

COVID19 – From the lockdown to the opening

Summary - Webinar May 18th, 2020

Panellists:

- SINGAPORE: Arnoud De Meyer, former president of Singapore Management University, top world university, just wrote a book about the ecosystem edge: "Competitiveness in the face of Disruption".
- JAPAN: Jérôme Chouchan, CEO Godiva Japan, South Korea, Australia/ New Zealand and Manufacture Belge de Chocolates, Board Member of the Belgian-Luxembourg Chamber of Commerce and French Chamber of Commerce in Japan.
- VIETNAM: Gricha Safarian, Managing Director Puratos, Honorary Consul of Belgium in Ho Chi Minh City.
- CHINA: Dr Karel Eloot, senior partner at McKinsey & Company, Chairman of the Benelux Chamber of Commerce in Shanghai.

To expand our footprint in Asia and develop our global network, The Benelux Chamber of Commerce, Shanghai participated in the multi-APAC-chamber webinar "COVID19 – From the lockdown to the opening". Expanding our network is benefiting the entire Benelux Chamber community as we are definitely stronger together.

Last Monday we were joined by 90 attendees from all over the world. They listened to our expert speakers addressing the different situations and implications of the COVID19 crisis. During the webinar we followed the progress and impacts from Singapore to China, from the lockdown to the opening on the respected economies, and globally.

Our speakers discussed how this pandemic is influencing people, businesses, and the economy. What are the impacts the COVID19 pandemic has had thus far? How to accelerate business and what can you do to keep teams and human resources motivated? During this pandemic, key implications and trends are arising which drive companies to change their business model, supply chain and strategy while reflecting on their purpose to navigate successfully through the crisis.

Global Supply System

Discussing trends in globalization and the future of technology in a dispersed world, Mr. De Meyer addressed the current crisis as more than a healthcare crisis. It is changing the way we work and alter consumer and **customer behaviour in Singapore**.

Not only will technology accelerate, it will contribute to the change of **global supply chains**.

With the changes in global trade, the idea that anyone, in some way, could benefit from globalization, is waning. With the crisis at hand, it now turns out how fragile our global system have become.

Seeing the upsurge in productions costs and the acceleration of technology, one key trend arising is the continuous increase in automation.

Trends and implications: What can help accelerate business?

Mr. Chouchan continued by identifying for **Japan** the three key implications and impacts the crisis has had so far.

A sense of **purpose** must be defined and aligned internally: A clear company purpose and mission will assist in guiding a company through a crisis. It contributes to the purpose of happiness and efficiency amongst staff and teams.

The change in the way we work by becoming more **agile**. This impacts businesses to identify the need to make a change in agility: e.g. by creating a network of teams or a task force. Increasing agility also can lead to higher efficiency, moving closer to consumers, and increased motivation for teams/staff. Especially in Japan, the development of an agile work environment has been a change from the traditional Japanese culture.

Lastly, the increase of **multi-channel distribution**. Combining multi channels can result in an acceleration of a business model. The COVID19 crisis has shown that consumers are willing to buy from more than just one channel. During the lockdown it has become a key trend and will continue to do so.

Successful Crisis Management: the case of Vietnam

Vietnam managed to control the crisis via a combination of fast crisis management, social distancing, and intense tracking and soft enforcement. The country will emerge from this crisis with a strong development and enforcement of their soft power.

Three key components of crisis management, as discussed by Mr. Safarian, are

1. ultra-fast decision making
2. transparency
3. clear internal and external communication.

The importance purpose is also highlighted in this part of the world. Combined with a clear company mission, it is of great value to help companies navigate through the crisis. Agility and transparency can take businesses further while building a stronger company. Not only by protecting the workforce but also through internal alignment and sustainable strategies.

It is our responsibility to be sustainable, also for the future. This crisis has given us an opportunity to make things better. But the question remains: in a pandemic ready environment, are we prepared to create pandemic ready companies?

Clues and insights from China on what is coming next

Mr. Eloot addresses **China's** experience in recent months, as it may offer some clues on what is coming next in terms of challenge for the rest of the world.

The Chinese timeline: In January and February COVID19 hit China seriously, as could be seen from the decrease in demand in e.g. automotive and home appliances. In March however the Chinese purchase managers index rebounded. Investor and consumer confidence indicators were positive. Already by April economic figures showed sign for recovery compared to January of the same year, visible in e.g. property sales. However, the people's mindset has not yet fully recovered, there are still mobility restrictions in place and adjusted working conditions.

Looking at the situation in China, five key messages can be taken from this crisis

1. **Not one size fits all:** there are no typical impacts, as different sectors / company sizes etc. are affected differently and disproportionately.
2. **Adjusting supply chain strategies** – The US trade dispute highlighted risks and uncertainties in supply chains. COVID19 has accelerated this. The slowing of global trade and investment is making drastic global footprint changes difficult. The new criterion for assessing supply partners has become resilience.
3. **Acceleration of digitalization** – even before 5G, this trend will accelerate further.
4. **Change in consumer behaviour** – The spending behaviour is changing, and savings are increasing. This has two implications: consumers are changing to higher quality products and the opportunity to offer new financial products.
5. **Acceleration of how the private and social sector are influencing the economy** – During this pandemic the private sector, specifically large tech companies, played a more visible role. The same is through for some larger social foundations.

All our speakers highlighted the **people-nature** of this crisis: through the importance of a well-defined company purpose and HR, to the agile nature of teams and task forces. The need for businesses to be both sustainable and agile is growing, in order to maintain efficiency, accelerate and to keep teams and human resources motivated.

Now, more than ever, the resilience our supply chains it what matters: **location** has taken priority over the cost of supply chains.

Will we go back to our old ways or will we change the way we work?