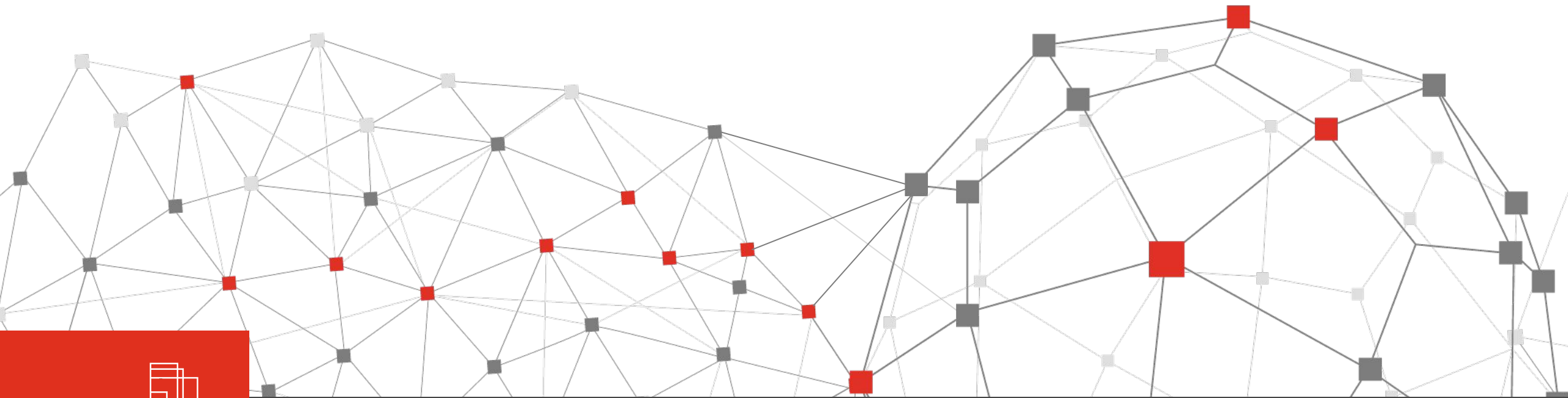


COVID-19

Considering the potential business impacts of the COVID-19 outbreak



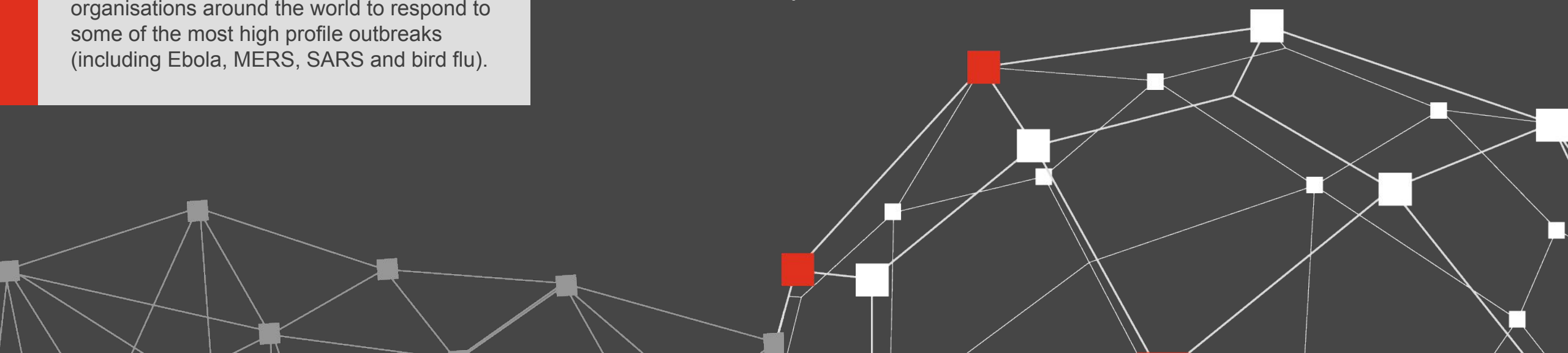
The COVID-19 outbreak has been declared a pandemic by the World Health Organization, causing huge impact on people's lives, families and communities.

As the international response continues to develop, we know that organisations are facing potentially significant challenges to which they need to respond rapidly.

We are working closely with organisations globally to help them to prepare and respond, by sharing our experience in working with companies, governments, regulators, NGOs and international organisations around the world to respond to some of the most high profile outbreaks (including Ebola, MERS, SARS and bird flu).

Contents

Common issues that many organisations are facing	3
Potential COVID-19 scenarios to inform crisis planning	4
Setting up your COVID-19 response	5
• Example strategy and operating model checklist	5
• Key considerations	6
How PwC can help	8
Case studies	16
Key contacts	18



Common issues that many organisations are facing

Our teams bring expertise from across our global network to support you with your COVID-19 response and help you get clarity, control and confidence.

