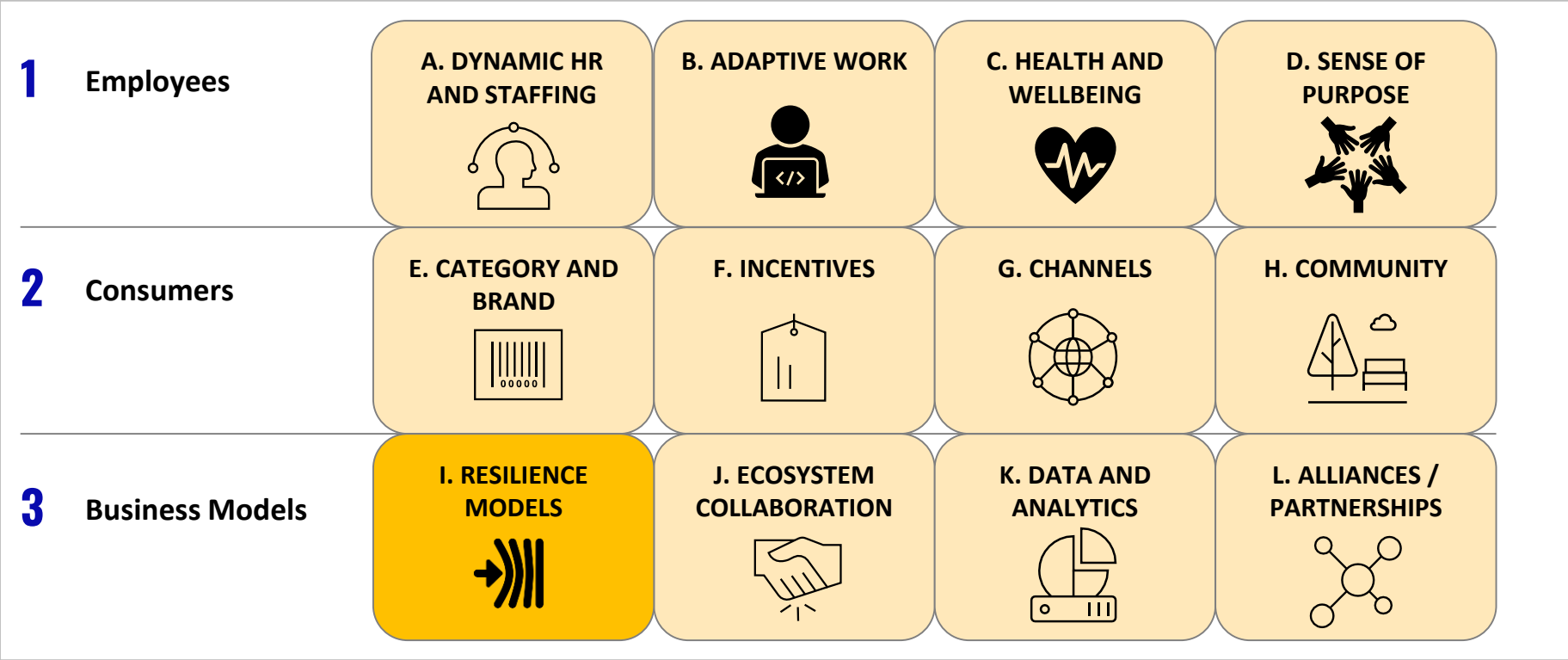
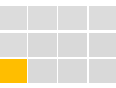


# LEARNINGS & NEW NORMAL FRAMEWORK OVERVIEW



*Looking for similar sections?*

- Filter to any module in the “Covid-19 Framework” filter on the GLM for other module summaries
- Search “**Learnings**” in the GLM for all module learnings summaries
- Search “**New Normal**” in the GLM for all module new normal summaries



# LEARNINGS SUMMARY OVERVIEW

## I. RESILIENCE MODELS



### Challenges/ trends

### Key learnings

#### Maintaining Business Continuity (Short-term)

- All operations have shifted drastically; some companies seeing an unpredicted increase (i.e., grocery, retail sales of certain products) and others seeing a drastic halt in sales (i.e., food and beverage manufacturers with food service customers)
- Though companies are trying to cut costs, some fixed costs cannot be reduced
- Re-examine business models due to immediate changes in employees, demand, and channels



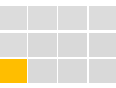
- Conserve cash by cutting variable costs in various ways:
  - Negotiate reduced / delayed payments for rent where possible
  - Reach out to creditors to negotiate for more time for debt payments
  - Cancel extra orders from suppliers and negotiate a delay in payment
  - Re-examine executive pay
  - Carve out essential roles for workers to keep as many as possible
- Convert stores to support click & collect and online

