

The Imperative Resilience to be Shifted from an Ancient to a Contemporary Business Model. “Lessons learned from the Crisis of the "Coronavirus"”.

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The world is experiencing an unprecedented crisis because of the Coronavirus (COVID-19) pandemic. Not only has the virus greatly impacted human health, but also the global economy, which has revealed numerous weaknesses within the “Business Ecosystem”. These weaknesses are reflected in the lack of experienced personnel and effective managerial systems within the organizations to cope with such crises. The International Labour Organization (ILO) has estimated that approximately 25 million jobs will be lost due to the Coronavirus. CNBC has estimated that this number is to be expected. However, this raises a number of important questions, including:

1. Resources were existed before the crisis, however, where are these resources now? Has the Coronavirus damaged these resources? The virus has not damaged these resources, instead the mismanagement of such resource's accounts for why the global economy is now facing a recession.

2. In most countries, large corporations are the engine of the economy. These corporations have generated billions of dollars in profits over the last few years. The role of these companies is to support the economy by providing incentive programs for employees and Small and Medium Enterprises (SMEs). Is it reasonable to think that these corporations, within the timeframe of one month, are facing a disastrous downturn struggle? Is it truly necessary, and a last resort, for these companies to cut their annual budget, and reduce the number of employees?

3. Most countries have billions of dollars in monetary reserves, garnered from their natural resources and from taxes. It is time to use this capital to support SMEs and the economy to maintain sustainability.



While many individuals and businesses are currently struggling, there is no doubt that the world will recover from this crisis. However, once the virus subsides, normalcy will not look as it once had pre-Coronavirus. Nonetheless, during this period, there are important lessons to be learned to build on and reduce gaps in the business ecosystem, including in the healthcare industry, the oil and gas sector, financial institutions, and global supply chains. Highlighted below are some critical lessons learned from experts in their respective fields.

1. In many countries, the healthcare systems were unprepared and ill-equipped to manage this crisis, due to a lack of necessary medical supplies and equipment, and the massive influx of patients. However, the healthcare entities eventually began to follow the guidance of the World Health Organization (WHO) and were able to reduce the gaps in their systems. There are three essential pillars that have followed in response to the crisis:

- i. Understanding health data and carrying out mass testing,

- ii. Having a healthcare sector not entirely dependent upon hospitals, and
- iii. The capacity to control personal protective equipment stockpiles.

2. By allocating huge budgets to sporting events, entertainment, and technology, governments neglected providing more funding to healthcare infrastructure. A WHO senior official warned that countries with little spending on healthcare were likely to undermine the global response needed against the Coronavirus. This official further added that most countries gravely underestimated their preparedness to confront such pandemics.

3. "Big Data" and "Artificial Intelligence" (AI) played an important role in China to help identify individuals who tested positive for the Coronavirus, as well as track the spread of the virus. Many other governments who invested billions of dollars in AI were unable to use such technologies. Dr. Wim Naude addressed this in his article, "*Artificial Intelligence against COVID-19: An Early Review*". He found that AI has not yet been impactful against COVID-19. Accordingly, Dr. Naude points to six areas where AI can contribute to the fight against COVID-19:

- i. Early warnings and alerts,
- ii. Tracking and prediction,
- iii. Data dashboards,
- iv. Diagnosis and prognosis,
- v. Treatment(s) and cures, and

vi. Social control.

4. Despite the huge investment in technology, this crisis has revealed that humans are not able to use technology effectively. This was made evident by the inability of many companies and educational institutions to figure out how to work or teach remotely. The pandemic has made companies redesign their business models to be more resilient and functional within a virtual system. A 2016 survey of remote workers in America found that approximately 91% of people who work from home feel that they're more productive than when they're at the office.

5. Some countries are not collectivist cultures. This may cause a tenuous environment and affect human relationships and support. The obvious instances that highlight this are Italy and the European Union, who initially failed to send medical aid, and a refusal among northern nations to endorse joint bonds to mitigate the cost of recovery.

6. During this crisis, some world leaders and corporations have failed to act ethically. During this crisis, we may soon encounter ethical dilemmas regarding the allocation of scarce resources such as ventilators, vaccines, essential medical supplies, food, and goods. For instance, following intense criticism from civil society groups and Médecins Sans Frontières (MSF), the pharmaceutical corporation Gilead gave up a special designation from the United States Food and Drug Administration (USFDA) that would have allowed for extended monopoly control over the 20-year patents it has filed for in more than 70 countries for its potential COVID-19 treatment candidate, remdesivir.

7. In many countries, the outbreak of the Coronavirus has revealed substantial supply chain problems. As per the Deloitte report, a decades-long focus on supply chain optimization to

minimize costs, reduce inventories, and drive up asset utilization has removed buffers and flexibility to absorb disruptions amid COVID-19. This illustrates that many companies were not fully aware of the vulnerability of their supply chain to global shocks. Corporations should hence act prior to a disruption occurs, and adjust to execute new plans, rather than starting anew whenever they are plunged into a crisis. Firms can mitigate the impacts by taking supply chain preparedness to a higher level. For example, Nestlé's CEO acknowledged that the current crisis has brought about challenges for sourcing raw materials, and that the company is continuing to work to mitigate this issue. The CEO stressed the importance of focusing the company's efforts on securing supplies, manufacturing, and logistics. This example highlights the imperative for the creation of a new supply chain model that is able to withstand global hardships.