Crisis scenario planning and management



We are supporting clients to:

- lead their crisis response
- provide additional strategic and operational capacity to manage the crisis
- stand up and run a crisis PMO / war room
- model detailed scenarios including 'reasonable worst case scenarios' and assess business impact
- use these insights as part of the replanning and forecasting process

Cashflow management and rapid cost reduction



We are supporting clients to:

- produce and review cashflow forecasts
- apply for Government funding
- identify the cost reduction levers available to the business to improve the liquidity position (e.g. cancel non essential orders, rationalise shifts or implement changes to working weeks)
- modelling changing customer needs and behaviours

Workforce



We are supporting clients to:

- understand, model and apply for Government schemes (e.g. CCFF, CLBILS, CBILS and CJRS in the UK)
- tackle complex immigration, pensions and employment tax matters
- plan and project manage key COVID-19 response workstreams (e.g. engagement, communications and remote working)
- rapidly redeploy their employees to emerging needs, based on a fuller understanding of roles, skills and availability

Employment and tax



We are supporting clients to:

- make critical decisions and communicate what this means to their employees
- consider their options for employees, including local Government funding (e.g. Coronavirus Job Retention Scheme in the UK)
- access tax reliefs and grants
- consider deferring pension contributions in order to preserve cash

Business, technology resilience and cyber



We are supporting clients to:

- develop their approach to risk and controls (e.g. supervision and management)
- test the resilience and cyber risks of their enhanced IT infrastructure
- secure newly implemented or scaled remote working practices and ensure the continuity of critical security functions
- counter opportunistic threat actors
- assess and implement controls to mitigate against new risks created by the new working environment
- investigate fraud and misconduct

Supply chain management



We are supporting clients to:

- reassess lead time and volatility to manage stock levels
- assess financial viability and other measures for critical suppliers
- manage risks of onboarding new suppliers
- assess surety of supply and substitution options
- support in implementing contingency replenishment process and controlled intake

Execution services and surge capacity



We are supporting clients to:

- deliver operations, including shared service centres, call centres and payments processing
- manage resource capacity issues as they deal with a peak in demand or fill resource gaps (e.g. providing additional call centre support for customers)
- provide additional resource to bridge resourcing gaps (e.g. critical roles)

Regulatory, compliance and claims



We are supporting clients to:

- tracking new regulatory changes (deadline changes as well as new rules), assessing impact and replanning
- assessing regulatory permissions and policy exceptions
- run contract reviews, including; assessing impacts of Force Majeure or Pandemic clauses and supporting commercial discussions and claims
- track and quantify the financial impact of COVID-19 using business interruption principles (e.g. relating to claims, contracts)

Potential COVID-19 scenarios to inform crisis planning

We have estimated potential COVID-19 scenarios in the UK, built from a Susceptible Exposed Infected Resistant (SEIR) model. We have used conclusions drawn in recent academic papers to develop two potential scenarios for the outbreak in the UK, as set out below. However, it is important to recognise that there remain a number of unknown parameters in this outbreak that could have a significant impact on the shape and scale of the curve.

In both scenarios, following the introduction of **non-pharmaceutical interventions (NPIs)** such as social distancing in March 2020, an ongoing rise in cases is expected for several more weeks as these measures take effect. The subsequent trajectory of the disease is dependent on the success of the implementation of these NPIs, how long they are sustained for and the introduction of other NPIs or pharmaceutical interventions.

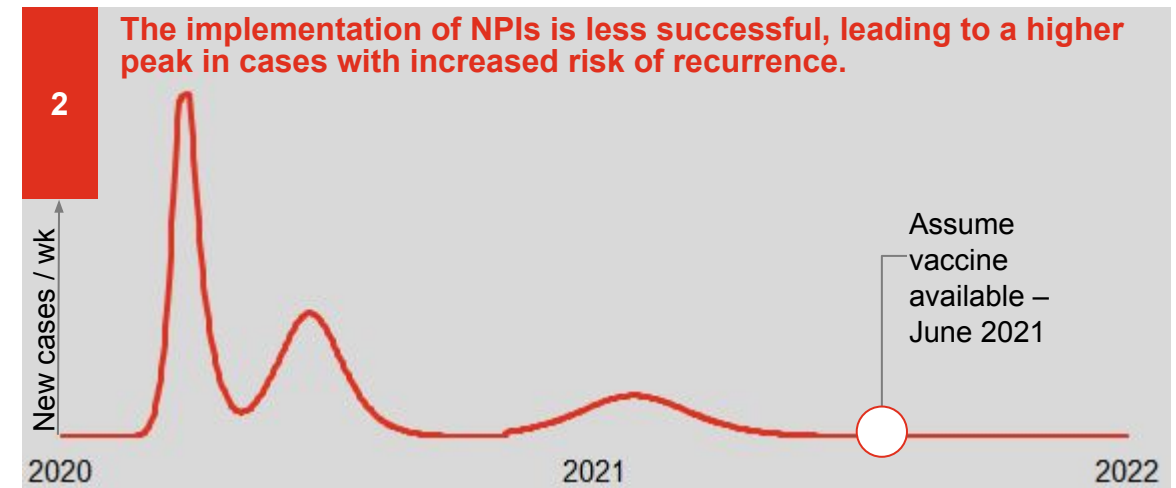


Assumptions:

- Following an initial peak in April 2020, successful implementation of NPIs including testing, contact tracing, quarantine of cases and social distancing prevent an ongoing rapid increase in cases.
- Ongoing implementation of NPIs is required to prevent a significant recurrence of the disease as presymptomatic and mild cases prevent complete containment of the virus until a vaccine becomes available. Some NPIs may be lifted and re-introduced to limit the number of cases.

Timeframe:

- **Peak:** April 2020
- **Total duration:** 12 to 18 months (until a vaccine is available).



Assumptions:

- Weaker adoption of NPIs leads to a steeper, higher rise in cases.
- Variability in success of implementation of NPIs leads to ongoing but smaller peaks in the disease until the development of a vaccine. Seasonality of the virus is currently unknown, but may contribute to the timing and scale of these subsequent peaks.

Timeframe:

- **Peak:** April 2020
- **Total duration:** 12 to 18 months (until a vaccine is available).

N.B. In both scenarios, the timing of latter peaks is dependent on when NPIs are lifted.

