

# Crisis management for small and medium- sized businesses

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**MAERSK**



## **Webinar 3: Crisis Management/Contingency Plans**

### **Our Speakers**



**Juan Cajiao**

Commercial Product Manager Supply  
Chain Essentials - Maersk



**Barbara Peric**

Global Head of Customer Service  
Innovation - Twill



TRADE IMPACT  
FOR GOOD

# Agenda

1. Implications for SMEs
2. Building resilience
3. Responding to a crisis
4. Maersk response to COVID-19





# Agenda

1. **Implications for SMEs**
2. Building resilience
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# COVID-19: Industry Impact

## Industry Characteristics

If characteristic is present in your or your client's business, impact is negative

	Low gatherings are essential	Close human interaction is essential	Hygiene, or perception thereof, is critical	Dependant on travel (business and leisure)	Service or product is postponable or expendable	Impact Analysis
<b>Tourism and hospitality</b>	Very high	Very high	High	Very high	High	Very high
<b>Sports</b>	Very high	Very high	Medium	Low	Medium	High
<b>Music</b>	High	High	Low	Medium	Medium	High
<b>Automotive</b>	Low	Low	Medium	Low	Very high	High
<b>Beverages (Alcohol)</b>	High	High	Medium	Medium	Low	Medium
<b>Retail (non-food)</b>	High	Medium	Medium	Medium	Medium	Medium
<b>Pharmaceuticals</b>	Low	Low	High	Low	Low	Low



# COVID-19: Impacts on SMEs

- Reduction in supply of labour
- Drop in demand and lack of cash flow
- Supply chain disruptions





# SME: ~~shortcomings~~ challenges and advantages

—

Financial, technological and HR  
scarcity (restrictions)

Day to day operations no mid-  
term planning

Underestimate crisis

Susceptible to financial  
fluctuation, legislation,  
customer requirements and  
demands

+

Less bureaucracy

Rapid decision making

Flexibility to quickly adapting  
activities

Rapid internal  
communications

Fast learning



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2. **Building resilience**
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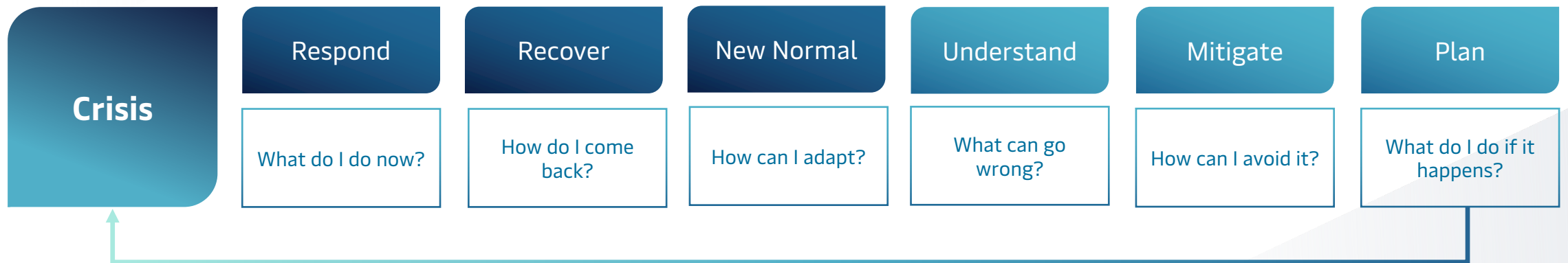
# Building resilience

## Proactive approach



# Building resilience

## Reactive approach





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1. Implications for SMEs
2. Building resilience
3. **Responding to a crisis**
4. Maersk response to COVID-19



This is a guide for you to create your plan on  
how to respond to a crisis.



# **Crisis response:** Basic considerations for your plan.

# Self-expectation setting

- Unprecedented crises demand **unprecedented actions**.
- **Control what you can**, the rest keep an eye on.
- Maintain a **balance** between optimism and pessimism.
- The best **learner** and the best **adapter** survives.
- Crises are disruptive by nature, but every crisis is an **opportunity**.





# Your four key business components



## Your operations

Inventory  
Suppliers  
Production



## Your people

Wellbeing  
Headcount  
Working environment  
Employee engagement  
Internal comms



## Your customers

Customer engagement  
Alternative customers  
Product portfolio  
External comms



## Your finances and legality

Cash in the bank  
Cash in  
Cash out  
Legal/Tax obligations  
Financial support

# Your four key business components



Your operations

Inventory

Suppliers

Production

What are my stock levels (finished products, in process, raw materials) in relation to the expected demand?

