

The Ultimate Hi-Tech & Manufacturing **Pandemic Response Playbook**

Lessons from the frontlines for
CXOs and Business leaders

White Paper

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Introduction

The Coronavirus pandemic has forced thousands of companies to throttle down or temporarily shut assembly and manufacturing plants in the U.S. and Europe, especially those which rely heavily or solely on factories in China for parts and materials. This is because China is a primary stakeholder in innumerable global supply chains. Hence, the outbreak has caused delay and disruption in the same. Exports of electronic components from China to North American countries, specifically the U.S. and Mexico, have declined by more than 50%. The outbreak could result in a \$US 50 billion decrease in exports across global value chains, according to estimates published by UNCTAD.

In February, China's Purchasing Manager's Index (PMI) – a critical production index – fell by about 22 points to 37.5, the lowest reading since 2004. Such a drop in output implies a 2% reduction in exports on an annual basis. A slowdown in Chinese production has repercussions for any given country depending on how reliant its industries are on Chinese suppliers. Today, a large share of global supply chain networks are heavily integrated within the Chinese borders, as it is a top supplier of intermediate inputs in many manufacturing cycles, especially those related to precision instruments, machinery, automotive and communication equipment. In fact, China's production share in different manufacturing verticals such as Hi-Tech goods, machinery and pharmaceuticals are as high as 46%. Therefore, any significant disruption in China's supply in these sectors is bound to affect producers in the rest of the world substantially. The strict measures that have been put in place to contain COVID-19 are hindering the supply of critical parts and the required skilled labour from Chinese producers, therefore affecting the output of manufacturing firms worldwide.

Top 8 Measures

Thus, entangled dependencies and labour shortages are becoming a major hurdle for companies today. And this problem cuts across sectors who are reeling under the effects of the ongoing pandemic. Businesses should now focus on the measures they can take to minimise any loss in productivity and to optimise systems for performance in this new reality.



1. Reduce Operational Cost

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Reduction in OPEX is the primary concern in the short to medium term. Companies impacted by COVID-19 should look into the following:

- Impact on demand for both sales and service – Firms should focus on leveraging analytics-based solutions to uncover which product/service lines are critical to their business functions and form top priority for them. With the help of stress tests and scenario planning, companies can optimally allocate precious labour and material supply.
- Alternate production opportunities/alternate program implementations - Companies should also look into alternative manufacturing operations depending on the nature and the demand for products in the market. Luxury brands like LVMH are already switching production lines from producing perfume to making hand sanitizer, industrial manufacturers are making hygienic masks, distilleries and automotive companies are producing urgently needed ventilators. Additionally, firms are also reprioritising and conducting programs such as production line upgrades and maintenance cycles that would not have happened without disruption of the production cycle.
- Revisit planned project implementations and divert CAPEX investment into essential technologies - Companies should revisit their strategy for planned projects and prioritise on the basis of business fit/needs. Rationalisation of application portfolios and engaging in outsourcing models which leverage offshore resources can reduce CAPEX costs significantly. These costs can then be invested in automation and cloud migration of business processes in order to enable further cost savings and infrastructure resilience in the long run as well.



2. Ensure Supply Chain Optimisation

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The focus will be on stabilisation in the supply chain and finding alternatives due to issues such as on-ground logistics reduction, decrease in air traffic, more border closures leading to increased complexities in the workforce and raw material accessibility and demand alterations for the main product line. With the background of these issues, manufacturers should communicate with their critical suppliers and should assess the potential impact of any delays or disruptions to the delivery of mission-critical materials and parts while monitoring erratic customer demand spikes/dips. On the flip side, intermediate manufacturers should review allocation requirements and obligations to multiple, competing customers for potentially scarce materials as manufacturing operations ramp back up. They should also look at alternate outbound logistics and secure capacity early on in the face of uncertain availability.

To enable these actions on the technology front, companies should be focused on:

- Activating sophisticated analytics and sensitivity-scenario modelling to fully understand their supply chains and identify the top products facing potential supply issues, with a perspective on the next few months, considering potentially more-aggressive pandemic escalation scenarios
- Leveraging digital supply chain solutions to get an end-to-end, real-time visibility of their inventory and warehousing status
- Implementing A.I./M.L. based solutions across the organisation to help in following optimisation models and best adjust to changing demand curves



3. Transform Customer Engagement

Relevant for

CMO

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CDO

In the current scenario, it is imperative that companies take an agile approach to their customer experience strategy and planning to adjust in real-time to every changing need. For example, in the wake of the outbreak, physical experiences are limited due to the shutdown of consumer-facing stores; hence companies should double down on their digital strategy and investments. China and Italy have already seen a large jump in online traffic for their end customers. Therefore, strengthening e-commerce offerings and optimizing online shopping experience is key.