Setting up your COVID-19 response: example strategy and operating model checklist

Strategic considerations

- ❑ Establish a cross-functional steering committee, led by a C-suite member. Ensure senior representation from business divisions plus specialist leadership such as HR, Legal, IT, Operations, Risk, Communications, Finance, Health and Safety, Procurement, Sales and Crisis and Business Continuity.
- ❑ Establish and agree a process for decision making and agree critical milestones.
- ❑ Determine reasonable worst case scenarios to inform planning assumptions. Consider likely trigger points for decision-making. Review and refresh Crisis, Continuity and specialist plans (e.g. pandemic / COVID-19). Stress test assumptions and exercise plans.
- ❑ Prepare your core Incident Management Team (IMT) to coordinate response and containment efforts.
- ❑ Map critical stakeholders and agree communication strategies for them. Base the immediate response and communications on established facts from reliable, trusted sources.
- ❑ Appoint functional workstreams and owners, and align activity with response objectives.
- ❑ Ensure alignment with organisation reputation, purpose and values (e.g. supporting the wider community response).
- ❑ Agree communications to staff and stakeholders – and feedback loops. Balance transparency and preparedness with not wanting to appear to be over reacting.

Set up an Incident Management Team to coordinate your response

- ❑ Set clear roles, accountabilities and objectives.
- ❑ Agree meeting cadence and team ways of working.
- ❑ Agree communications and stakeholder engagement strategy.
- ❑ Use approved sources of information to monitor the spread of the virus and emerging clusters of cases.
- ❑ Embed an incident reporting mechanism.
- ❑ Identify critical decision triggers to manage and contain the virus (e.g. travel restrictions; office closing / work from home; meeting restrictions / virtual solutions).
- ❑ Deploy a rapid response process for your own cases and develop personnel recovery plans.
- ❑ Verify that technology infrastructure can support remote operations.
- ❑ Review supplier service availability and resilience.

Scenario planning

- ❑ Evaluate COVID-19 specific scenarios for your organisation. Identify potential risks and assess impacts.
- ❑ Ensure business continuity plans include arrangements and processes for handling an infectious disease outbreak, epidemic and pandemic.
- ❑ Model the financial impact of scenarios and potential triggers for urgent action (e.g. breach of covenants).
- ❑ Identify strategic interventions to stabilise your organisation.

Setting up your COVID-19 response: considerations (1)

COVID-19 response strategy



Workforce

Protect your people and plan your workforce

- ☐ Have you understood the impact of emerging government schemes to support employment (e.g. the UK Coronavirus Job Retention Scheme)?
- ☐ Do you have full visibility of your people (geography, nationality, visa, etc.) and the right processes and systems in place to track and move your workforce, where required, as well as the legal / tax implications of doing so? Do you have a system in place to monitor changing laws and regulations (e.g. travel restrictions) affecting your workforce?
- ☐ Do you have a strategy to manage any defined benefit pension plans, and cash requirements under defined contribution plans?
- ☐ Have you got effective ongoing engagement and communications in place to support employees and maintain productivity?
- ☐ What are the right decisions about performance management, pay and bonuses given the unpredictable nature of the ongoing crisis?
- ☐ Have you identified how to maximise your flexible / remote working arrangements and any changes which are required?
- ☐ Have you understood who's likely to be sick and who you can replace them with and what training or reskilling is required to enable such replacement and redeployment to happen?
- ☐ Have you started to think about how any learning from the current situation can be applied to your organisation for the future?



Operations and supply chain

Maintain business continuity and protect your supply chain

- ☐ Have requirements of key suppliers, such as Facilities Management and IT service providers, been reviewed in light of operational needs during the pandemic period (e.g. increased cleaning regimes)?
- ☐ Have you liaised with key third parties to ensure they will be able to continue to deliver desired service levels during the coming period? Do you have ready access to all contract and commercial agreements to identify those at risk of failure or delay?
- ☐ Do you know the current constraints within your logistics network? Are you monitoring exposure trends and restrictions in the locations of your supply chain?
- ☐ Have you performed an operational risk assessment and considered the impact of disruptions on critical business functions?
- ☐ Do you have any third party single points of failure? Do you have visibility of critical supply chain parts and data to properly assess the potential damage and create immediate plans?
- ☐ Have you performed a risk assessment across all supply chain tiers? Have you considered using machine learning to find patterns that can be indicators of risk – or opportunity?
- ☐ Have you evaluated strategies for alternative sourcing, including the impact of tariffs to cost?
- ☐ Do you have a communication strategy for supply chain partners?
- ☐ Have you activated product redesign / material certification resources?
- ☐ Have you conducted planning exercises to understand the financial and non-financial impact on operation of various scenarios?
- ☐ Have you identified and responded to current and potential shortfalls in critical labour availability in the supply chain?
- ☐ Are your newly implemented remote working practices secure?
- ☐ Are you leveraging technology to monitor and comply with environmental, social and governance requirements?



Communications strategy

Provide clarity to employees and stakeholders and enable business continuity

- ☐ Have you reviewed and updated your communications strategy to align with the wider response strategy to protect your reputation and maintain the trust of your stakeholders?
- ☐ Have you identified the ongoing and emerging reputation risks and opportunities?
- ☐ Are you able to track the ongoing engagement with your internal and external stakeholders (e.g. considering staff, customers, suppliers, regulators, etc.)?
- ☐ Have you reviewed the effectiveness of communication to your employees?
- ☐ Are your regular updates to employees regular and in line with the latest updates and guidance?
- ☐ How are you providing reassurance and consistent messaging to all staff and showing a duty of care?
- ☐ How are your crisis communications aligned with your organisation's culture and communications requirements?
- ☐ How can best practice approaches be tailored to suit your organisation?