How are my main suppliers doing? Any risk they won't be able to deliver on their commitments?

Am I able to meet my current contractual obligations with customers?

Go to the **file #1** "Business components" to find the guiding questions for every item.





# Your four key business components



## Your operations

Inventory  
Suppliers  
Production



## Your people

Wellbeing  
Headcount  
Working environment  
Employee engagement  
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# Priorities over time

	Short-term defence	Near-term response	Mid to long-term recovery
Defence	<ul style="list-style-type: none"> <li>• Internal alignment</li> <li>• Protect health and safety of your employees and customers</li> <li>• Review your finances</li> <li>• Keep up your operations</li> </ul>	<ul style="list-style-type: none"> <li>• Understand mid to long term impact</li> <li>• Protect your revenue</li> <li>• Re-budget and save cash</li> <li>• Stabilize your operations</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor current vs scenarios and adjust</li> <li>• Bring back your operations to a "new normal"</li> </ul>
Offence		<ul style="list-style-type: none"> <li>• Understand the new economy and its opportunities</li> <li>• Outperform competitors</li> <li>• Plan business adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in growth areas</li> <li>• Adapt your product/business</li> <li>• Develop new products/services</li> </ul>

# **Crisis response:** What do I do now?







# Defence: ongoing and reactive response



# 1. Identify your current state

## Business components

	Your operations	Inventory	😊
		Suppliers	?
		Production	☹️
	Your people	Wellbeing	
		Headcount	
		Working environment	
		Employee engagement	
	Your customers	Internal comms	
		Customer engagement	
		Alternative customers	
		Product portfolio	
	Your finances and legality	External Comms	
		Cash in the bank	
		Cash in	
		Cash out	
		Legal/Tax obligations	
		Financial support	

What are my stock levels (finished products, in process, raw materials) in relation to the expected demand?

How are my main suppliers doing? Any risk they won't be able to deliver on their commitments?

Am I able to meet my current contractual obligations with customers?





**Example:**  
Textile producer from Bangladesh exporting to the UK.

Remember to use the guiding questions from **file #1** "Business components" to make this assessment

# 1. Identify your current state

**Example:**  
Textile producer from  
Bangladesh exporting  
to the UK.

## Business components




	Your operations	Inventory	😊
		Suppliers	?
		Production	😞
	Your people	Wellbeing	😊
		Headcount	😊
		Working environment	😞
		Employee engagement	😊
		Internal comms	😞
	Your customers	Customer engagement	😊
		Alternative customers	?
		Product portfolio	😞
		External Comms	😊
	Your finances and legality	Cash in the bank	😊
		Cash in	😊
		Cash out	😞
		Legal/Tax obligations	?
		Financial support	?



# 1. Identify your current state

**Example:**  
Textile producer from  
Bangladesh exporting  
to the UK.

## Business components

	Your operations	Inventory	😊
		Suppliers	?
		Production	😞
	Your people	Wellbeing	😊
		Headcount	😊
		Working environment	😞
		Employee engagement	😊
		Internal comms	😞
	Your customers	Customer engagement	😊
		Alternative customers	?
		Product portfolio	😞
		External Comms	😊
	Your finances and legality	Cash in the bank	😊
		Cash in	😊
		Cash out	😞
		Legal/Tax obligations	?
		Financial support	?

## 2. Resolve immediate challenges

**Example:**  
Textile producer from  
Bangladesh exporting  
to the UK.

Business components		Immediate Actions	
	Your operations	Inventory	😊
		Suppliers	?
		Production	😞
	Your people	Wellbeing	😊
		Headcount	😊
		Working environment	😞
		Employee engagement	😊
		Internal comms	😞
	Your customers	Customer engagement	😊
		Alternative customers	?
		Product portfolio	😞
		External Comms	😊
	Your finances and legality	Cash in the bank	😊
		Cash in	😊
		Cash out	😞
		Legal/Tax obligations	?
		Financial support	?
			Talk to my suppliers and review commitments
			Talk to customers to negotiate
			Put in place safety measures for my employees
			Give clarity on where we are standing as a business
			Renegotiate debt
			Review current contracts with buyers
			Find public or private financing options

### Generate options:

Consult your team  
Consult a coach/mentor  
Consult industry peer  
Research

Remember to use the **file #1**  
"Business components" to write  
your immediate actions

### 3. Decide the strategic move

a) Understand the **implications** of the pandemic on your business.