Considering changing constraints and consumer behavior, firms should also focus on the consumer purchase lifecycle with a digital-first mindset and see how and where they can transform previously offline service offerings to online models. This can be done through a variety of solutions to together build an immersive digital storefront experience:

- AI-powered and NLP assisted virtual chatbot can help drive down consumer queries and assist customers in their purchase journey
- Suggestion assisted shopping carts to assist cross-selling and for customer convenience
- Interactive UI and functional elements on the e-commerce platform for increased engagement
- VR enabled store walkthroughs to best replicate nuanced elements of experience previously only available offline

In parallel firms also must ensure that customer focus and empathy are maintained through services such as proactive notifications that pre-empt the customer's need for information, and services that are essential to them such as doorstep delivery. These strategies will create memorable customer engagement, the benefits of which shall outlast the crisis.



4. Ensure Employee Productivity

Relevant for

CIO

CFO

CHRO

To maintain continuity of business operations and employer productivity, it is essential that businesses conduct a workforce planning assessment and determine their outsourcing and work-from-home options. Additionally, it is critical for employees to not only collaborate but also access necessary business enterprise applications and data. Therefore, the focus will be on new team structures that work remotely and investing in the right technology tools to empower remote work capability. Companies should also look into prioritising investment into automation tools that reduce dependency, especially for back-office processes and those that can help ensure 24x7 availability of support for end customers.

COVID-19 effectively brings Organizational Change Management to the forefront. Therefore strong, decisive leaders who will help their respective organisations ride the tide by providing direction, energising teams, and connecting the dots will be able to minimise the loss of productivity. Companies across the segment will also have to invest in softer aspects to form cohesive remoteness – remote townhalls, adoption of a suite of SaaS digital tools to facilitate effective co-creation and an updated crisis management and communication centre that reflects management policies and day to day steps taken to ensure employee welfare and safety.

A photograph of four business professionals in a meeting. Two women and two men are seated on purple sofas around a wooden coffee table. They are engaged in a discussion, with one man pointing at a laptop on the table. The setting is a modern office environment.

5. Maintain Customer Service Levels

Relevant for

CTO

CMO

CDO

COO

The sudden emergence of COVID-19 is requiring that global enterprises adapt their operations at an unprecedented speed to serve their customers with quality while caring for their employees with compassion. Communicating with customers during the life cycle of the pandemic is critical. It is important to consistently provide updates on developing events and how those events affect your ability to provide service and support. If customers should expect delays, letting them know in advance will go a long way in reducing unneeded contact volume

Enterprises are required to re-evaluate how they connect and serve their customers in these tough times. Supply Chain companies are stressed to meet the demand and supply equation, given poor visibility. Here, Intelligent automation allows you to respond faster, in an accurate manner. Automation also can save significant downstream cost that could result from service-level agreement penalties.

B2C Hi-Tech & manufacturing companies can look at establishing remote contact centres and monitoring how contact centre employees deliver quality customer experiences, and how digital channels and self-service portals can be used to support the increase in contact centre volume.



6. Build a Digital Workplace with Cloud Computing

Relevant for

CIO

CTO

CHRO

COVID-19 has both immediate and long-lasting implications for how people work and be safe. The top priority is to protect the health and safety of people, including in their workplaces. Leaders must make rapid, highly-informed decisions, and take immediate actions to protect and support their people and ensure that critical business operations continue.

Deferred decisions and delayed actions have immediate and longer-term business continuity impacts. Among the biggest priorities for businesses right now, is to safeguard their workforce and continue servicing their customers without compromising on performance, security and experience. CIO's will have to ensure the end-users are fully equipped with a digital virtual workplace and collaboration tools in a secured environment without changing much of the existing IT infrastructure.

Cloud computing brings the digital world to us. Unicorns are especially looking at cloud computing in these tough times, especially when offices are closed, and most businesses are working on reduced services. Services such as Amazon Web Services, Microsoft Azure and Google Cloud have enabled us to continue our digital lives through applications such as Microsoft Teams, Zoom Video, Slack, and Skype. Microsoft Cloud services has witnessed a massive increase of 775% at the end of March 2020. Microsoft Teams now has more than 44 million daily users, and they generated over 900 million meeting and calling minutes.



7. Focus on Digital Marketing

Relevant for

CMO

The unprecedented disappearance of all channels related to live events and conferences, and the increasing barriers on face-to-face businesses, pose an enormous challenge for global B2B enterprises. Organisations should look at mitigating this loss by adopting and shifting to digital marketing and collaboration strategically. This strategic move can not only act as an emergency measure but could also carry on providing long-term value when the world eventually gets back to normal.

COVID-19 has opened new digital avenues across industries like enterprise collaboration, virtual events, end-to-end digital services to help in enabling digital events which are at present postponed/cancelled due to COVID-19.

