Coronavirus – Business Lessons From Past Pandemics



With the world reeling from COVID-19 (novel coronavirus) pandemic, the world's nations are struggling with the seemingly incalculable cost of shuttered businesses, damage to the fabric of society and public health.

But coronavirus is not the first pandemic the world has faced or overcome.

By reviewing the data and crisis management techniques employed during previous struggles with infectious diseases, organizations have an opportunity to make more informed decisions to protect their businesses, employees, and the economy at large.

What Business Lessons Can We Gather from Past Pandemics?

In dealing with a crisis such as a pandemic, companies can apply the same insights available to governments and health officials to survive.

For example, the 14th century's Bubonic Plague, the H1N1 "Spanish Flu" pandemic following World War I, and the SARS (Severe Acute Respiratory

Syndrome) outbreak of 2003 all had different and deadly effects, but those responding to each past pandemic applied techniques such as social distancing and quarantine to curtail the length and severity of these diseases.

Business owners and leaders can follow suit by looking to the actions taken business leaders in the past.

They can apply the most practical and valuable lessons where they will have the greatest impact, and then adjust others or create new approaches designed to take advantage of modern technology to meet the unique challenges of doing business in an economy that's more global and interconnected than ever before.

> *The IMF's predictions—which include an average 6.1% economic contraction in wealthy western nations and a 3% drop across the globe—are indeed harrowing, but companies can help minimize the destruction by applying three critical lessons from past pandemics to their own crisis management approaches.*

Learning From The Past

Picture this: your government has issued a lockdown. All nonessential workers are ordered to stay home.

Your supply chain is disrupted as other businesses struggle to stay afloat, logistics having been upended by travel restrictions and radically altered consumer habits.

The global economy has suffered a major downturn, with some areas shrinking by up to 18%..

Sound distressingly familiar? Well this was the scenario with the Spanish Flu, the great influenza virus pandemic of 1918.

The Coronavirus has the potential to be just as sobering—if not more so—for modern businesses.

The International Monetary Fund (IMF) predicts the coronavirus pandemic's global economic impact at roughly comparable to that of the Great Depression.

Like the World Health Organization (WHO), the IMF has stressed the importance

of non-medical intervention in stemming the tide of COVID-19 and reducing its economic impact, but warns that failing to apply such interventions correctly may lead to even worse outcomes for the public health and global economy.

Even assuming the successful use of non-medical interventions, the IMF's predictions—which include an average 6.1% economic contraction in wealthy western nations and a 3% drop across the globe—are harrowing.

But companies can help minimize the impact by applying three critical lessons from past pandemics to their own crisis management approaches.

Lesson One: Take the Long View—and Expect a Second Wave

Like Ebola, HIV/AIDS, and many other zoonoses (viruses that spread from animals to people), COVID-19 has a "long tail." Despite being incredibly infectious and deadly to certain segments of the population, it does have a lower mortality rate than previous pandemics.

It may produce only mild symptoms (or none at all) in otherwise healthy individuals. Asymptomatic carriers can perpetuate the epidemic with second waves of infection if they continue to socialize, gather, or ignore social distancing and isolation protocols.

To protect staff while continuing operations, businesses need a multi-stage crisis management and pandemic preparedness plan covering:

- The current coronavirus outbreak.
- The recovery phase (occurring after lockdown restrictions begin to lift).
- The arrival of a second wave of infections.
- Contingencies to address potential subsequent waves of novel or recurring infection.

This multi-stage approach is crucial for effective navigation of the entire pandemic. History shows the importance of extended planning.

For example, the Spanish Flu pandemic had three distinct waves; the first wave had a death toll of between three and five million people, but by the time the flu pandemic subsided at the end of 1919, death rates had skyrocketed and **more**

than 50 million people had fallen to the virus.

History repeated itself during the coronavirus in early April 2020, when Singapore saw a second wave of infections after weeks of successfully reducing infections through social distancing and other non-medical techniques.

Any pandemic response your organization develops should include:

- Advanced risk analysis and mitigation strategies.
    - Incorporate all relevant variables in your analyses, including direct and indirect risks, such as:
        - Alternative production methods, materials, and schedules (including shutdown).
        - Healthcare costs.
        - Restructuring models to incorporate remote work, process automation, and other technological solutions to reduce expenses while preserving value creation.
            - Digital transformation toolsmake it easier to develop and test workflows that minimize expense and the need for human intervention while maximizing efficiency and speed.
            - Complete and transparent data management also enhances the quality of available information, so strategic planning and decision making are better informed.
            - Collaborative communication and data management tools make it easier for teams to work together regardless of location, maintaining essential operations and reducing bottlenecks and disruptions.
            - Cloud Procure-to-Pay Software, like PLANERGY, can automate procurement and AP processes, reduce the risk of fraud, enforce stricter budgets and spend management to reduce costs, while allowing for remote access to all the relevant data.
        - Supply chain analysis and modification to boost agility and resilience.
            - Restructuring the supply chain to reduce

complexity and emphasize local suppliers can help insulate organizations against logistics challenges and minimize the risk of exposure.