		Impact on your organization			
		Direct impact of COVID-19 / Indirect impact of economic downfall / Ability to adapt fast			
		Positive	Mildly negative	Severe	Catastrophic
Severity and duration of economic impact GDP forecast / Pandemic evolution / Economic policy	0,5 year impact	Keep up with demand	Push through and prepare for recovery	Survive and slow recovery	Pause and prepare for re-start
	1,5 year impact	Push for growth and market share	Defend and find new growth	Innovate	Innovate
	3 year impact	Aggressive push for growth and market share	Defend and find new growth	Prepare for new entrants. Reinvent or abandon	Abandon





Go to **file #2** "Strategic move" to find an editable version of this table.



# 3. Decide the strategic move

c) Understand the **implications** of each scenario focusing on **what matters most to you**.

Business components			Grow	Normal operations	Adapt operations	Closing temporarily	Closing permanently
	Your operations	Inventory					
		Suppliers					
		Production					
	Your people	Wellbeing					
		Headcount					
		Working environment					
		Employee engagement					
	Your customers	Internal comms					
		Customer engagement					
		Alternative customers					
		Product portfolio					
	Your finances and legality	External Comms					
		Cash in the bank					
		Cash in					
		Cash out					
		Legal/Tax obligations					
		Financial support					

### 3. Decide the strategic move

c) Understand the **implications** of each scenario focusing on **what matters most to you**.

Business components			Grow	Normal operations	Adapt operations	Closing temporarily	Closing permanently
	Your operations	Inventory					
		Suppliers			Find new suppliers		
		Production	Produce healthcare supplies				
	Your people	Wellbeing					
		Headcount					
		Working environment					
		Employee engagement					
	Your customers	Internal comms		Provide up to date info			
		Customer engagement					
		Alternative customers	Health care facilities				
		Product portfolio					
	Your finances and legality	External Comms					
		Cash in the bank					
		Cash in					
		Cash out				Renegotiate your rent	
		Legal/Tax obligations					Review employment contracts
		Financial support					

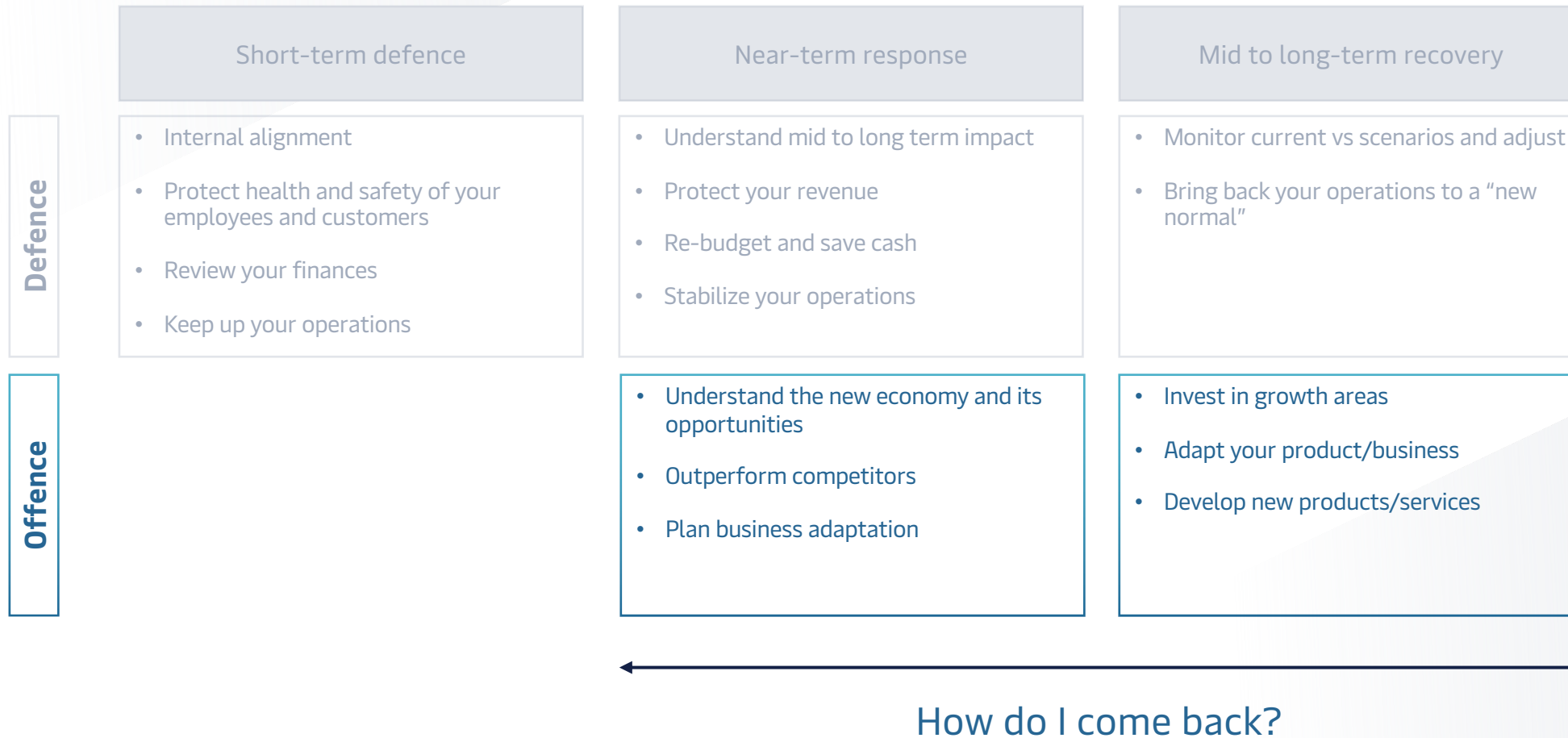
# Defence: ongoing and reactive response





