NAVIGATING YOUR BUSINESS THROUGH THE COVID-19 CRISIS

A MULTIVIEW EBOOK
An economy already starting to breed some level of uncertainty was dealt an unexpected body blow when COVID-19 landed in North America. Pervasive thinking is that a recession has moved from possible to overwhelmingly likely. The more pertinent questions now seem to be how long it will last and how bad will it get.

The coronavirus outbreak has not only increased uncertainty around the economy but clouded our vision into an already hazy future. Because the situation is unprecedented, there’s no real model in place for dealing with it. Complicating matters is that the situation is so fluid. Guidance seems to update daily, if not hourly as events unfold and more is learned.

At the root of uncertainty is unanswered questions, and those are plentiful right now, especially for business owners and managers. Plenty of advice has been put out there about how to prepare your workplace for combating spread of the disease. But beyond setting up sanitizing gel stations, enforcing hand washing and implementing remote work opportunities, what about actually guiding your business through this extraordinary set of circumstances? Are there lessons that can be taken from previous recessions? How do you steer your company forward right now?

Obviously, each business will have its own set of circumstances and industries will vary, but there are some insights and ideas that can apply to most organizations. Not all may apply to your situation, but compiled here are some things to think about as you try to stare down this unparalleled business environment.
LESSONS FROM THE GREAT RECESSION

Naturally, our most recent experience with recession would be a starting point for reference. Are there things we can take from the Great Recession to help us through this crisis? One important thing to understand is that the fundamental origin of this looming recession is quite different from 2007. The Great Recession, which started primarily in the housing sector, was a result of an internal economic imbalance.

Coronavirus is, of course, a factor external to the economy. That’s not to say it can’t inflict a serious impact, but the upside is that this crisis comes at a point when banking systems are secure and the housing market is stable. Furthermore, major economic drivers like construction are relatively healthy, with many actually suffering from workforce shortages.

We did emerge from the previous recession with a better understanding of how swift government action can help mitigate the fallout. In that regard, the aforementioned banking sector is better prepared for threats and credit markets shouldn’t be as vulnerable as in 2007. Furthermore, the central bank has already responded with crisis-like actions, cutting interest rates and injecting money into the economy. The optimist could realistically forecast a V-shaped downturn that is shorter and shallower than the Great Recession.
As has been well documented, the COVID-19 outbreak started in China, where consequences included shuttered factories and entire cities on virtual lockdown. Based on reports, China is showing signs of emerging from the worst of the outbreak and its economic engine appears to be revving up again.

It’s necessary to understand that China operates in a very different regulatory and governmental environment. Nonetheless, it’s helpful to analyze how events played out there, not just in dealing with the virus itself, but implications of actions businesses took.

An investigative New York Times article titled, “Halting China’s Economy Was Hard. Restarting It Is Harder,” explored a salient point about economic momentum. Like the laws of motion dictate, it can be difficult to restart something from a dead stop, and China is experiencing this now as it tries to bring industry and commerce back online.

If circumstances dictate, grinding your business to a halt (or in this case more like emergency-braking to a halt) might be the necessary and prudent action. But perhaps the caution from China’s experience is that recovery might occur sooner than you expect, and not being prepared for that could be damaging in its own right.
WHAT TO DO DURING THE CRISIS

It can’t be overstated that different businesses and different industries will face different adversities and some are in better shape to withstand a protracted slowdown. But rather than shutter in fear and uncertainty, there’s an argument for using this opportunity to examine how to guide your business through the crisis, and potentially exit the other side with some catalysts for recovery and growth. At this point, nobody can foresee how the outbreak plays out and what lasting affects it has on the economy, but ruminate on these following ideas that might keep your business from the worst in the long term.

