



# COVID-19

The road to recovery?

## ACCA 3 stage framework for organisation recovery

**Act** Focused on the short term horizon and the initial first few weeks of response to the crisis, this stage is critical to ensure the current situation is managed properly, continuity plans are brought into place, and the wellbeing of employees is protected



**Analyse** The shift to the medium term horizon reflects the focus on starting to build the path to recovery. At this stage, the organisation starts to resume its business operations, planned in manageable phases



**Anticipate** The longer term horizon is focused on innovation and understanding how organisations must evolve in the face of the pandemic. Here the business model and organisation strategies may evolve



# The recovery roadmap



The full roadmap can be accessed at ACCA's Covid-19 Global hub. <https://www.accaglobal.com/uk/en/cam/coronavirus.html>

# Workforce management

1. Act	2. Analyse	3. Anticipate
<p><b>PROTECT STAFF</b></p> <p><b>Communication plan</b> for employees explaining how the organisation is responding to the crisis and sharing key information</p> <p><b>Review key policies</b> areas, such as pay and sick leave, health &amp; safety, remuneration &amp; employment practices, and travel policy in response to the crisis</p> <p><b>Remote working practices;</b> undertake an initial feasibility assessment and move to implementation</p> <p><b>Plan to realign or redeploy the workforce</b> into different business-critical areas and devise critical roles &amp; responsibilities to understand immediate response and viability</p> <p><b>Devise people key risks plan</b> to identify the immediate risks arising as a consequence of the crisis</p> <p><b>Full reassessment of health &amp; safety</b> protocols relating to the physical workplace, such as social distancing</p> <p><b>Briefings for line managers</b> to support immediate management responsibilities in responding to the crisis</p> <p><b>Equip all managers</b> with information and resources to manage remote working effectively</p>	<p><b>PLAN THE WORKFORCE</b></p> <p><b>Forward-looking communication plan</b> to keep employees continuously informed, engaged and connected</p> <p><b>Form analysis of shift patterns, rotations and reconfiguration of workplaces</b> to accommodate changing regulations or new cycles of demand. Implement changing regulations in relation to the workforce over the period</p> <p><b>Monitor emerging people risks</b> as working patterns change, availability of people, skill gaps, culture implications, or physical and mental health issues arise; providing access to the relevant resources as required</p> <p><b>Plan and start to enact 'the return to office' for the medium term workplace</b> by phasing the virtual versus physical location of different staff, making sure it matches customer demand</p> <p><b>Secure remote working support and collaboration tools</b> with the appropriate digital infrastructure</p> <p><b>Implement redeployment practices</b> as necessary around critical work streams, whilst assessing emerging skills and capability requirements</p> <p><b>Assess resourcing talent pool requirements</b> to cover the next few months of operation, and acquire the staff or skills as necessary</p>	<p><b>BUILD FUTURE TALENT</b></p> <p><b>Develop a strategic workforce plan</b> for the future</p> <p><b>Map out the key longer term skills needed as part of a broader talent plan</b> for the organisation, as well as the capabilities around evolving business model, and develop future employee proposition that attracts the workforce of tomorrow</p> <p><b>Reimagine and evolve the future workplace</b> to ensure it is aligned to long term plans, employee proposition and customer demand</p> <p><b>Identify future resourcing plan</b> based on capability needs</p> <p><b>Understand emerging opportunities</b> that evolving digital capabilities present across resourcing, learning, career development, and future retention</p> <p><b>Transform workplace culture</b> to enable productivity to be recognised more effectively in a virtual working environment (activity and output focused, not time focused)</p> <p><b>Progress finance team</b> to ensure they have the leading skills, capabilities and resources needed to support the organisation</p>