**Recovery:**  
How do I come back?

# Offence: proactive leadership



# The aftermath

- Learning from the crisis.
- Importance of proactive leadership.
- Business agility - implement, learn and adapt attitude.
- Plan - Get ready for the next event (environmental disaster, dramatic political or social change or severe economic disruption).





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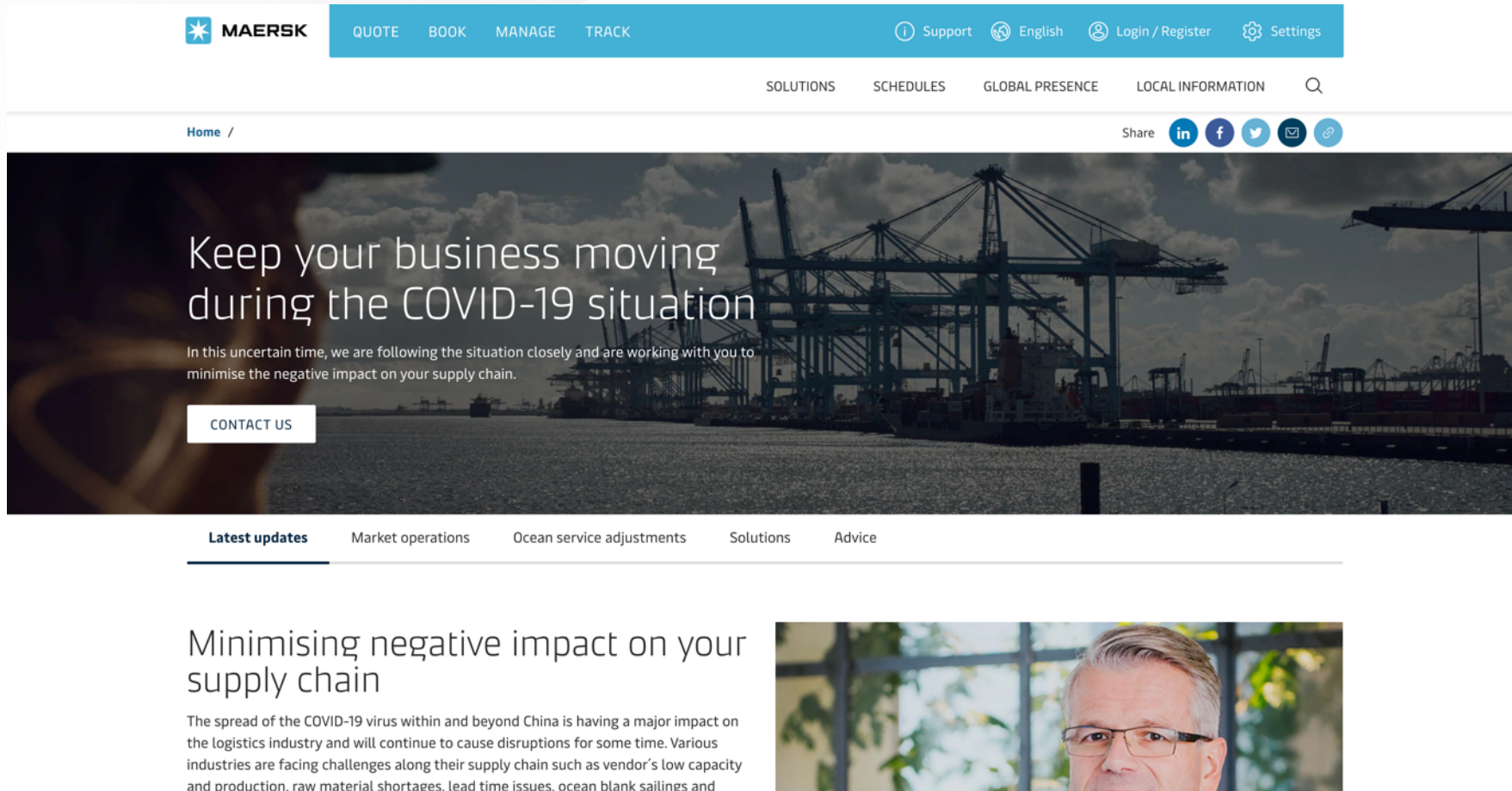


