

COVID-19

How can B2B organisations protect revenue
and build a commercially strong future



The image features a dark gray background with a complex network of thin white lines connecting small square nodes. Some nodes are white, while others are red. A large white number '1' is positioned on the left side. To the right of the '1', there is a solid red rectangular box containing the word 'Welcome' in white serif font. The network diagram is spread across the bottom and right portions of the image, with a small cluster of nodes at the top left.

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Welcome

Agenda

1. Welcome
2. Impact of COVID-19 on demand
3. Commercial strategies to accelerate recovery of B2B organisations
4. Q&A



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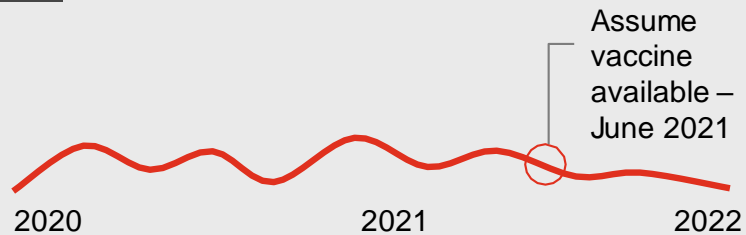
Impact of COVID-19
on demand

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

COVID-19 global impact

HOT SPOTS

Pandemic spread prevented but ongoing disease hotspots emerge and are contained.



215

countries affected*

1 trillion \$

potential cost for global economy**



of total world population under quarantine***

Key business challenges



Potential slowdown or discontinuation of supply and demand due to:

- Government **containment measures**
- **Labor** inefficiencies & shortages
- **Material** delays & shortages
- Economic **uncertainty**



Leading to significant impact on profitability:

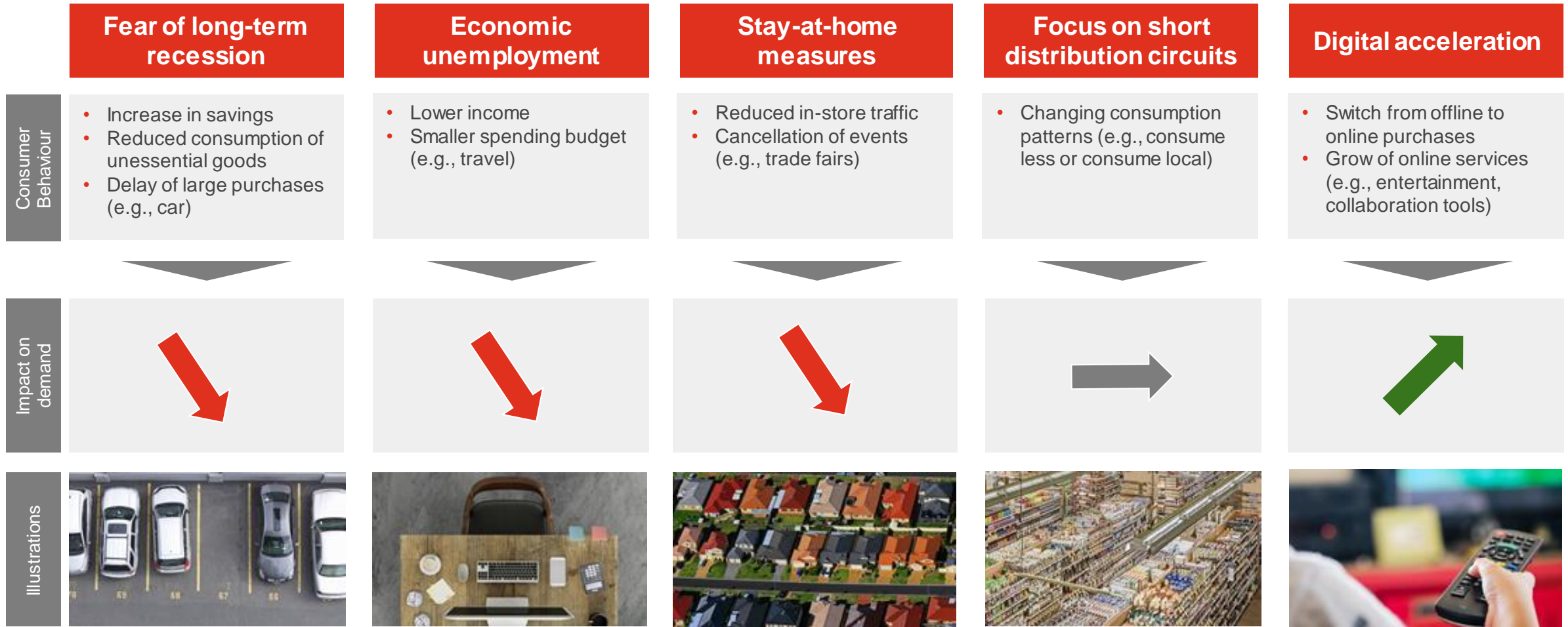
- Reduced **incoming cash flows**
- **Price fluctuations** of materials / labor
- Potential **claims** due to missed contractual obligations
- **Cybersecurity** threats as a consequence of remote working