# Customer centricity

1. Act	2. Analyse	3. Anticipate
<p><b>SAFEGUARD CUSTOMERS</b></p> <p><b>Effective communication plan</b> for customers explaining how the organisation is responding to the crisis, and sharing key information</p> <p><b>Define key policies</b> areas, such as customer charter, pricing, refunds, cancellations, health &amp; safety issues</p> <p><b>Ensure appropriate legal and health safeguards</b> are in place and up-to-date for customers</p> <p><b>Briefings for staff on customer interactions</b> to ensure these are managed responsibly and consistently</p> <p><b>Devise initial key risks plan</b> to identify evolving customer-related risks</p>	<p><b>ASSESS AND MONITOR KEY TRENDS</b></p> <p><b>Identify current and potential new customer data sources</b> that help the organisation understand customer behaviour and refine product and service offering accordingly</p> <p><b>Use the data</b> to develop strategies and products that are in demand and that the organisation can deliver. Understand where the greatest profit is, and focus on minimal viable product</p> <p><b>Track and analyse ongoing changes in customer behaviour,</b> demand patterns and identify implications for revenue</p> <p><b>Forward-looking external communications plan</b> to keep customers continuously informed and engaged</p> <p><b>Monitor and assess evolving regulations</b> in relation to customers over the period</p> <p><b>Assess the relevance of current customer sales and marketing strategy,</b> and evolve as necessary</p> <p><b>Examine whether customer product, pricing policy and service delivery channels</b> need to change</p> <p><b>Evaluate customer competitor position</b> to understand areas of relative strength and weakness</p> <p><b>Understand consumer and demand risks</b> by country / region / industry / sectors</p>	<p><b>TRANSFORM ENGAGEMENT</b></p> <p><b>Identify new customer bases, channels and revenue opportunities</b> aligned to the organisation's future business model</p> <p><b>Strategically review customer data and different categories of data</b> to ensure it supports future customer-related decision making</p> <p><b>Implement new customer strategies, products and services</b> relevant to changing customer needs and preferences</p> <p><b>Understand the digital opportunities</b> of the future in relation to customer channels of engagement</p>

# Stakeholder and government engagement

1. Act	2. Analyse	3. Anticipate
<p><b>ENGAGE PARTNERS</b></p> <p><b>Map key external stakeholders</b> relevant to the organisation</p> <p><b>Devise communication plan for each stakeholder group</b> explaining how the organisation is responding to the crisis and sharing key information to manage its reputation. Make sure communication channels are open</p> <p><b>Ensure key stakeholder policies</b> areas, such as regulatory and government engagement and investor relations, are in place</p> <p><b>Make sure appropriate legal and health safeguards</b> for key stakeholder groups are identified and addressed</p> <p><b>Devise initial key risks plan</b> to identify stakeholder-related risks</p> <p><b>Understand and capture the key relief measures and policies</b> being introduced by governments and other potential areas of support</p>	<p><b>EVALUATE VALUE</b></p> <p><b>Undertake an assessment of the value</b> provided by each stakeholder</p> <p><b>Analyse potential new future partnerships of value</b> to the organisation to widen the innovation circle and share costs; e.g. investors, new sources of funding</p> <p><b>Examine the external environment</b> to identify strong innovation practices to be learned from other organisations</p> <p><b>Nurture appropriate new relationships</b> with trade bodies, professional bodies and government agencies to help develop future policy relations and support</p>	<p><b>BUILD STRATEGIC RELATIONSHIPS</b></p> <p><b>Develop an action plan, including effective lines of communications</b> with banks, financial institutions, tax and governments authorities, for when interventions or other types of support are tapered off. Manage unwinding of the repayment moratoriums</p> <p><b>Continually engage</b> with regulators and assurance bodies</p> <p><b>Explore other external supporting communities</b> peer-to-peer support communities, professional network, NGOs, accelerator schemes to ensure a holistic strategic approach to developing partners</p> <p><b>Recognise new emerging sources of finance partnerships</b> as a key element of future relationship management to create longer term financial stability</p>

