

The Power of Capitalism in Service of Society

4 Stages of COVID-19 Response for Corporations



An Unprecedented Disruption

At the time of writing, the coronavirus crisis has impacted our societies in ways we couldn't have imagined just a few weeks ago. Global trade and travel is disrupted, and the facilities we take for granted – from restaurants and cinemas to offices and schools – are closed or soon will be. In some places, the restrictions are even greater.

Authorities are predicting that this disruption, while temporary, will last longer than many governments expect, and the impacts will extend well beyond public health. As the crisis unfolds, it's clear that governments will not be able to deal with the consequences on their own.

In times when governments struggle to respond, corporations need to step up to put their imagination, assets, and value chains to work in service of society – for society's sake and their own.

Four Stages of COVID-19 Response

Global companies have gone through a journey since the outbreak of the virus, and Palladium is no exception. These include (1) Safety, (2) Continuity, (3) Sustainability, and (4) Proactivity.

This journey has begun with **Safety**, as the wellbeing of our staff and their families is our primary concern. We set up crisis steering groups, updated safety guidelines and policies, and developed processes to ensure that everyone is supported, wherever they are in the world.

We then moved quickly to **Continuity**, adapting our business and processes to continue delivering the products and services our clients need. While companies in many sectors have been forced to close, others have the ability to modulate continuity plans in each market based on their circumstances.

Many of us are now in the **Sustainability** phase, looking at how we will sustain a prolonged disruption in our markets. How will we adapt our business models to continue providing the value that our clients have appreciated, in this period of uncertainty? We need to recognise that this disruption will continue to be profound, and our business models will need to evolve. For instance, companies that source from farmers in South East Asia or Africa, may find their businesses unsustainable in a few months, when the virus spreads into low income communities with less resilient health systems.

With these risks in mind, there is a final phase only few companies have entered: **Proactivity**. Private sector companies, in particular those with a global footprint, have a unique set of assets that can be activated to respond to the crisis and support governments across the world. We have global operations. We have talented professionals. We have unique knowledge in spaces that are needed now, including pharmaceuticals, apparel, medical devices, mathematical modelling, and logistics, as well as the organisational power to use our combined capabilities to deliver those products and services.

Capitalism in Service of Society

The power of capitalism needs to be redirected in service of society through our core businesses. We need to adapt our value chains, product development, marketing, systems, and processes to create solutions that offer value in a drastically different and changing world - in the short, medium and long terms.

Inditex, one of the biggest apparel companies in the world, is working on producing protective equipment and sanitary products, transforming its unparalleled value chain into a force for good. Hotel chains are providing accommodation to patients who don't have a place in a hospital. Car makers are shifting production lines to provide medical equipment. We need more companies to reimagine their business and the role they play in society.

To a large extent, success will depend on our ability to partner with governments to deliver new solutions in the right place at the right time. In the United Kingdom, for example, the forced long-term reclusion for the elderly will need distribution companies to help this vulnerable group. All over the world, children and parents will need solutions to enable both working and studying from home. Communities in emerging markets will feel the hit of demand shocks in developed economies. Health systems will be distressed and need equipment they cannot afford.



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The private sector has the power, imagination, and organisational capacity to contribute with solutions. Leaders in the organisations that have this capability need to guide their teams through the four stages with speed, agility, and a recognition that the future of their business depends on how they respond today.

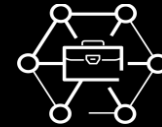
We cannot miss this opportunity to contribute to the COVID-19 response, transforming our businesses and changing the ecosystems in which we operate, for the better and for good.

Safety

How do we keep
our employees and
families safe?



Safety in the workplace



Travel management



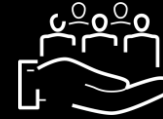
Safety guidelines and equipment



Support team for crisis management

Continuity

How do we continue delivering for our customers and clients in the short term?



Remote working policies



Supply chain adaptation



Product adaptation



Enabling technology

Sustainability

How do we ensure that the business adapts in the mid- and long-term, building resiliency into the system?



Cost realignment to cope with supply and demand



Support for clients and partners (fund, credit lines, payment schemes, etc.)



Acceleration to a networked business model



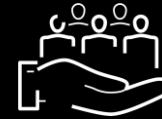
System value thinking approach for the long-term

Proactivity

How do we reimagine our business and activate our capacity to solve this crisis?



Utilisation of assets to support public authorities



Adaptation of products to serve population needs



Accessibility for those who would be left behind



Palladium is a global impact firm, working at the intersection of social impact and commercial growth. For over 50 years, we've been helping our clients to see the world as interconnected – by formulating strategies, building partnerships, and implementing programs that have a lasting social and financial impact. We simply call this “positive impact”.

We work with corporations, governments, investors, communities, and civil society. With a global network operating in over 90 countries, Palladium is in the business of making the world a better place.

Contact info@thepalladiumgroup.com to learn more.

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