*Source: World Health Organization, as of May 4 2020

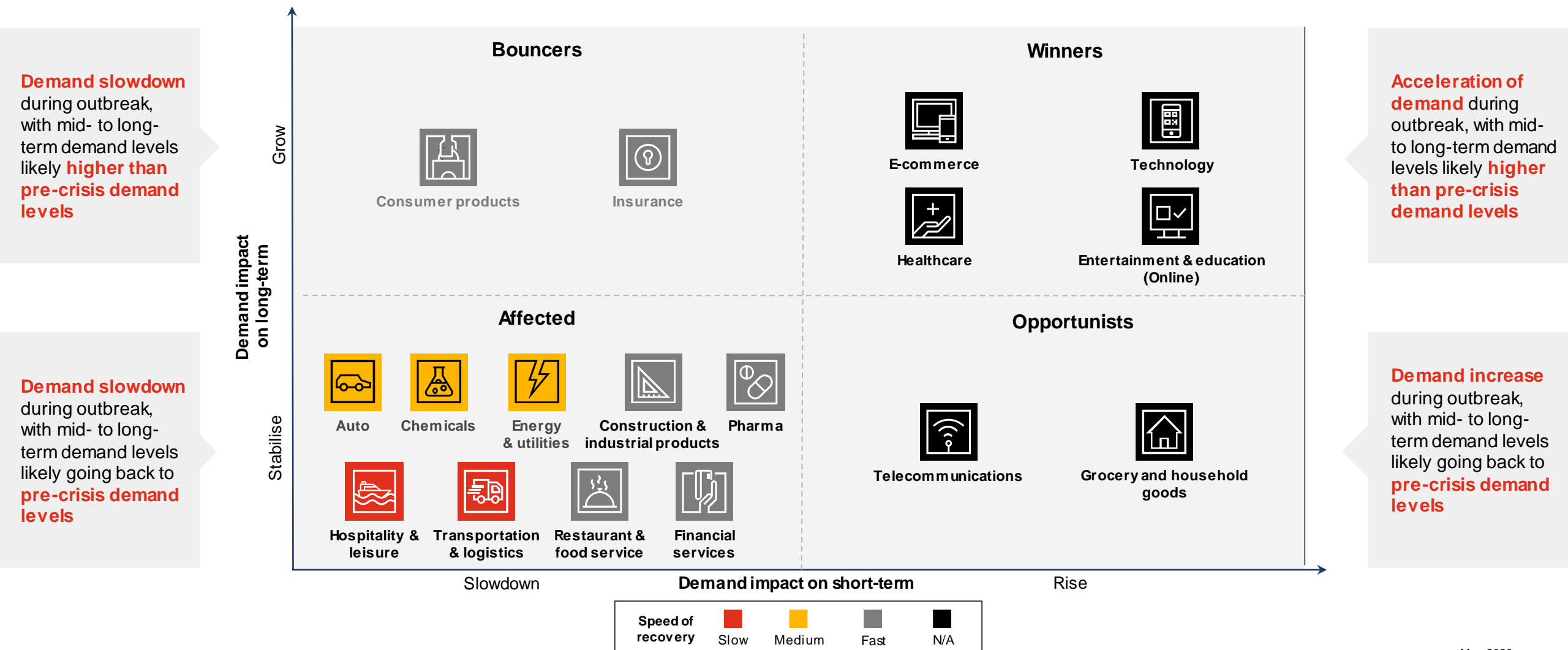
**Source: UN's trade and development agency