Setting up your COVID-19 response: considerations (2)

COVID-19 response strategy



Focus on data

Gain insight and assess your exposure to risk

- ☐ Do you understand how an affected country / region might impact the commercial performance of your industry, your business, or that of your suppliers?
- ☐ Do you understand the potential impact of a global or country-specific slowdown, combined with Brexit, on your business?
- ☐ Are you able to access robust data insights to underpin key decisions that you need to make?
- ☐ Do you have the time and skills to digest and analyse existing data sources in new ways to enable decision making?
- ☐ Are you able to identify new data sources that may be required?
- ☐ Are you able to rapidly automate data capture processes for new data sources?
- ☐ Can you efficiently blend datasets to reveal insights?
- ☐ Do you have the skills and experience to manage sensitive data responsibly?
- ☐ Do you have models that answer your questions or issues, including challenging and validating data and model assumptions?



Customers and revenue

Balance customer care with commercial priorities

- ☐ Have you updated your sales and demand planning strategy, including assessing changes in customer behaviour (e.g. buyer habits) and reviewing sales channels?
- ☐ Have you formed a coherent customer communications plan?
- ☐ Does your plan help to preserve and enhance customer loyalty?
- ☐ How well does your health and safety plan cover both employees and customers?
- ☐ Do your policies reflect the need to protect both your customer and commercial interests (e.g. updating policies to be flexible on cancellations and changes, rationing products with insufficient stock sales to high risk / critical customers)?
- ☐ Have you evaluated your competitive position under the new trading environment, identifying both risks and opportunities?
- ☐ Have you identified and created an action plan against the core marketing and sales priority areas (including inventory planning, pricing strategy and discounting)?
- ☐ Can you innovate and invest in available sales channels (e.g. online vs in-store)?
- ☐ Have you evaluated opportunities to partner or collaborate with others for sales or to support demand?



Head office functions

Join-up efforts on a cross functional basis to ensure business continuity and resilience

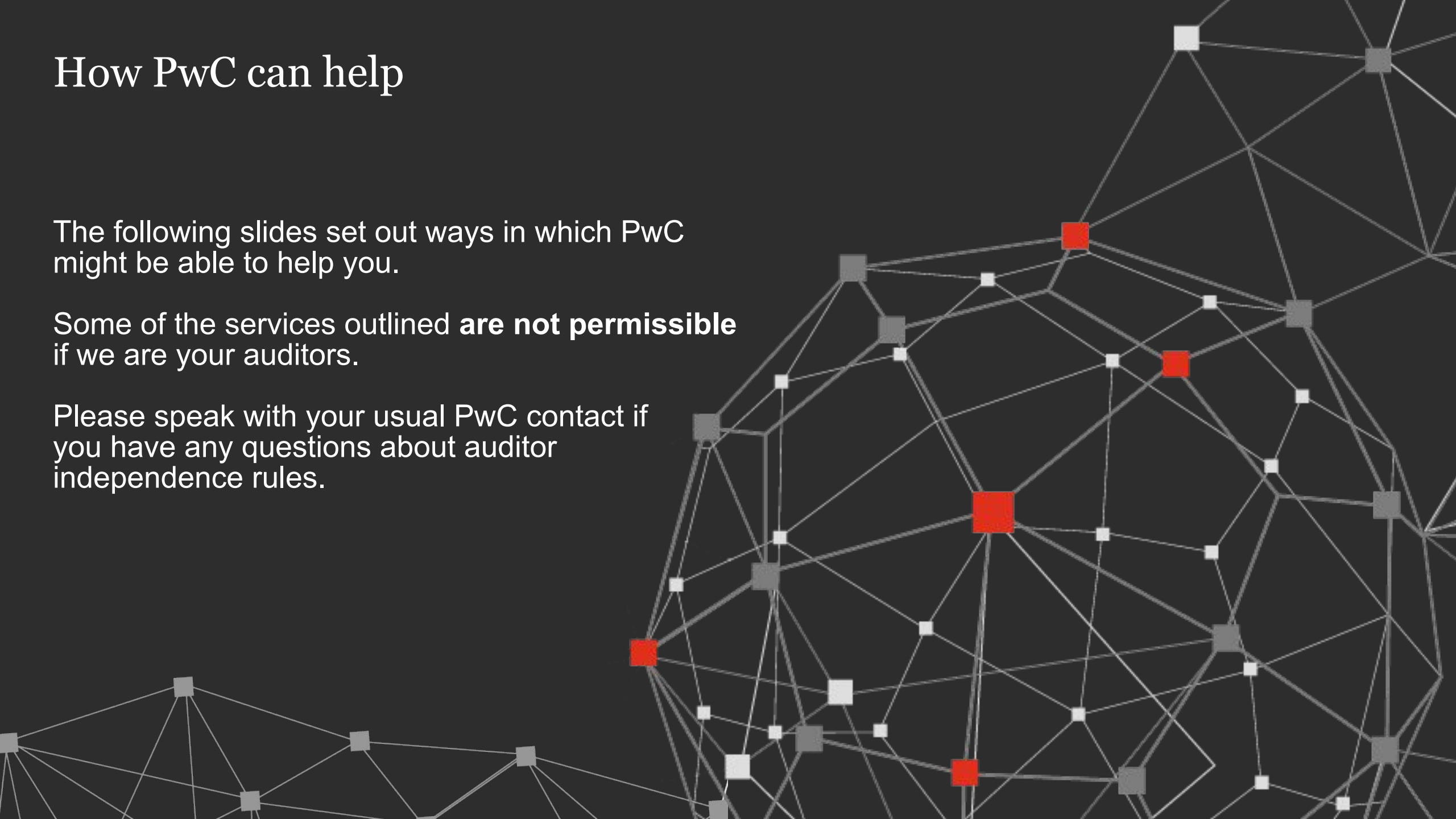
- ☐ Do you need to financially or operationally restructure your business to reduce risk and protect value?
- ☐ Have you updated your working capital plans and forecasts?
- ☐ What contractual options are available to you as the customer, or could be used against you as the supplier?
- ☐ What contractual levers do you have available to suspend, terminate or change the terms of supply (e.g. invoking force majeure provisions, termination provisions and step-in rights)?
- ☐ What access do you have to emergency funding, increased production funding needs or government supported financing, tax and liquidity (e.g. CCFF, CBILS, tax deferrals, rates holidays, etc.)?
- ☐ Have you considered the tax and regulatory implications of moving people to alternative locations? What systems and processes do you have in place to monitor movement of your employees?
- ☐ What insurance policies and access to emergency insurance do you have in relation to your scenarios (e.g. notifiable disease implications)?
- ☐ What technology infrastructure / resilience capabilities do you have?
- ☐ Can your IT infrastructure support vast remote access demand?
- ☐ How are you securing and maintaining your IT systems and data? Have you assessed whether the changes in the IT environment would increase the risk of a cyber attack?
- ☐ What are your triggers for making disclosures to the markets?
- ☐ Have you considered the personal and corporate tax and regulatory implications?

