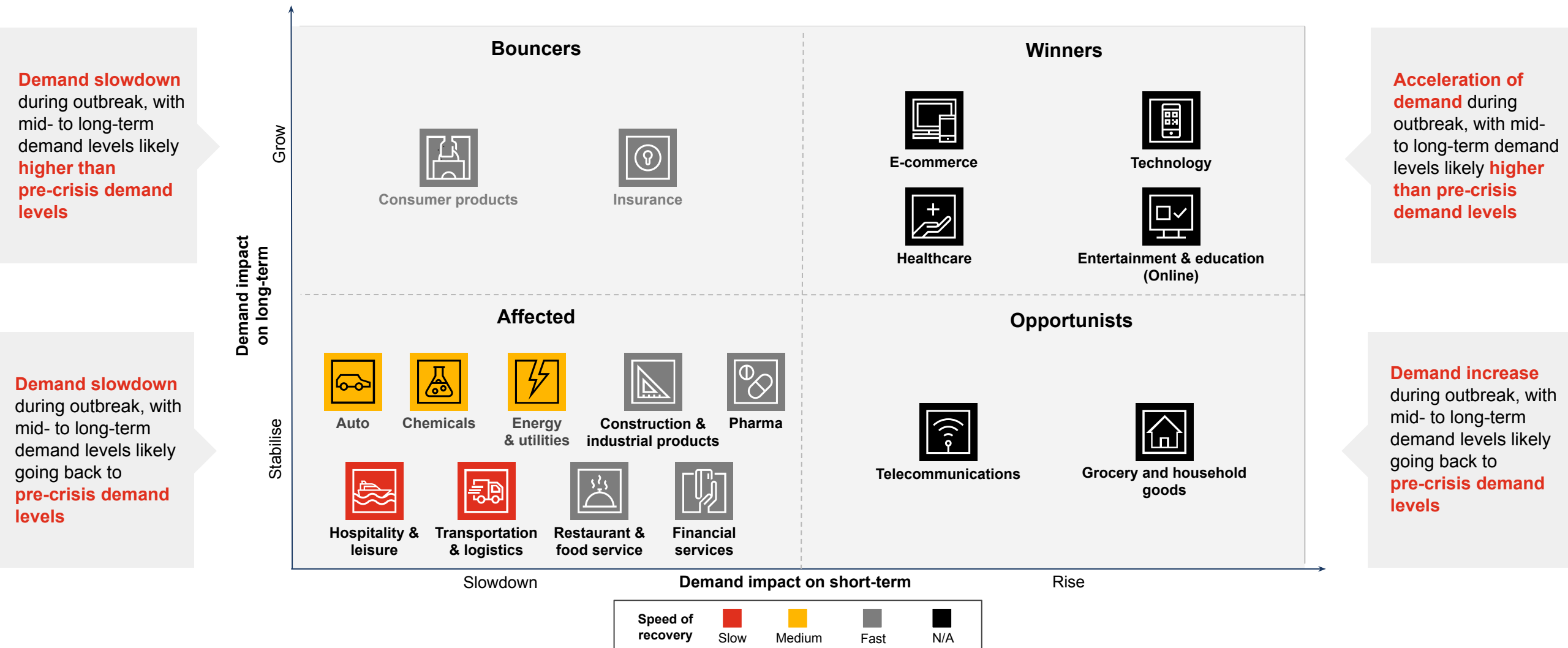
Impact:

- Economy: Increased risk of global recession dependent on the severity of the pandemic.
- Workforce: Major global disruption, including home working, travel restrictions and morbidity and mortality in the workforce.
- Supply chain: Global shortage of some goods due to production slowdown.
- Timeframe: 12 to 18 months.

Rapid changes in consumer behaviour are mostly negatively impacting global demand



Companies will experience strong demand fluctuations on short- and long-term, and a varying speed of recovery