***Source: AFP database, as of April 3 2020

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



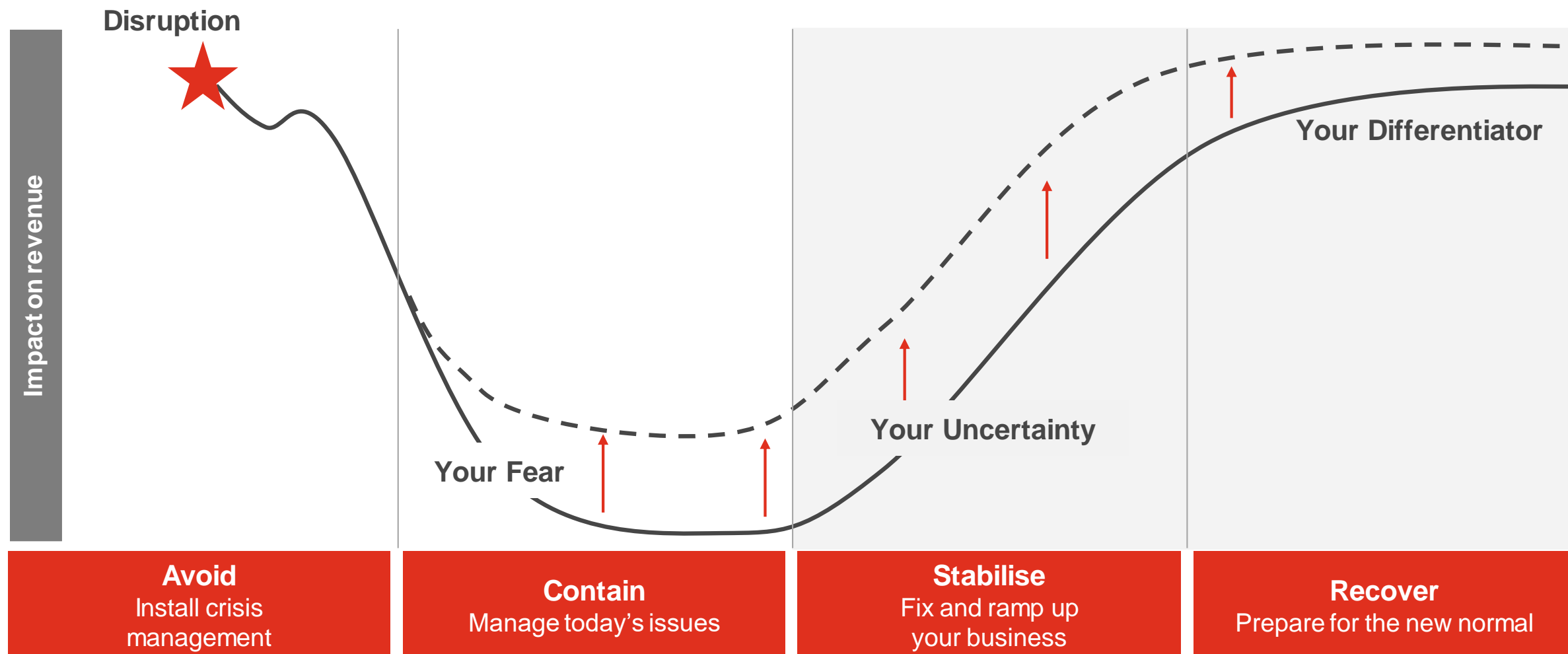
Demand slowdown during outbreak, with mid- to long-term demand levels likely **higher than pre-crisis demand levels**

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





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Commercial strategies to accelerate
recovery of B2B organisations

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

5 commercial strategies:



**Protect
revenue**



**Capture online
demand**



**Optimise
costs**



**Engage with
customers**



**Empower your
sales force**

Companies should leverage demand analytics and adopt targeted actions to minimise the impact on the top line

Assess & monitor the impact on revenue



High revenue
Secure revenue
Revenue at risk
Unknown

**Assess the expected revenue impact
by customer, product, channel, and
geography**

**Monitor demand fluctuations
and sales pipeline
through dashboards**



Launch “revenue-keep” actions



**Focus on recovered regions or products with
secure / high demand**



Launch targeted pricing tactics



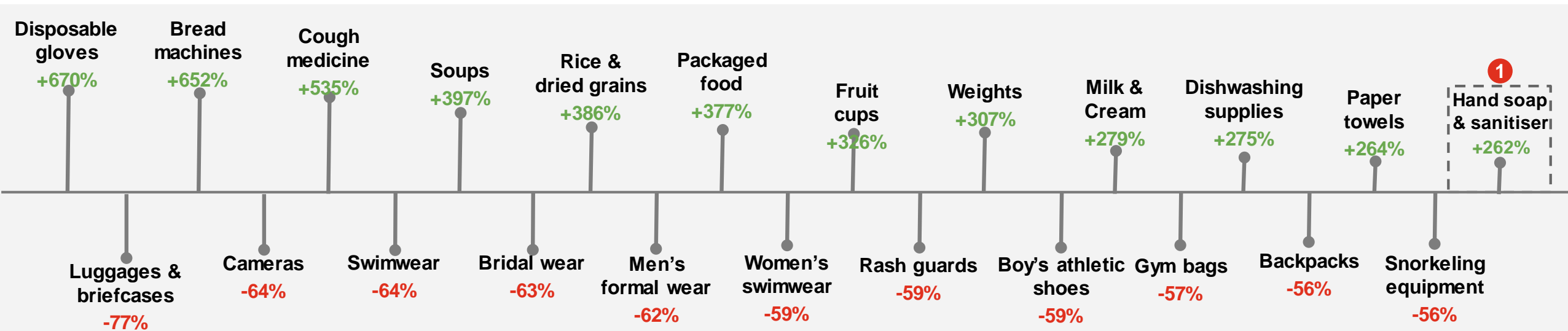
Launch sales sprints for critical opportunities