# Financial strategy

1. Act	2. Analyse	3. Anticipate
<p><b>SECURE VIABILITY</b></p> <p><b>Immediately review current financing arrangements</b> across the business to identify how these can be extended or made more beneficial in the short term</p> <p><b>Ensure access to emergency or short term funding</b> is available and used effectively</p> <p><b>Understand the current cash position</b> and short term cash forecasts</p> <p><b>Examine debtor and creditor lines</b> to understand possible cash flow opportunities and risks</p> <p><b>Ensure that cash management policies</b> of the organisation are up-to-date and in line with the organisation's changing needs</p> <p><b>Ensure immediate core financial and operational controls</b> are in place and monitored</p> <p><b>Understand the organisations current working capital position</b> and model for short term volatility and changing demands</p> <p><b>Understand treasury, currency and foreign exchange impacts</b> on cash position; be certain of what the organisation's strategy is going to be and the potential risks involved</p>	<p><b>MAP OPPORTUNITIES</b></p> <p><b>Cash flow and liquidity focus</b> maximising cash flow needs to be the priority, with less focus on the P&amp;L</p> <p><b>Explore alternative channels</b> to market, re-evaluate revenue streams</p> <p><b>Capital investment;</b> reprioritise the organisation's view on where capital investments can create an advantage in the medium term</p> <p><b>Renegotiate costs;</b> do not treat fixed costs as "totally fixed", and reappraise key cost centres, such as offices, building, leased equipment</p> <p><b>Evaluate the organisation's market competitiveness and position,</b> and understand competitor risks</p> <p><b>Analyse potential financial restructuring options</b> over the medium term</p> <p><b>Understand regulatory and tax implications</b> of the changing business environment, and <b>assess financial reporting</b> and evolving market disclosure needs</p> <p><b>Determine financial strategy relating to employees and pensions</b></p> <p><b>Compute worst-case financial scenarios</b> or breach of covenants</p> <p><b>Analyse potential divestment and closure</b> of non-core parts of the business</p>	<p><b>BUILD THE LONG TERM PLAN</b></p> <p><b>Consider a people, purpose, profit centred</b> approach as integral to the organisation's future financial plan; recognise that purpose, and not just the pursuit of profit, is fundamental</p> <p><b>Build investment plan</b> to support future business strategy in the longer term</p> <p><b>Invest in digital tools and technologies that can</b> help ensure financial practices are effective and efficient</p> <p><b>Secure a long term, sustainable funding strategy</b> that best supports the future business model</p>

# Supply chain and operations

1. Act	2. Analyse	3. Anticipate
<p><b>PROTECT SUPPLY</b></p> <p><b>Ensure complete visibility</b> over the organisation's supply chain</p> <p><b>Identify key suppliers</b> are in the organisation's logistics chain</p> <p><b>Guarantee key supplier-related policies</b> are in place and up-to-date and implement a proactive communication plan for all suppliers</p> <p><b>Make sure appropriate legal and health safeguards</b> relating to all suppliers are in place and enforced</p> <p><b>Detect potential supplier risks</b> and "single points of failure" in the short term</p> <p><b>Identify lead indicators</b> to help track supply demand changes and to understand the potentials around over or under supply, production and inventory implications</p>	<p><b>ASSESS EFFECTIVENESS</b></p> <p><b>Assess whether and how the organisation's future sourcing strategy</b> needs to change</p> <p><b>Understand reliance on global supply chains</b> or particular countries or nodes of operation to understand future risk profile</p> <p><b>Establish mechanisms to track potential regulatory and jurisdiction changes</b> which may impact supply chain infrastructure over coming months</p> <p><b>Use model scenarios</b> with different assumptions relating to supply chain, and assess all potential outcomes</p> <p><b>Assess the potential impact of tariffs</b> and tariff carriers (Brexit and global trade conflicts), and make it an integral part of the scenarios modelling</p> <p><b>Consider the price of supply chain resilience</b> since it may prove more expensive to increase or to source in domestic markets</p>	<p><b>TRANSFORM STRATEGY</b></p> <p><b>Strategically review supplier data</b> to ensure it supports future supplier-related decision making</p> <p><b>Investigate the role of technology</b> in supporting the organisation's future supply chain infrastructure</p> <p><b>Identify future strategic suppliers</b> as part of the organisation's business model and the nature of collaboration</p> <p><b>Ensure organisation's future supplier strategy</b> recognises the growing importance of the ESG agenda</p>