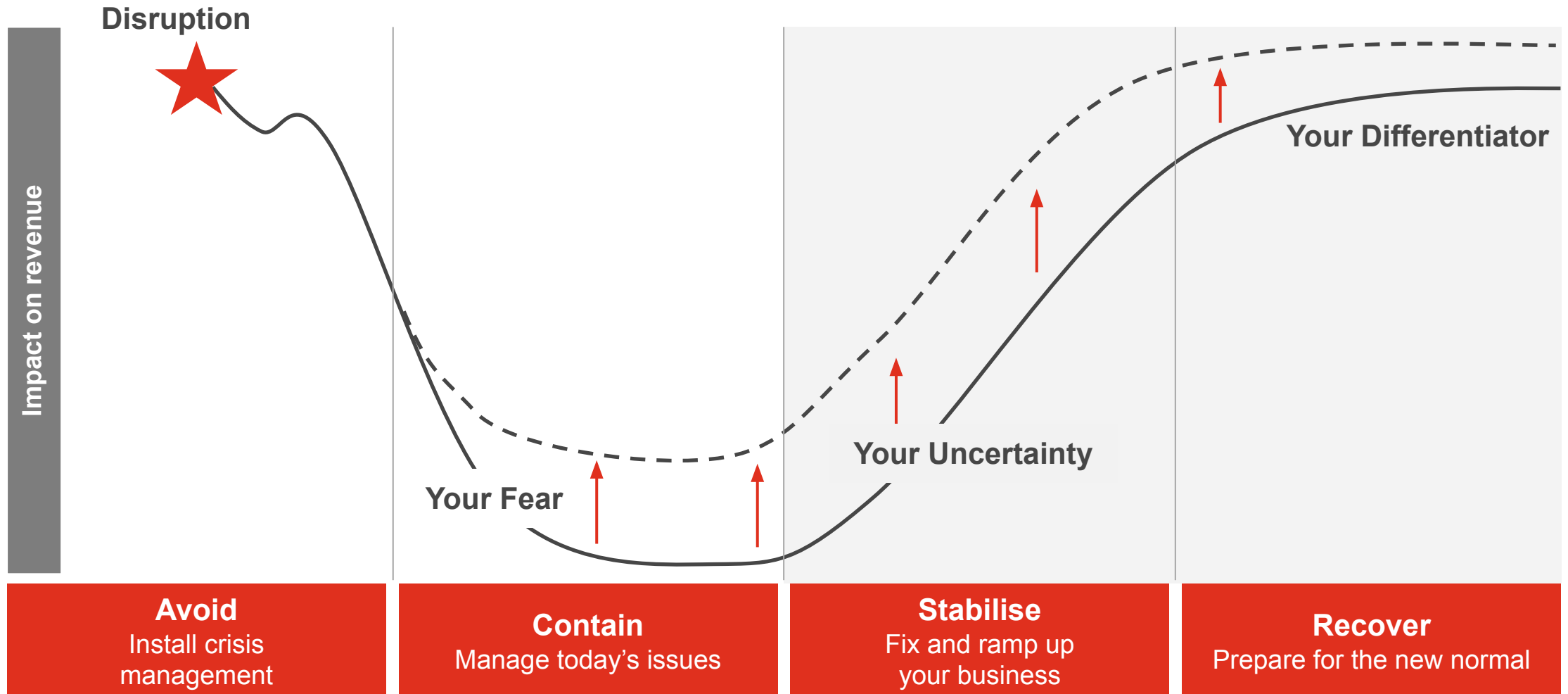
Demand slowdown during outbreak, with mid- to long-term demand levels likely **higher than pre-crisis demand levels**

Demand slowdown during outbreak, with mid- to long-term demand levels likely going back to **pre-crisis demand levels**






Acceleration of demand during outbreak, with mid- to long-term demand levels likely **higher than pre-crisis demand levels**

Demand increase during outbreak, with mid- to long-term demand levels likely going back to **pre-crisis demand levels**

Companies should act fast and prepare for the new normal to minimise the negative impact on revenue...



...and can undertake a number of actions to stabilise their business and accelerate the recovery

	Stabilise	Recover
 Protect revenue	<ul style="list-style-type: none">• Closely monitor sales pipeline and fluctuations in demand• Set up governance (e.g., daily sales check-up) for fast-decision making on sales planning, communication and pricing	<ul style="list-style-type: none">• Prepare delivery to prioritised segments when demand picks up• Assess customer experience and launch targeted churn and win-back action program
 Capture online demand	<ul style="list-style-type: none">• Enhance digital presence (e.g., online search, landing page) and capture online demand	<ul style="list-style-type: none">• Build or enhance eCommerce capabilities• Define digital strategy and fit for growth target operating model
 Engage with customers	<ul style="list-style-type: none">• Shift customer support to remote work-from-home set-up• Connect with clients, show empathy and take actions to support them (e.g., no penalty for order cancellations)	<ul style="list-style-type: none">• Grow self-service capabilities and promote digital adoption• Monitor customer satisfaction along the customer lifecycle
 Empower your sales force	<ul style="list-style-type: none">• Ensure safety and wellbeing of your sales force, perform daily coaching and reassure top performers• Set up remote working guidelines and tools	<ul style="list-style-type: none">• Measure and enhance sales force effectiveness via training (e.g., virtual sales playbook) and tools (e.g., digital signature)• Define future way of working and culture, and realign workforce
 Optimise your costs	<ul style="list-style-type: none">• Restrict or freeze sales, marketing and general expenses• Reallocate sales and marketing budget on most relevant items	<ul style="list-style-type: none">• Embed structural cost-containment measures (e.g., travel allowance)• Optimise channel mix to reduce cost-to-serve and cost-to-acquire

There is no time to waste...

1

**Install a crisis team
and new ways of
working**

2

**Identify and tackle
today's issues and
opportunities**

3

**Prepare the expected
upswing afterwards**

The background features a network diagram on a dark gray background. It consists of numerous square nodes connected by thin white lines. Most nodes are white, but one node in the lower-middle section is highlighted in red. To the right of the main network, there is a smaller, semi-transparent inset of a similar network structure.

Stay

safe.

Stay

connected.



Thank you



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