Up- and cross-selling to existing segments

Illustration: re-organising production according to demand fluctuations

Fastest growing & declining e-commerce product categories (March 2020 vs March 2019)



Examples



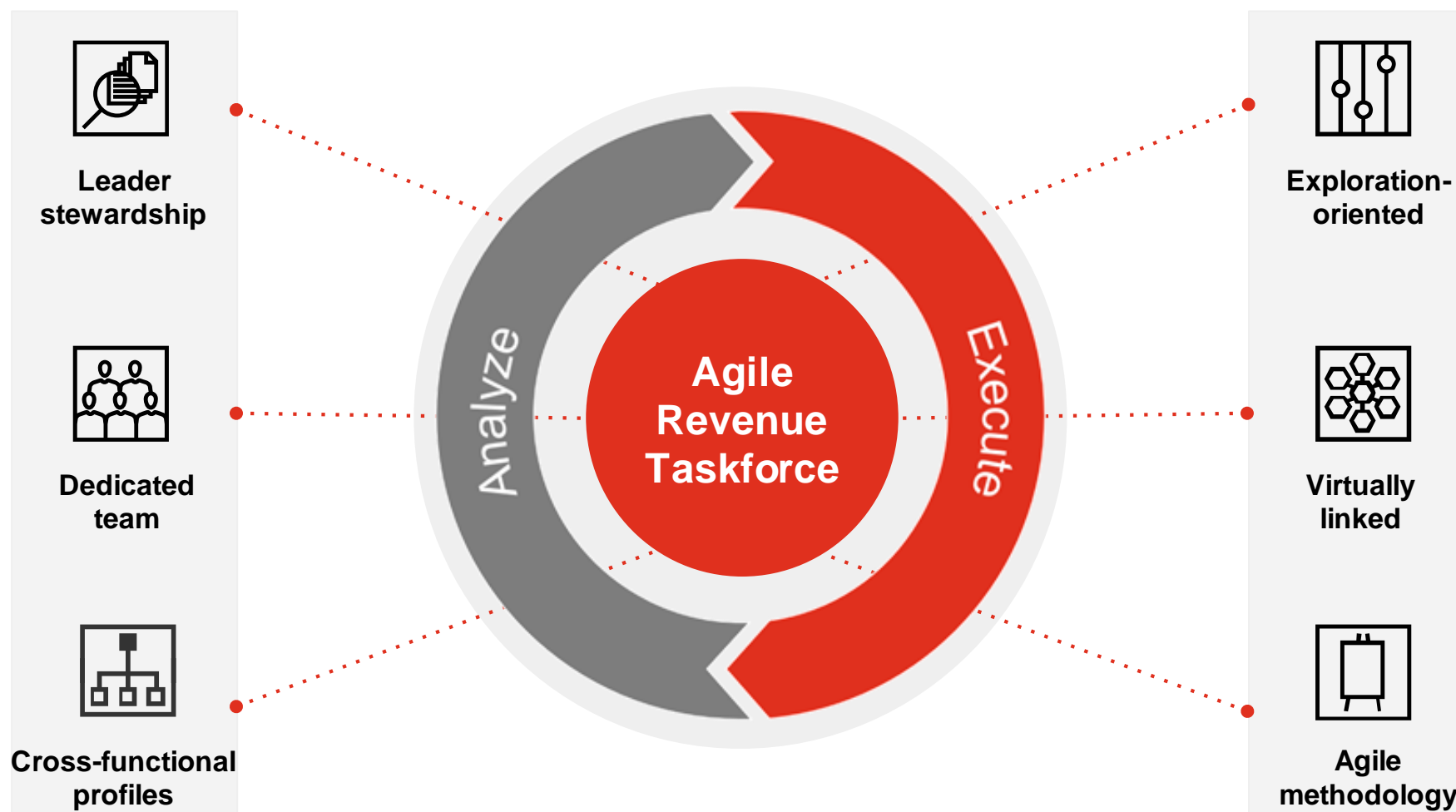
Adapted its manufacturing lines to create more sanitisers in response to surging demand for sanitary products

SIEMENS

Developed a robot within one week for hospitals to disinfect high-risk areas without putting employees at risk



Setting up central governance in a dedicated revenue taskforce will accelerate operating cadence and provide targeted guidance to frontlines



COVID-19 is impacting traditional sales channels of B2B companies

Traditional B2B sales channels are disrupted by COVID-19 measures



Social distancing



Quarantines



Travel restrictions



Field and inside sales channels are being disrupted



Revenue and customer relationships are at risk



Timeline to get back to business as usual is unclear

Trends depict a shift of B2B demand to online channels



... of B2B buyers prefer to conduct their purchase research online

74.6%

of US internet users say they are likely to avoid brick-and-mortar stores if COVID situation worsens

26%

...of B2B buyers completed at least half of their work purchases online in 2017...