How PwC can help

The following slides set out ways in which PwC might be able to help you.

Some of the services outlined **are not permissible** if we are your auditors.

Please speak with your usual PwC contact if you have any questions about auditor independence rules.



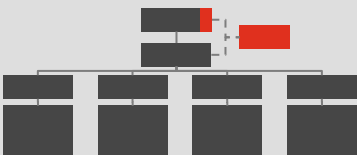
Readily available COVID-19 support, wherever you need us

Flexible and globally connected: We can tailor and flex our role to satisfy your specific crisis response needs, wherever you need us most.

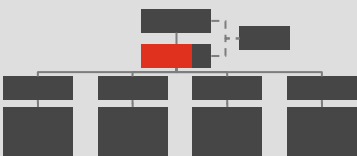
Tech-enabled and resilient: We have long used technology to connect, work and collaborate, anytime and anywhere. Our own experience in crisis planning means that we have a robust IT infrastructure and collaborative platforms so you feel supported wherever we are.

How we are helping clients

Crisis strategy guidance and/or quality assurance



Crisis Project Management Office (PMO) and data insights



Workstream lead(s)
(e.g. communications, supply chain, employment policy, data and analytics, tax, legal, restructuring, immigration and wellbeing, etc.)



Surge capacity
Including managed service capabilities for critical services



We can provide local resources, insights and knowledge from the locations that matter to you

UK network

22,601

people working in the UK

936

Partners

European network

88,064

people in Europe

316

European offices

Our global network

276,005

people worldwide

736 157

offices

countries

We can work alongside you to tackle the challenges you face in responding to COVID-19

Crisis response and management



- Establish a **crisis response structure** with established workstreams, clear responsibilities and accountabilities.
- Develop **likely and reasonable worst case scenarios** and their potential impact, to support crisis and response planning.

Workforce



- Understand the roles and skills of your people so as to **enable rapid redeployment** and to set up the organisation to succeed as best it can.
- Consider how any learnings from the current situation (e.g. flexible working) can be applied to your organisation in future.

Communications strategy



- Review and update your **communications strategy** and plan and approach to **build and maintain trust and reputation** during the crisis for key stakeholders.
- Advise on **reputation risks and how to mitigate** and or prepare for their potential impacts.
- Support development of **communication materials**.

Customers and revenue



- **Revise your sales strategy** to deal with evolving customer behaviours and competitive environment (risks and opportunities).
- Prioritise actions to **protect customer relationships** and commercial interests.
- Model customer **behavioural change**.

Operations and supply chain



- **Perform an operational risk assessment** and consider and plan for the impact of disruption on critical business functions.
- Understand your COVID-19 **supply chain risks and impacts**, including third party suppliers.

Focus on data



- **Identify data needs** and develop protocols for data extraction, preparation and analysis.
- **Model the impact of scenarios** on industry sector or business-level commercial performance, and stress test commercial revenues against downside economic scenarios.

Head office functions

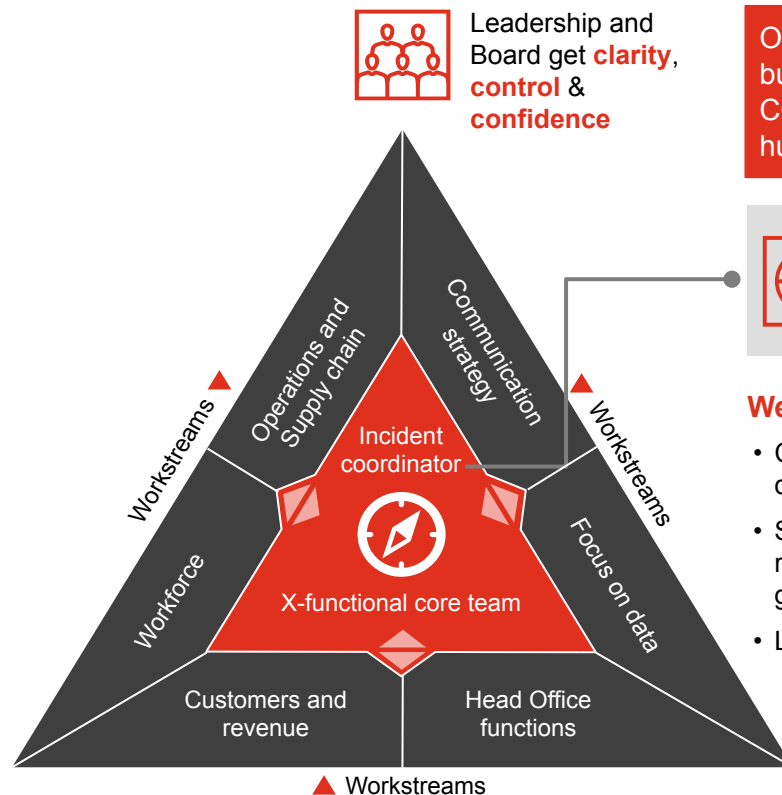


- **Legal, IT, Commercial and Insurance**: review existing insurance coverage, IT infrastructure and resilience, force majeure, contract clauses.
- **Finance, Treasury and Tax**: financing (private or government), restructuring and cash-flow.
- **Investor Relations**: market disclosure.