Because of the lockdown, people have more time to collaborate online, thereby opening a horizon of opportunities for the marketing and sales team across Hi-Tech enterprises to look at new business avenues. Businesses should shift or increase spend in digital advertising to promote product launches that were planned as a part of the event. Additionally, they should use paid social media channels to directly target buyers who had meetings or are on their account-based marketing lists.



8. Enable Digital Learning with Virtual Reality (VR)

Relevant for

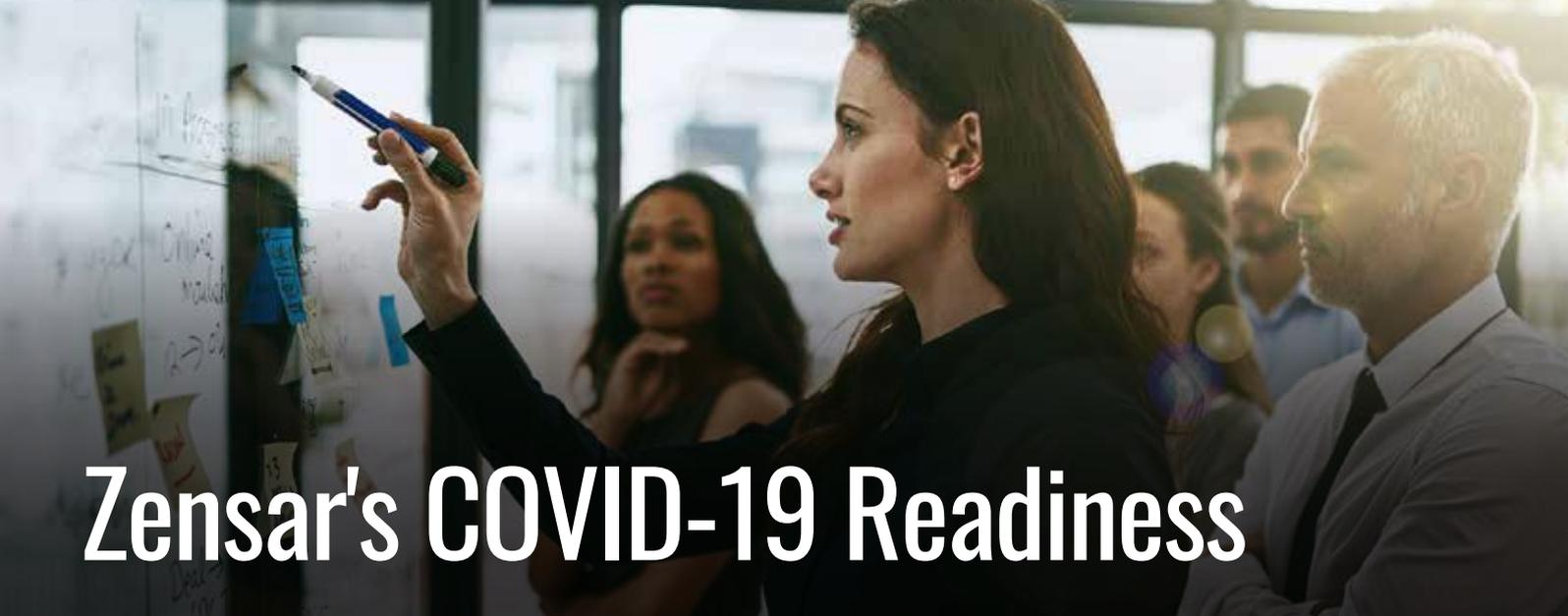
CIO

CTO

CHRO

The impact of COVID-19 could highlight possible use cases for virtual reality (VR) in hi-tech enterprises, boosting the technology's adoption. Most technology companies including leading ones such as Apple, Google, Amazon, Facebook and Microsoft have mandated that employees work from home. While this is the safest course of action during the pandemic, it does inhibit collaborative efforts and opportunities for hands-on digital learning using digital methods.

Companies had already identified VR as a tool to improve employee training, but the coronavirus could prove to be the impetus for some workplaces to implement the technology. Businesses are looking to use VR and other extended reality tools to mirror real-world training conditions. If used at home, employees can utilise digital learning to sharpen their skills with hands-on tutorials which previously may have only been available in a workplace setting. For instance, a technician can practice repairing industrial equipment without leaving their home. Additionally, a wider range of meetings can be held remotely through VR, as workers can better view and share complex ideas like prototype designing and exploring scenario analysis using digital twins.

A woman with long dark hair, wearing a black top, is pointing with a blue marker at a whiteboard. She is in a meeting room with other people in the background. The whiteboard has some diagrams and notes on it.