...and is forecasted to increase to

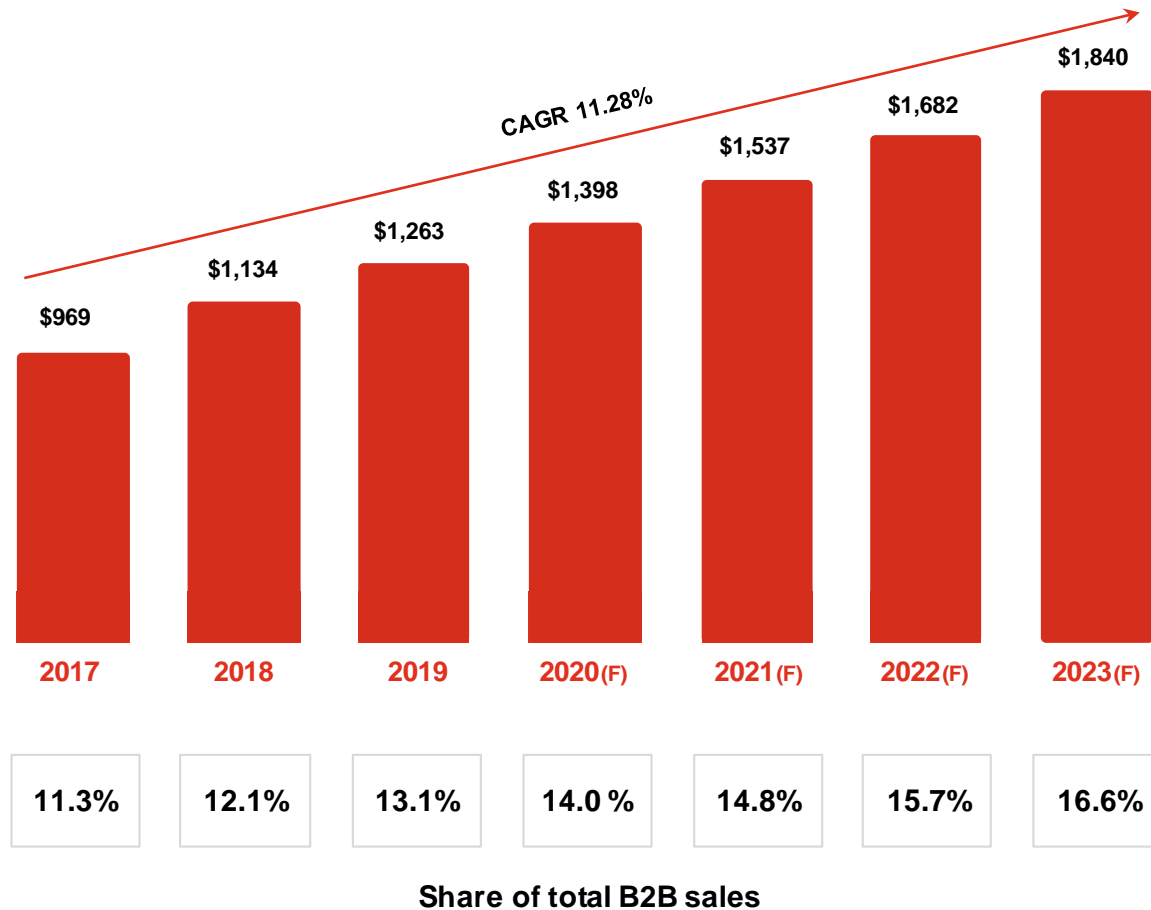
43%

...by 2021



B2B Ecommerce represent a significant opportunity to address shifting demand and maintain customer relationships

Actual & forecasted US B2B eCommerce sales (US\$ billions)