Intelligent crisis PMO: Bringing clarity, control and confidence

Whether you call it **Crisis Programme Management Office (PMO)**, '**Command & Control**' or '**War Room**', you need a crisis partner geared up to help you run the business and support you through this pandemic with no loss of impact working remotely. We have experts with a track record of helping clients through crisis. Our own **experience in crisis planning** means that we have a robust IT infrastructure and collaborative platforms so you feel supported wherever we are.

We can help you get **clarity** on the potential impact of the crisis on your organisation and stakeholders, ensure you are in **control** of the various aspects of your response and, ultimately, enable you to tackle the crisis with **confidence**.



Workforce

Protect your people and plan your workforce



Operations and supply chain

Maintain business continuity and protect your supply chain



Communication strategy

Provide clarity to employees and stakeholders and enable business continuity



Focus on data

Gain insight and assess your exposure to risk



Customers and revenue

Balance customer care with commercial priorities



Head Office functions

Join-up efforts on a cross functional basis to ensure business continuity and resilience

COVID-19 scenario planning and review workshop

We can help you develop a robust and commercially astute response to minimise the negative impacts of COVID-19, maintain the delivery of your critical business processes and protect your people and assets. The scenarios we help you draw up will be based on fact-driven insights from our economics and epidemiology experts.

Our approach

We facilitate a half / full-day workshop, which could be virtual, to support your assessment of your reasonable worst case scenarios. Our experts will work with a cross-functional team from your organisation, and bring knowledge and experience to provide insight, help identify previously unconsidered risks and also support your response.

01

We will help you identify the reasonable worst-case scenarios for your organisation.

We will use a combination of your own planning, open source material and our experts' views on how the situation may develop to inform this discussion and identify a list of scenarios which merit more focused planning.

02

We will support you to identify and prioritise potential risks and impacts around:

- People
- Workplace
- Legal / Regulatory / Tax
- Supply and distribution chains
- Commercial / Sales / Customers
- Finance / Treasury
- Reputation
- Technology

Prioritise by assessing the impact and likelihood to inform allocation of effort and resource.

03

We will facilitate the consideration of mitigating actions and preparedness plans:

1. Identify actions to mitigate risks.
2. Where risks cannot be mitigated, consider preparedness activities. This may be linked to crisis management, pandemic and BCM plans.
3. Agree clear owners for the risks identified, and key actions that must happen now.

As part of this discussion, we will also consider triggers that will require decisions to be escalated to the senior decision-making team (e.g. Crisis Management Team or the Board).

Objectives

- Agree likely and reasonable worst-case scenarios.
- Identify potential risks and key impacts.
- Assess current levels of preparedness, including other sources of information which could be leveraged.
- Identify mitigating actions against the key potential impacts, identify and prioritise actions which need to happen now and agree clear owners.

Tailoring our approach

We recognise that clients are all in different states of readiness and so, for some clients, the workshop is used to review and challenge both their scenarios and existing plans.

Working capital and cash management

Common challenges and worries

- **Unclear cash position and cash forecasts**, including currency effects.
- **Unclear eligibility for government supported financing, tax and liquidity** (e.g. CCFF, CBILS, tax deferrals and rates holidays, employer grants and refunds, etc.).
- **Developing robust contingency plans and 'what if' scenarios** to model impacts (e.g. cash needs, customer demand changes, supply chain failure, credit insurance withdrawal, restricted x-border payments, regulatory change, etc.)
- **Understanding FX risk**, due to changes in supply chain or customer flows.
- **Weak cash controls** – key cash approvers do not recognise that 'business as usual' principles no longer apply (e.g. ensure on-time customer payment or prioritising supplier payments align with business critical activities).
- **Liquidity or FX management tools are withdrawn or become unavailable** – such as bank accounts, facilities and derivatives.
- **Difficult relationships with struggling customers** who have liquidity issues / financial instability.
- **Unclear who critical suppliers are**, to continue your operational delivery.
- **High invoice error rates to customers**, causing delays in customer payments.
- **Fragmented sales, production and cost planning** – unable to assess current sales demand with adjusting production schedules and purchasing.
- **Unable to assess options to defer existing purchases or forward orders**, such as consequences if credit insurance cover is pulled.
- **Responding to requests from other financial stakeholders** where additional liquidity is being sought.

Typical areas we can support you on:

- Short-term cash flow review
- Effective cash management and FX risk strategies
- Rapid cost reduction
- Working capital management and optimisation
- Operational restructuring

Suggested next steps

Although each situation, organisation and set of stakeholders is different, we have found the following steps are key to success:

- **Develop a dynamic, rolling 13-week short-term cash flow forecast** (STCF) and ongoing process.
- **Flex the STCF to model** various scenarios and mitigating actions including the impact of FX on cash position and covenants. Develop a list of mitigating actions that could be taken.
- **Identify any net funding shortfalls and government financing, tax and liquidity options**, engage shareholders and funding providers.
- **Review current cash and FX reporting processes and controls** (e.g. authorisation limits, payment approval processes, hedging strategies).
- **Prepare a list of key suppliers and critical payments** that must be made to ensure operational continuity.
- **Establish cash conservation levers**, including existing purchase order review and purchasing needs to assess the ability to cancel or defer.
- **Develop a clear communications plan for external stakeholders** to accompany any potential ask.
- **Establish inventory flow visibility** and optimise stock management in the face of potential lead time changes and demand volatility.
- **Identify pockets of excess working capital** and establish initiatives to quickly convert this into cash.
- **Identify surplus assets** that could provide short-term liquidity.