#### Managing the Crisis (Medium-term)

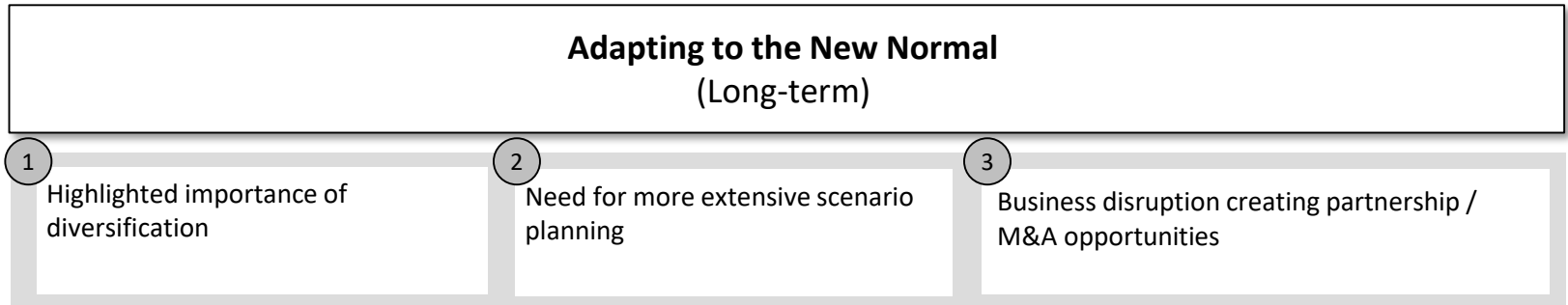
- Need to shed unprofitable areas and rapidly finance growing ones
- Shift from immediate business model changes to forecasting and budget planning for the rest of the year
- Aim to increase financial resilience
- Need for scenario planning



- Shift investment focus from growth to stable profits
- Continue investments in post-COVID-19 environment to be focused on deliveries and contactless payment
- Initiate and conduct cost base reset (including leveraging COVID-19 efficiencies and learnings) for short-term cost reduction and for survival minimum
- Start investing to simplify and automate store operations, become leaner
- Continue to assess scenarios for financial development (be ready to seize opportunities)
- Consider more direct-to-consumer alternative business models that allow consumers to avoid or shorten in-store shopping trips



# NEW NORMAL HIGHLIGHTED INSIGHTS



**Emerging Issues**

**Strategic implications**

<p>A. Leverage proven ability to respond to COVID-19, brand strength, and geographical footprint to become distribution partners for other services (e.g., banks, insurers, telcos, car sales, and repair services). Retailers will get additional revenues, interactions / trips and loyalty as consumers can fulfil a wider range of their needs from the same source</p> <p>B. Manufacturers and retailers to develop partnerships / outsource some store aisles (e.g., brown and white goods)</p>	<p>A. The need for frequent transparency and scenario planning that has happened during the outbreak will likely partially stick</p> <p>B. Develop scenario planning with pivot variables and key questions to drive a coherent strategy despite uncertainties</p> <p>C. Prepare financing for alternative and worst case scenarios</p> <p>D. Create additional capabilities for more rapid view of company financials – “visibility and control”</p>	<p>A. Need for investment in new channels (e-commerce and others) and “roles” with investments and divestments</p> <p>B. Assess and conduct M&amp;A and partnership deals to:</p> <ul style="list-style-type: none"> <li>i. Clean, prune, fix: carve out and divest to cut underperforming operations and / or to raise cash</li> <li>ii. Seize opportunities to grow through acquisitions and / or alliances: “new business model” players, real estate locations, distribution assets, and competitors</li> </ul> <p>C. Embrace new default payment mechanisms</p> <p>D. Manufacturers to invest in survival of smaller retailers by supporting their finances (e.g., extending payment terms) to maintain future partnerships</p>
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# HIGHLIGHTED CASE STUDIES

Case Study (CS) Module Legend: E Employees D Digital and online

S In store C In communities

Logo	Name / Region	CS Module	Overview	Contact
	Rewe 		<span>E</span> <span>D</span> <span>S</span> <span>C</span> Signed syndicated credit line with a consortium of banks to ensure financial flexibility and independence	<a href="#">ESM Magazine</a> , or contact Sharon Bligh at The Consumer Goods Forum
	Ebay 	 Small businesses have powered eBay for 25 years. Now it's time for us to help power them.	<span>E</span> <span>D</span> <span>S</span> <span>C</span> Pledges to support small businesses by waiving selling fees and offer new businesses free basic eBay store	<a href="#">PR Newswire Article Link</a> , or contact Sharon Bligh at The Consumer Goods Forum
	P&G, ITC, Hindustan Unilever & Nestle,... 		<span>E</span> <span>D</span> <span>S</span> <span>C</span> Partnering with government to help convert neighborhood suraksha stores into sanitized professional retail operations	Dawn Elvin, VP Global Pharmacy & Sales Personal Healthcare International
	Migros Ticaret 		<span>E</span> <span>D</span> <span>S</span> <span>C</span> Transformed some of the stores to dark stores to meet demand of online operations	Ahu Baskut Alyanak, Corporate Comms. Director Demir Aytac, Business Alliance Executive
	Alibaba 		<span>E</span> <span>D</span> <span>S</span> <span>C</span> Self-service technologies have been adopted – face mask vending machines, hot meal vending containers, unmanned grocery stores, etc.	<a href="#">COVID Innovations</a> , or contact Sharon Bligh at The Consumer Goods Forum
	Lego 	 "I think there will be a push for companies to continue to be good citizens and disavowing on purpose and not just optimizing the financial bottom line." JACQUES VAN RENSTEDDEN, Director, Chairman LEGO Brand Review Apple Podcasts	<span>E</span> <span>D</span> <span>S</span> <span>C</span> Increase in technology investments due to online sales channels and emerging customer behavior	<a href="#">BCG Henderson Institute Article Link</a> , or contact Sharon Bligh at The Consumer Goods Forum

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