Ways to capture increasing online B2B demand



Enhance online presence

ONLINE
VISIBILITY

OMNICHANNEL
CONVERSIONS



Online marketplace

HIGH
VISIBILITY

EASY
SET-UP



Own webstore

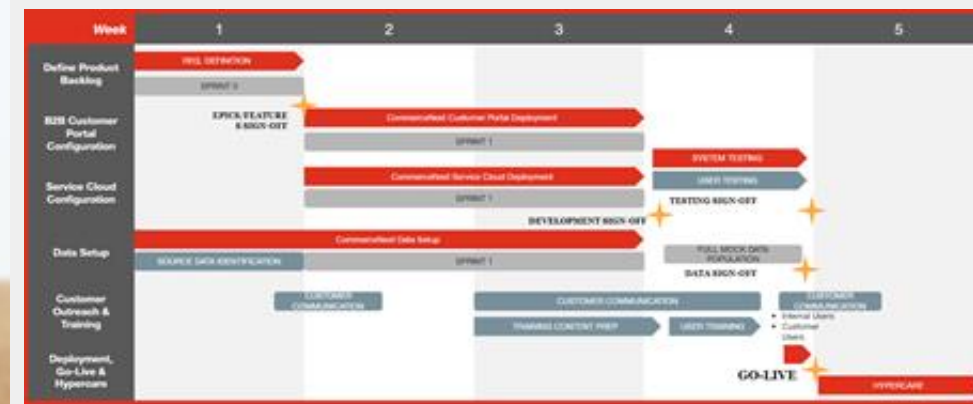
CUSTOMISED
EXPERIENCE

HIGHER
MARGINS

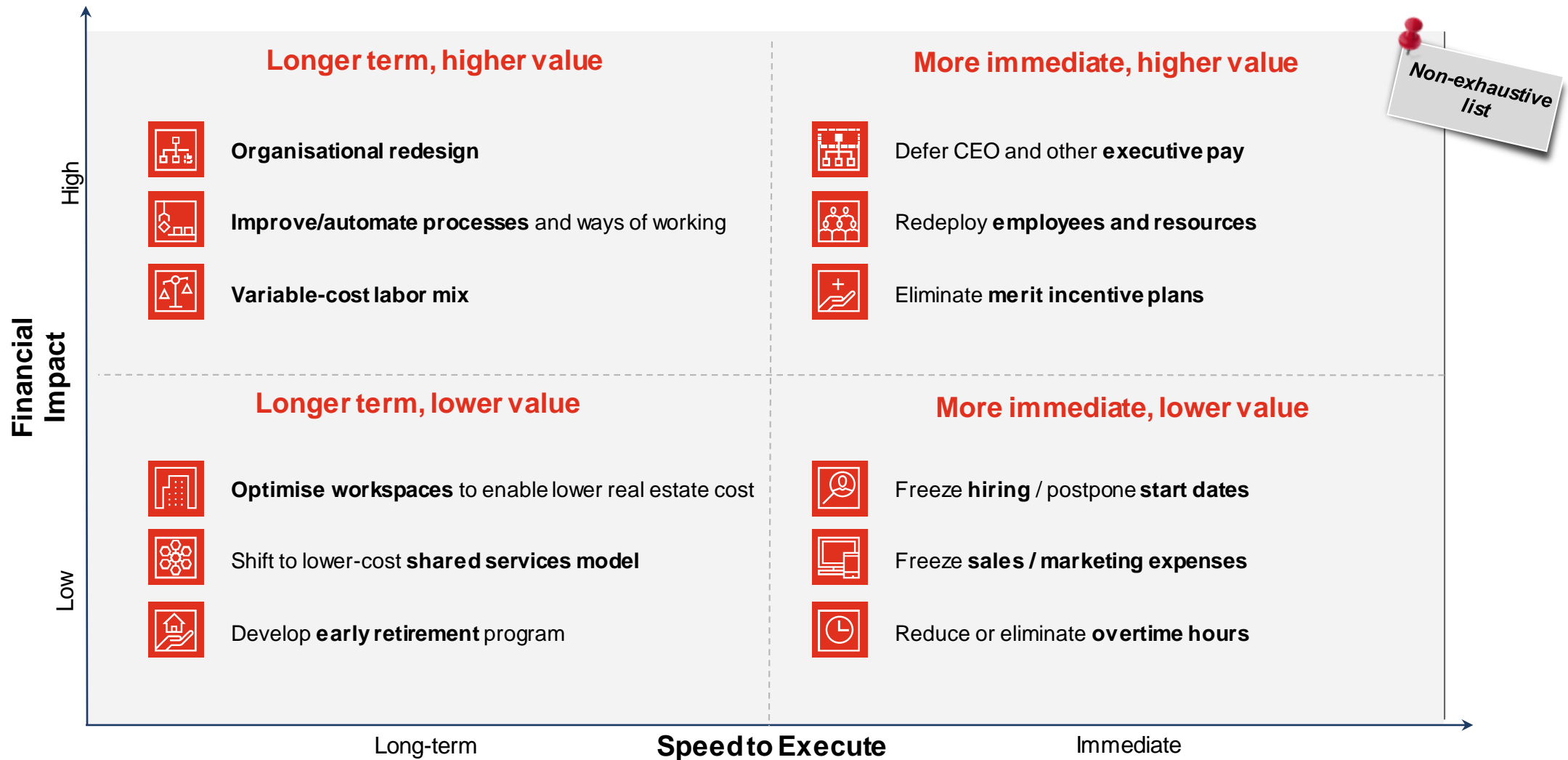
CommerceNext *Quickstart*



- ## ACCELERATED DEVELOPMENT



Businesses can take cost-cutting measures to address both immediate and longer-term needs...