Zensar's COVID-19 Readiness

The conditions prevailing today will test businesses to their core, forcing them to rethink strategy and re-evaluate options at light speed and execute them even faster. Zensar is committed to helping its clients strengthen and reimagine existing capabilities to ensure they can optimise their business processes for performance, productivity and resilience. In order to help our clients through this critical phase, Zensar has developed various service offerings that address each of the focus areas mentioned above:

Zensar Enterprise Resiliency Framework (ZERF)™

ZERF™ enables flexible business solutions to help enterprises mitigate business impact through an immediate cost take out, preparation for expedited recovery post normalisation and by building a more robust enterprise in the long term.

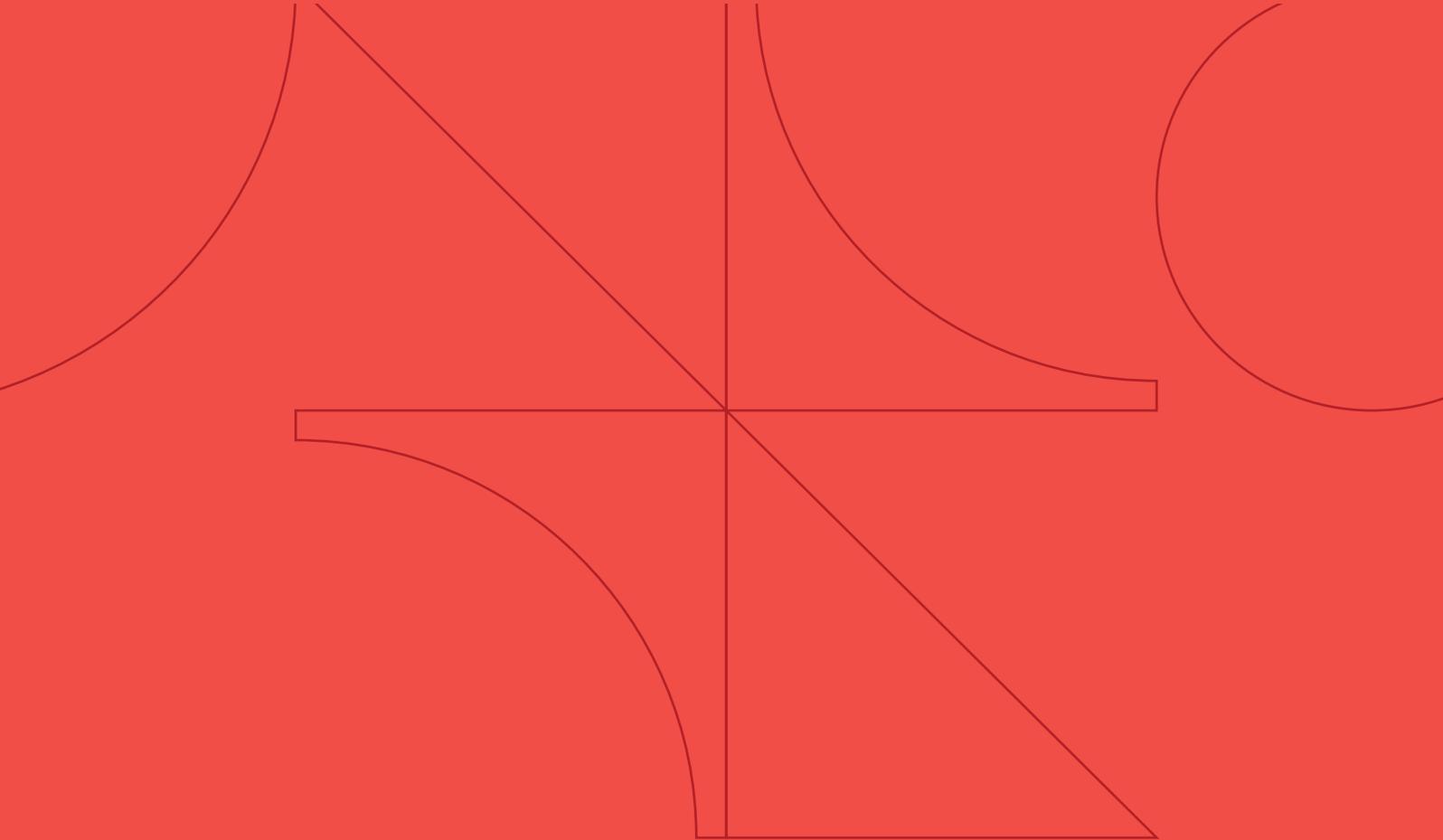
ZenTrust™

Zentrust™ helps businesses optimise and prioritise enterprise applications while delivering cost savings with our portfolio of ready-to-use solutions and accelerators and ensures agility and productivity to assist your business and IT KPIs in these times.

Zencare™

Zencare™ is a remote productivity solution that enables businesses to safeguard their workforce and continue servicing their customers without compromising on performance, security and experience.

Click here to find out more about our customised solutions and accelerators that unlock immediate optimisations for your business and ensure a fast-tracked return to growth and productivity.



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