# Data requirements and transformation

1. Act	2. Analyse	3. Anticipate
<p>ENSURE OPERABILITY</p> <p><b>Customer insight</b> Enact agile projects that produce high-quality, up-to-date data</p> <p><b>Ensure data is protected</b> and cyber security controls are operational</p> <p><b>Identify and communicate</b> with key third-party IT suppliers to understand levels of resilience and immediate risks</p> <p><b>Understand the organisation's immediate technology resilience capabilities</b> and capacity management, e.g. remote access demands aligned to initial workforce plan</p>	<p>ANALYSE NEW OPPORTUNITIES</p> <p><b>Evaluate technology resilience plans</b> for the coming months as well as the upgrades necessary to support employees, customers and other stakeholders</p> <p><b>Model expected employee usage and needs</b> as a result of changing working practices</p> <p><b>Assess new risks and opportunities relating to IT hardware, software and cloud-based solutions</b>, and ensure appropriate control and mitigation strategies are in place</p> <p><b>Assess the new risks and opportunities relating to data:</b> ensure cyber security measures remain robust and develop robust protocols for data extraction, preparation and analysis</p> <p><b>Understand the data architecture</b> required to support future operations</p> <p><b>Examine how digital infrastructure, platforms and channels</b> can be enhanced to support the organisation, and determine the nature and scope of a digital investment programme for the future</p>	<p>TRANSFORM THE ORGANISATION</p> <p><b>Establish a digital strategy</b> to support the future business model, with data governance and digital core included</p> <p><b>Evaluate how technology can be used</b> to support more effective stakeholder engagement as part of the organisation's strategy</p> <p><b>Understand how and where technology</b> could support the organisation in managing emerging regulatory, compliance and legal risks</p> <p><b>Identify the role of technology</b> in supporting the future strategic workforce plan virtually and physically and how its presence can be sustained in the longer term</p>

# Leadership, strategy and risk

1. Act	2. Analyse	3. Anticipate
<p><b>CRISIS GOVERNANCE</b></p> <p><b>Reinforce crisis management teams</b> to lead the response to the crisis</p> <p><b>Implement clear incident response and business continuity plan:</b> communicate it to all relevant stakeholders and make sure it is aligned with the organisation's purpose, values and culture</p> <p><b>Re-examine the organisation's crisis management strategy</b> and identify targets and deliverables and whether they need to be adjusted</p> <p><b>Understand immediate or changing legal risks</b> and requirements</p> <p><b>Focus on maintaining effective governance and oversight</b></p> <p><b>Start building a broader business resilience plan</b> that includes both continuity and crisis management</p>	<p><b>STRATEGIC ASSESSMENT</b></p> <p><b>Create business-resumption plan</b> and deliver it in phases as required</p> <p><b>Evaluate how the organisation's risk profile</b> has changed, and identify new risks arising in response to the crisis</p> <p><b>Develop the risk management strategy based on lessons learned</b>, and bench test it against a number of key strategic assumptions and scenarios</p> <p><b>Integrate risk management monitoring</b> into scenario planning</p> <p><b>Reappraise insurance cover</b> and investigate what else is available</p> <p><b>Appraise skills now needed from non-executive directors</b> in terms of governance and change of series</p> <p><b>Establish a culture of innovation</b> through tone at the top, and provide opportunities for employees to contribute more ideas</p> <p><b>Continually evaluate broader macro-economic indicators</b> to support planned journey to recovery</p>	<p><b>BUSINESS TRANSFORMATION</b></p> <p><b>Rephrase the business</b> to the new environment taking into account lessons learned from the crisis</p> <p><b>Re-examine the business model</b> and develop a strategy that is robust for future uncertainties and disruptions</p> <p><b>Maintain a culture of innovation</b> to support agile business and decision making in the future</p> <p><b>Ensure leadership and management capabilities</b> are relevant to the post-COVID world</p> <p><b>Develop a more dynamic approach</b> to risk management that supports strategy delivery</p>