

Can Entrepreneurs Be a Ray of Hope Amidst Pandemics?

India CSR Network - 27 March, 2020



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The global spread of COVID-19 is alarming to the extent of not just costing people their lives but also impacting a huge blow to them financially. Arguably the most ruinous pandemic of our times, it has constrained almost every country of the globe in every possible way. The pandemic has inflicted an enormous human cost worldwide along with erosion of global market capital. This is also an unprecedented disaster, as unlike in prior instances, the entire world is reeling under the same threat, at the same time! The only thing deadlier than the spread of the virus is the back-breaking impact it will have on businesses. Once the dust settles, it is likely that business will find themselves at the lower rung of the ladder again.

However, fighting it is the only option and so we would like to believe that this is also the time to create opportunity out of the disruptions to not only bounce back but make long-term strategic plans to combat pandemics.

Recently, Indian Government announced that Companies' spending on dealing with the pandemic will be considered as a CSR activity under the Companies Act. This was a prudent announcement as corporates struggle to sustain their businesses in the wake of COVID-19 outbreak. At the time of publication of this article, nearly 700 people have been infected by coronavirus and 18 people have succumbed to the infection in India. To help flatten the curve of this infection, the Union Government has announced lockdown throughout the country for 21 days. But this catastrophe requires much more to be dealt with, and this is where businesses and

entrepreneurs, hailed for their entrepreneurial attributes can pitch in with new thinking and out-of-the-box strategies.

Crises Management

For many businesses and Companies, crisis is just a mere thought, something impending, and hence is not spelled out in details unless it hits them. This doesn't take away from the fact that many companies do envision hypothetical situations and have a plan, but not many are equipped even moderately to implement the Plan B during crunch times. Given the current scenario and the cascading impact pandemics have on each and every sector, it is imperative to have a 'pandemic planning' in a Company's Rule book. Companies need to earmark on resources and professionals who can help in such a planning during the time of crisis. As per a paper by EY, "COVID-19 and pandemic planning: How companies should respond," companies must incorporate pandemic planning considerations into existing resilience management activities to provide a comprehensive response and to provide continuity for their most critical products and services. In addition, they should consider establishing specific policies and procedures, better employee communications, telecommuting and personal/family leave to minimize disruptions. Moreover, some companies given their capability, can invest or facilitate innovations around pandemic response and mitigation. Let me cite some instances –

- The Invest India Business Immunity Platform has been launched as a comprehensive resource to help businesses and investors get real-time updates on India's active response to COVID-19 (Coronavirus);
- Mahindra and Mahindra's automotive division has taken up a two-pronged strategy to produce ventilators at its factories; Vedanta Ltd has set up a dedicated Rs. 100 crore fund as part of its endeavour to combat the widespread outbreak of deadly COVID-19, with focus on three specific areas – livelihood of the daily wage worker, employees and contract workers and preventive healthcare
- Researchers at the Indian Institute of Technology have developed a method to detect COVID-19 which can significantly reduce the cost of testing
- SIDBI has announced loans @5% interest rate under SAFE to MSMEs producing goods and services to protect India against Coronavirus

These are a few inspiring actions that bring out the competencies of an entrepreneur in being resourceful, thinking new, creative and addressing a problem through ingenious ways.

Holistic contingency plan

Pandemics such as H1N1, Ebola etc., from recent past have shown us that when faced with an adversity, the world still has limitations in detecting and responding to them. Increasing global inter-connectivity and inter-dependency makes the impact of a calamity all the more widespread. This certainly underlines the disastrous countenance an epidemic can take.

Entrepreneurs, when it comes to assessing risks, mainly perceive financial losses owing to market pressures, reduced demand or accidents or natural disasters. As per a study by World Economic Forum, among businesses, the risk of infectious disease is rarely emphasized in their considerations of risk. The report further states that outbreaks of infectious disease may be inevitable, but the economic damage they cause is not. Helping companies properly understand these risks will enable them to reduce their exposure, improve their resilience and deliver key opportunities for public-private cooperation to strengthen global health security.

It is thus important that enterprises, large or small, should acknowledge the commercial consequences of pandemics and devise strategies to ensure the wellbeing of their employees and business partners. This would involve creating risk management teams to monitor externalities and develop plans to counter complex and uncertain crises with continuous sensing.

As per a compilation of analysis on HBR.org, many [business] leaders think crises management is not their job. That's why they hired risk mitigation and security experts. But creating organizations that are strong in the face of uncertainty requires a new mind-set—and that must be driven from the top down. What a leader needs to do in such situations is to create a near realistic scenario to prepare employees about uncertainties and conduct regular drills to make business and employees adaptive. Being conservative in financial planning is also the key here as in the wake of adversities, a cushion still remains.

Diversify

Adversities and outbreaks can come in anytime and hence are difficult to predict. However, a pandemic like COVID 19 can put a business in an immensely vulnerable position. Factors such as location of a company's workforce, supply chain, market, consumer distribution, and infrastructure need to be considered to estimate a business's vulnerability to such outbreaks. It is never too early to diversify and distribute assets and operations to minimize risks. As per an article by Constantinos C.Markides for Harvard Business Review, when facing the decision to diversify, managers need to think not about what their company does but about what it does better than its competitors. In other words, the decision to diversify is made not on the basis of a broad or vague business definition, rather, it is made on the basis of a realistic identification of strategic assets. In today's context, this diversification of assets is securing supply chain and to have back-up plans when one way fails.

Technology preparedness

Every business leader needs to ask oneself, "Do we have the technical capacity to work remotely." It is also time to think of that 'one time investments' in making the organization and employees equipped with technology and kit that can help them operate in the face of adversities. A central data bank of all important documents so that these are immediately accessible, a second line of human resource ensuring that a project doesn't suffer in the absence of one person, can help harness technology better.

Involvement in R&D for eradication of pandemics

While the Company's Act of India specifies a few avenues under CSR activities, it is time to expand it. There are evidences that through public-private partnership, infectious disease can be or have been eradicated. There can be concerted efforts to rope in more Companies, primarily those working in the field and/or by collaborating with organizations irrespective of their nature of business or leaning, to work on R&D for infectious disease.

The risk of infectious disease will always linger on mankind. Such catastrophic outbreaks may now occur more frequently, and pose a major threat to lives and livelihoods. Businesses no longer can afford to be on sidelines and be reactive. They need to be proactive and innovate much before a disaster strikes.

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