PROVIDE CLARITY AND SECURITY FOR EMPLOYEES

Clarity is a finite resource at the moment. And, maybe so is security, for that matter. But in an environment where information and misinformation spreads rampantly, you need to be a source of clear communications for your staff. Employees will respond and adapt to different approaches to working, but you should be clear about your justifications. Also be clear in your directions. The company needs a unified voice, ideally from the top levels of leadership, and needs to be on the same page at all levels. Yes, uncertainty is in the air, but maintaining unity and stability in the organization is the first step to navigating crisis.
For obvious reasons, e-commerce has been slower to proliferate across B2B than B2C. However, the COVID-19 outbreak could be a watershed moment in that timeline. Personal and face-to-face business is preferred by many, but we could be facing a new reality in the post-crisis era – one that calls for less of this interpersonal business. Should that be the case, those already or closer to making the shift to online or digital channels will win out.

It isn’t just sales channels that could use a digital makeover, but the marketing that leads to those sales. Research has consistently shown that B2B businesses allocate the majority of their marketing budgets to live events like exhibitions and trade shows. Studies from Demand Gen Report indicate B2B marketers find live events the most effective channel for generating quality leads.
With the status of live events in limbo for the foreseeable future – coupled with the stark reality that even in a post-COVID world we may be unsure exactly what live events will look like or how well attended they will be, it’s the perfect time to investigate and identify opportunities to move some of your sales and marketing functions into digital channels. New leads must come from somewhere, and in a marketplace that’s retreating from interpersonal communications, digital channels provide the fastest, most targeted opportunities to keep those important functions operating.

It could be reasoned that B2B was built on handshakes. But with fewer handshakes taking place, digital channels are the logical and rational remedies for operating in this new environment. You can’t just pull the plug on marketing, so recalibrate that budget where it can provide you the most benefit.
Communications with your employees and stakeholders are important, but so are communications with customers and vendors. Some may be concerned about your plans and how those factor into their own businesses, so keep open lines of dialogue in order to protect those relationships. Those downstream will likely understand the need for flexibility during the crisis, but proactively keeping them informed and updated will protect those important relationships for the future. The same thinking applies to vendors. Provide those upstream with leniency where possible and advise them in advance if you foresee changing needs from them.

If business slows, there’s an opportunity to enhance the value of your existing staff. They rely on their jobs to provide for themselves and their families. For those with less to do in the near-term, provide them education on other roles and other ways they can add long-term value to your organization. They’ll appreciate it, and given the level of uncertainty for the future, it could ultimately be a huge benefit to your company as well.

We tend to take defensive actions in a crisis, and some may be necessary. However, look at this as an opportunity to get your entire organization thinking about ways to innovate. That could be externally-focused such as product lines, or internally-focused like processes and methods.

A lot of companies claim to focus on innovation. Maybe it’s always in mind but tends to get overlooked by the daily realities of conducting business. Here’s a chance to walk the walk. Innovation tends to primarily fall on the shoulders of management, but this crisis could help fuel employees at every level to start looking at and seeing things differently. Don’t be afraid to give employees some time to analyze and think.
It’s a phrase we heard a lot coming out of the last recession – that we were operating in a “new normal.” There plenty of likelihood the coronavirus crisis leads to another new set of normalizations. This is one area we do have a bit of history to rely on. For example, the SARS outbreak in 2002 is commonly credited with spurring the rise of e-commerce in Asia.

We can’t forecast how the COVID-19 outbreak will ultimately impact our habits, but it’s not hard to see where significant changes in healthcare delivery, online education and B2B digitization could spawn from it. With any luck from the aforementioned innovation efforts, you could arrive at these new normals poised to capitalize.

As mentioned, it’s almost certain different industries will feel the impacts of COVID-19 for different lengths of time. The hospitality industry leaps to mind as one that will likely see protracted consequences. We can hope for the V-shaped recovery of the overall economy, but it’s unlikely all businesses will follow the same curves. That’s why trying to incorporate some of these concepts could be important to surviving the immediate crisis. It can be hard to keep a long-term perspective when the short-term is so tumultuous, but that long-term may depend on doing so.
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