# Helping customers & communities during COVID-19



Around the world, Maersk is using its vast resources and expertise in logistics to bring aid to those in need while ensuring its front line workers remain safe.

# Latest updates on COVID-19



The screenshot shows the Maersk website's COVID-19 update page. The header features the Maersk logo and navigation links: QUOTE, BOOK, MANAGE, TRACK, Support, English, Login / Register, and Settings. Below the header, there are links for SOLUTIONS, SCHEDULES, GLOBAL PRESENCE, and LOCAL INFORMATION, along with a search icon. The main content area has a large banner with the text "Keep your business moving during the COVID-19 situation" and a subtext: "In this uncertain time, we are following the situation closely and are working with you to minimise the negative impact on your supply chain." A "CONTACT US" button is visible. Below the banner, there is a navigation bar with links: Latest updates, Market operations, Ocean service adjustments, Solutions, and Advice. The "Latest updates" section is active, showing a headline "Minimising negative impact on your supply chain" and a paragraph: "The spread of the COVID-19 virus within and beyond China is having a major impact on the logistics industry and will continue to cause disruptions for some time. Various industries are facing challenges along their supply chain such as vendor's low capacity and production, raw material shortages, lead time issues, ocean blank sailings and". A photo of a man with glasses is partially visible on the right.

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QUOTE BOOK MANAGE TRACK

Support English Login / Register Settings

SOLUTIONS SCHEDULES GLOBAL PRESENCE LOCAL INFORMATION

Home /

Share

## Keep your business moving during the COVID-19 situation

In this uncertain time, we are following the situation closely and are working with you to minimise the negative impact on your supply chain.

CONTACT US

Latest updates Market operations Ocean service adjustments Solutions Advice

### Minimising negative impact on your supply chain

The spread of the COVID-19 virus within and beyond China is having a major impact on the logistics industry and will continue to cause disruptions for some time. Various industries are facing challenges along their supply chain such as vendor's low capacity and production, raw material shortages, lead time issues, ocean blank sailings and

[www.maersk.com/stay-ahead](https://www.maersk.com/stay-ahead)



# Maersk response to COVID-19

- **America:** Maersk and Damco setup a program to help Aurora Advance, a large healthcare provider in Milwaukee, Wisconsin, expedite the delivery of medical supplies and PPE, including 92 tons of N95 masks.
- **Asia:** To cater to the communities in the eastern part of India, Maersk India associated with 'Seva Kendra Calcutta', an NGO in Kolkata for initiating 'Operation Karuna' for the COVID-19 relief work. Through this initiative, essential groceries are being distributed to over 900 ragpickers and daily wage-earners from areas of Kolkata.
- **Africa:** APM Terminals has funded a flight carrying urgently needed supplies including 10,000 test kits, 15 oxygen concentrators, personal protective equipment (PPE) and emergency health kits for the Nigerian Government's COVID-19 Response Plan and UNICEF work in support of children and families in Nigeria.
- **Middle-East:** In the UAE, Maersk secured additional vessel capacity to help Unilever maintain volumes across the region despite increasing border restrictions.
- **Europe:** In Denmark, A.P. Moller Holding and A.P. Moller - Maersk have established an air bridge and supply chain operation to secure delivery of protective equipment to health care workers in Denmark and reduce the risk of transmission of COVID-19 in Danish hospitals.



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by Maersk

**you be the rockstar**  
**we'll be the roadie**

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Load guarantee



Support along the way



Global coverage

**Thank you**





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