...and have the possibility to reallocate savings in support of the community



redirected ~€2.7M
marketing spend
to COVID-19
measures



redeployed
~€4.6M
sponsorship
budget to COVID-
19 efforts

Coca Cola channels SG\$4.2m ad budget towards COVID-19 measures in Philippines

FARZANAH FARVEEN / 23 MARCH 2020



Coca-Cola GB joins brands freezing marketing spend

By John Glenday - 25 March 2020 10:48am



#HEALTH

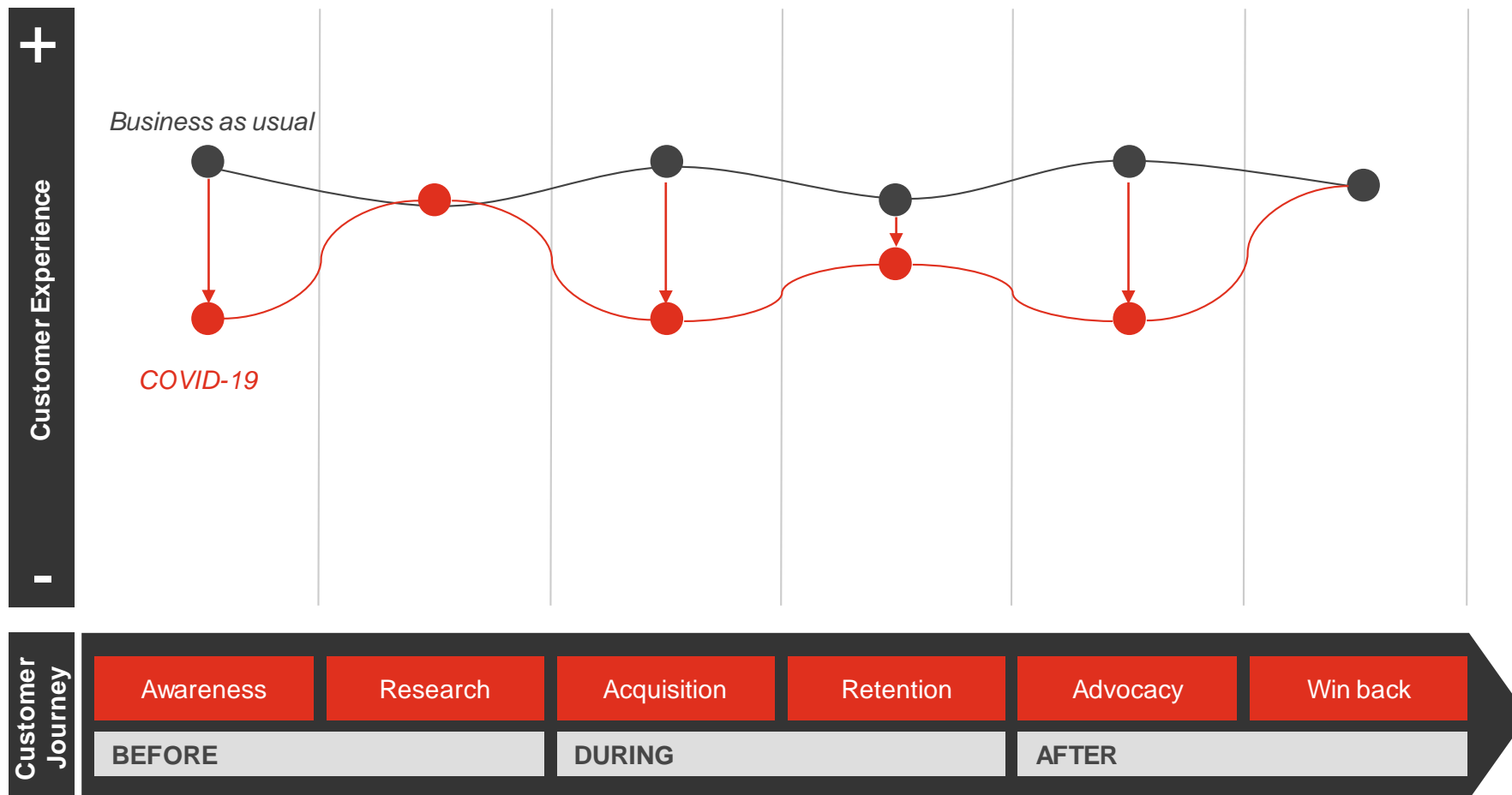
Anheuser-Busch funnels sports and entertainment budget into coronavirus relief efforts