How we've helped others

- **Cash flow and purchasing control** – we developed and implemented cash flow reporting and purchasing controls for a company that had been acquired out of an insolvency process.
- **Cash collection support** – rapidly deploying collections teams to collect over \$500m in cash, plus robust analytics for management to manage performance; accelerated and increased cash collections by 30% in just five weeks.
- **Accessing urgent funding** – supporting a global events organiser as a result of the cancellation of a major international event due to the COVID-19 crisis
- **Cash forecast modelling** – short term cash forecasting models to inform measures to liquidate excess inventory and reassess production.
- **Manage FX uncertainty** – identified opportunities and mitigated cash impacts and arranged new facilities with lenders caused by FX volatility on cash-flows, key metrics and derivatives.
- **Payment control and monitoring support** – we rapidly deployed a framework to control the flow of outgoing payments, based on an assessment of supply chain risk and supplier criticality.

Workforce

Common challenges and worries

- **Unable to satisfy increased demand for day to day HR operations**, without delaying or hampering medium to long term HR objectives.
- **Insufficient capacity/skills to fully understand the impact of new government schemes and regulations**, and how to optimise benefit for the workforce and the business, including implementing system change (e.g. pay-roll to execute).
- **Unable to understand the medium and long term strategic impact that COVID-19 will have on your HR function**, how this affects your organisation's raison d'être, your workforce and ways of working.
- **Balancing the pastoral duty of care** to employee wellbeing with business need.
- **Maintaining productivity**, managing performance and making decisions about pay and bonuses.
- **Inability to predict where the current and future disruption** is likely to have the greatest / least impact across the business and what this means for skills gaps in the organisation and therefore the ability to maintain operations.
- **Limited visibility of your workforce**, their key skills and the capability of processes and systems to move your labour to sustain the value-creating areas of your business.
- **Challenges with infrastructure** which compromise the ability of critical areas of the organisation to work remotely.
- **Keeping ongoing HRM and other systems updated** so as to keep them up to date with evolving policy changes in response to regulatory changes.

Typical areas we can support you on:

- Rapid strategy decode and operating model
- Workforce discovery
- Employment law and immigration

Suggested next steps

Stand-up a dedicated team to manage and implement the response and look to the future. Pull together an overarching and flexible plan and team to action the following:

- **Continue to respond to ongoing changes in the legal and regulatory landscape** (e.g. CJRS in the UK).
- **Refine your approach to communications** and engaging with your workforce and adapt and improve your virtual working arrangements.
- **Proactively ensure that short-term steps** to improve the balance sheet or maintain the P&L **do not hinder your medium to long term ability to operate** as a business and make the most of your workforce in future.
- **Proactively anticipate where disruption is most likely to impact the organisation** and refine responses accordingly.
- **Accelerate upskilling** to enable the coverage of skills gaps in the value-creating areas of the business.
- **Adopt changes to policy, process and systems** to enable redeployment and improve the organisation longer term.
- **Execute the movement of labour within the organisation** to sustain the value-creating areas of the organisation.

How we've helped others

- **Scenario modelling of potential Coronavirus Job Retention Scheme (CJRS) applications** – ensuring a major UK retailer understood the appropriate CJRS approach to take given their unique circumstances.
- **Supporting the HR function COVID-19 project management** of a large healthcare organisation.
- **Rapid redeployment of workforce to critical areas** – quickly developed a labour exchange for the UK Government to redeploy people to organisations most at need.
- **COVID-19 workforce impact assessments** – making permanent positive changes to the way organisations work and improving their business over the long term.
- **Global COVID-19 employment law obligations assessment across 70+ territories** – analysing implications of COVID-19 on a global company's workforce and enabling them to understand the legal obligations they owed to their employees, including contractors and agency workers. This specifically includes pay, reporting obligations, duty of care and health and safety obligations internationally.

Operations and supply chain

Common challenges and worries

- **Supply chain mapping and analytics** – knowing your suppliers locations, supply availability and the ability to operate at an acceptable level. Critical parts or ingredients may be scarce preventing continued manufacture or services.
- **Logistics and security** – displaced containers and freight vehicles, labour shortages potentially restricting flow of goods and services, physical security vulnerabilities increasing as a result of a complex and uncertain environment.
- **Distributors, agents and resellers** – consideration of capacity, channels, pricing and reputational risks, especially when stock is running low and demand is high.
- **Critical labour availability in the supply chain** – understanding and mitigating for unavailability and location of critical individuals and labour shortage for specific functions and/or locations.
- **Financial health of suppliers** – having distressed suppliers may increase pressure or outages on your supply chain.
- **Digital operations and cyber security** – increasing exposure to cyber attacks arising from rapidly accelerated use of remote access technology, and sustainability of digital supply chains.
- **Environmental, social and governance and regulatory compliance** – increased risks arising from disruption in the supply chain and needing to source from alternative suppliers.
- **Contract and commercial** – navigating contractual clauses and commercial matters in light of the need or desire to support some suppliers or change them to respond to moving into new areas (e.g. transferring production into ventilators or other critical suppliers).
- **Claims and losses** – failure to supply resulting in claims and application of force majeure clauses. Preserving data now to support with future potential claims to increase likelihood of getting a fair and equitable result.
- **Tax** – unforeseen indirect tax costs (e.g. VAT and customs duty) arising from disruptions to supply chains and border delays due to lack of territory authorisations.