- Strategies for adhering to legal requirements such as shelter-in-place orders and containment strategies such as social distancing.
- Transparent and open communication with your staff, suppliers, and customers regarding changes to your procedures.
- Multiple contingencies for all relevant scenarios, especially those that adhere to the most negative potential outcomes predicted by health officials, government leaders, and financial experts.

Logically, any pandemic response plan developed during the course of a pandemic is focused more on immediate mitigation than planning for potential outcomes.

But by incorporating analysis, continuous improvement, and pandemic preparation as well as mitigation, your organization will be much better prepared for any future pandemics.

Better still, you'll also be poised to take maximum advantage of opportunities to minimize financial loss and maximize operational agility during the current crisis, so you can hit the ground running during both interim and final recovery phases.

Lesson Two: Proactivity and People Are Paramount

With lockdowns in place in countries around the world, maintaining operational continuity is largely dependent on effective management and protection of human resources.

Automation and remote team management can mitigate the need for direct human presence, but you'll still need a reliable plan for tracking (and protecting!) the health and performance of your teams.

Consider classifying staff into four different categories:

- Physically Essential to Operations

- Essential (Can Work Remotely)
- Non-Essential (Can Work Remotely)
- Non-Essential (No Need for Remote Work)

Categorizing your staff like this and creating a system to track performance and absenteeism can help you decide where to direct your resources more effectively.

Do you need to invest in remote equipment for essential staff? Which tasks can be outsourced or even eliminated until normal operations resume?

Which team members are part of high-risk groups, and what contingencies are in place to preserve operations should essential team members be compromised or otherwise unavailable?

Answering these questions will help you set and monitor key performance indicators (KPIs) to monitor staff health and performance and their effect on essential operations to reduce risk and protect business continuity.

Lesson Three: Be Transparent and Truthful

In working to protect your business from the fallout of the coronavirus pandemic, it might surprise you to discover that misinformation can be as deadly to your organization's health as the virus is to your people.

"Fake news" about pandemics has been with us since at least the Black Death, and persists today in rumors swirling throughout social media and online news outlets.

Misinformation hampers the efficacy and timeliness of measures such as quarantines, social distancing, and hygiene practices in disrupting the disease's spread.

This can perpetuate supply chain disruptions by extending the need for lockdowns, increasing the number of people that become sick and causing businesses struggle to operate, etc.

As a result, the economic devastation that can accompany a pandemic can linger far longer, making recovery much harder and the long-term cost to businesses and the overall economy much higher.

Relying on your staff, suppliers, and customers to be well informed by themselves can have a hugely detrimental impact on your business, a communication plan is essential.

You can Provide guidance and reassurance to staff members struggling to deal with life during the pandemic.

You can reduce miscommunication with suppliers and maintains your relationship with your customers by providing clear information about your specific procedures and any changes to production, shipping, billing, etc.

- Communicate the most accurate and up-to-date information possible to staff, suppliers, and your customers. Be honest and open about the impact of the disease on your business, and how you intend to protect your staff, suppliers, and customers while ensuring operations can continue. Consider offering dedicated chat or email resources to address employee, customer, and supplier concerns and questions.
- Work to implement effective remote working programs sooner, rather than later. Adjust schedules and modify your workflows to accommodate teams collaborating on multiple devices across different time zones and platforms.
- Coordinate with vendors and customers to navigate logistics issues and find mutually agreeable ways to meet your respective commitments (delayed payments, suspended interest, installments, etc.).

Charting Recovery with Wisdom from the Past

Life during a pandemic is frightening and uncertain for governments, businesses, and individuals.

Surviving and recovering from the economic and social damage done by one of the worst outbreaks in modern history will take not just medical know-how, but the concerted and coordinated efforts of the global community as a whole.

But navigating these troubling times is easier when we embrace the insights delivered from past outbreaks, and use them to limit the spread of the disease and its impact on all areas of life—including how we do business.

Applying yesterday's wisdom today can help businesses protect themselves against the economic devastation of COVID-19, and improve their preparedness against future outbreaks.

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