A-B Redirects \$5 Mill from Sports and Entertainment Investments to American Red Cross

As COVID-19 is re-shaping how customers and businesses interact, assessing the impact on customer experience and redesigning “moments of truths” is crucial

ILLUSTRATIVE



Gather customer feedback to assess the impact on CX



Rapidly redesign new “moments of truth” cost-effectively

By putting customer needs first, companies have been able to create new moments of truth for their customers

HEART principles to improve CX

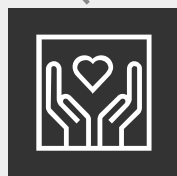
Honest

Ethical

Authentic

Responsible

Transparent



Customer
Experience

Company reactions



is helping dealers and customers with deferred payment finance program



pays suppliers earlier and extends credit to retailers



is helping the Red Cross deliver supplies to people in self-isolation



offered customers unlimited Internet at home



mobilised to ship thousands of COVID-19 test samples to 10 labs across the US in less than 24 hours

By building digital customer-service capabilities, companies can enhance their customer experience while minimising costs

Client case - Global electrical equipment specialist

Challenges		Solution		Results	
	Customer service unprepared for operating remotely		Customer Service Platform in a private cloud mode	-30%	incoming client cases
	Numerous disconnected service centers worldwide		Streamlined service center network with harmonised practices and tools	+50%	first-call resolution
	Low customer and agent satisfaction and utilisation		Customer-centric strategy: last agent to interact with customers handles the call	x3	increase in NPS over 2 years

Ensuring sales force well-being and effectiveness in this new environment is of utmost importance



Overview of key commercial strategies in response to COVID-19

5 commercial strategies:



Protect revenue

- Set-up a taskforce
- Monitor demand
- Launch “revenue-keep” actions



Capture online demand

- Mind the surge of B2B ecommerce
- Capture online B2B demand



Optimise costs

- Be aware of cost-cutting possibilities and community support options



Engage with customers

- Adopt the HEART principles
- Take advantage of digital tools




Empower your salesforce

- Track sentiment
- Ensure well-being
- Boost effectiveness
- Enhance digital skills

To help commercial leaders weather the storm, we have created a checklist with more than 25 commercial actions to stabilise and recover businesses

COVID-19: Commercial Effectiveness Checklist

☒ Commercial stabilization and recovery - Checklist

 Protect revenue	<ul style="list-style-type: none"><input type="checkbox"/> Monitor sales pipeline and fluctuations in demand per product category/end market, with help of dashboard<input type="checkbox"/> Set up governance (e.g., daily sales check-up) for fast-decision making on sales planning, communication and pricing<input type="checkbox"/> Assess product demand, prioritize client segments and launch targeted sales sprints<input type="checkbox"/> Accelerate invoice collection, review/update WIP and send additional invoices<input type="checkbox"/> Agree with top customers on improved invoicing schemes<input type="checkbox"/> Forecast demand and set up integrated business planning
 Optimize Costs	<ul style="list-style-type: none"><input type="checkbox"/> Restrict or freeze sales, marketing and general expenses (e.g., promotion, incentive schemes)<input type="checkbox"/> Reallocate sales and marketing budget on most relevant items<input type="checkbox"/> Implement strict accounts payable approval process & criteria<input type="checkbox"/> Agree with top suppliers on delayed payments / extending payment terms<input type="checkbox"/> Embed structural cost-containment measures (e.g., travel / car policies)<input type="checkbox"/> Optimise channel mix to reduce cost-to-serve and cost-to-acquire
 Capture Online Demand	<ul style="list-style-type: none"><input type="checkbox"/> Monitor online traffic and demand<input type="checkbox"/> Strengthen online presence (e.g., search optimization) and capture leads online<input type="checkbox"/> Deploy and test new digital sales channels, build eCommerce capabilities to capture growing online demand and reduce cost-to-serve

PwC | COVID-19

Contact us to receive your checklist



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Q&A

The background features a network diagram on a dark gray background. It consists of numerous small square nodes connected by thin white lines. One node, located in the lower-left quadrant, is highlighted in red. To the right of the main network, there is a smaller, semi-transparent inset of the same network structure.

Stay

safe.

Stay

connected.



Thank you



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