Typical areas we can support you on:

- Dynamic risk assessment and business continuity planning to prepare you for the coming months
- Credit assessments of critical parties to identify potential risks of supplier insolvencies
- Proprietary rapid supply chain analytics platform (SCOOP) to provide an understanding of supply chain to inform decision-making
- Margin impact / revenue displacement to understand the impact on profitability / cash flow / tax profile

Suggested next steps

- **Use modelling to aid decision making** and identify opportunities for labour, logistics, cost, service and flexibility improvements as well as understand direct and indirect tax implications.
- **Identify supply constraint remediation levers** and validate them (e.g. enable alternate suppliers, secure overtime or expedited freight) and cost alternative supply chains.
- **Stand-up a 'situation room'** where mitigations can be coordinated.
- **Communicate regularly with supply chain stakeholders** and establish closed-loop communication protocols for sensitive issues.
- **Build a tiered factual base of supply**, establishing what is available and constrained, and set the mechanism to regularly update the data.
- **Understand the impact that delays could have** on supply/production lead-times, and consider your inventory position.
- **Review border (e.g. indirect tax) requirements** for alternative supply chains and / or shipment routes.
- **Review insurance and force majeure claims**, build fact base and implement actions.
- **Use technology aided tendering** to appoint new supplier and distributors.

How we've helped others

- **Supplier mapping and dynamic dashboards** – we have rapidly mapped multibuilt dynamic dashboards to track and monitor supply and network risks.
- **Warehousing optimisation** – projects to allow sites to operate in excess stock / lower labour scenarios.
- **Analysis of lead time and critical inventories** to maximise customer service levels on critical products.
- **Resilience assessments of critical third party service providers** and suppliers, implementing mitigation / recovery plans.
- **Provision of augmented resources** to deal with immediate critical tasks.
- **Identification of relevant global emergency tax measures** (e.g. tax payment deferrals).
- **Tariff assessments and mitigation** for changing supply chains, including support with border requirements for alternative shipment routes.

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- Supply chain resilience and network agility testing; to 'stress test' how well it would operate under additional pressure
- Deploy AI and RPA technology to relieve stretched workforce of transactional tasks
- Supply chain intelligence to support dynamic routing of product and introducing new suppliers

Case studies

We are supporting many clients across a range of industries in their COVID-19 response and planning. Below we set out some of our broader crisis and resilience experience.



Supporting a global tech company to understand its employment law obligations in respect of COVID-19

We are supporting a major global technology company with a number of questions it has relating to the employment law implications of COVID-19, in a range of countries it operates in.

In respect of both its direct employees and wider contractors, we have been advising on:

- our client's obligations relating to employee pay
- how to balance its duty of care in respect of health and safety, with having people come into the office
- what it should do in respect of employees with underlying health conditions, including advising on options for putting in place additional flexible working arrangements for them
- the requirement to report to local authorities in respective locations if employees contract the virus
- the extent to which our client can insist that its people must work from home.



Supporting a FTSE 100 client to develop and implement continuity planning in the face of COVID-19

We are supporting our client to develop, monitor and operationalise its continuity plans across all business functions, against a range of viable COVID-19 scenarios.

Our teams are supporting with:

- **operational planning** – developing operational plans and response playbooks for each scenario to ensure a coordinated response
- **monitoring and reporting** – assessing how best to capture information and create a daily situation report, reporting up to a Steering Group that we are running at the start and end of each day. A new digital dashboard provides an up-to-date view of the locations and status of our client's dispersed workforce of direct employees and contractors, a view of the impacts on their business around the country, and a daily update on the pressures on their IT systems
- **business continuity planning** – consolidating plans and establishing nuances for different localities
- **IT** – ensuring everyone can work from home, in an organisation which doesn't currently have a cloud-based system
- **finance** – supporting scenario planning to assist with identifying risk
- **strategic** – understanding how our client's long-term strategy might change as a result of COVID-19.

Case studies (cont.)

We are supporting many clients across a range of industries in their COVID-19 response and planning. Below we set out some of our broader crisis and resilience experience.



Supporting our client facing cash flow challenges and potential solvency issues as a result of a large event cancellation

Our Business Restructuring Services specialists are supporting a global client which has been forced to cancel a major international event due to the COVID-19 crisis.

Our client was unable to access insurance as a result of the local and national government in the home country being unwilling (at that time) to declare COVID-19 a national health crisis. As such, participants pulled out and the event had to be cancelled as it became uneconomical to run and could have put the health of participants at risk.

Our team is supporting with:

- **cash flow modelling** – reviewing cash flow forecasts to understand their robustness and what the potential size of any liquidity shortfall might be
- **stakeholder discussions** – supporting the management team to hold discussions with key stakeholders about what has happened and what the potential solutions could be
- **Directors' advice** – with legal advisors, advising on the potential implications for the Directors of the UK business in respect of the current challenges.



Our COVID-19 rapid response team supporting a global private equity house

We are providing a private equity house with a rapid response team of named PwC specialists from around the world, ready at the end of the phone to answer questions from executives at the private equity house or from the management of their portfolio companies. The private equity house was inundated with information and wanted to simplify its response.

With PwC's global coverage, we've been able to provide our client with the requested key contacts to give a clear picture of the economic and fiscal incentive regimes that have been made available by the governments of territories around the world.

As needed, our local PwC colleagues can then help with applying for those benefits, which include:

- business incentives, loans and grants,
- employment benefits to help businesses maintain their workforce
- deferred tax payments and corporate tax incentives.

Key contacts

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