



# Post-Covid19 recovery 'Fast rebound approach'

April 2020

# Foreword

## Anticipate business resumption

Having considered the various ways Arengi could do its share in these uncertain times to support organisations navigating this crisis. We have focused on the end-of-crisis period, business resumption, and the risks & opportunities arising from this decisive period.

This document describes an approach to be tailored to your organisation and used to **support decisions & actions** to be carried out for the ramp-up as business operations resume. It may provide useful material to on-going analyses or initiatives, depending on the nature of your organisation and its situation.

## Contents

This document comprises 3 parts, addressing 3 questions:

- ▶ How to capitalise on the multiple publications issued on the crisis & good practices? Part I / page 4
- ▶ What does the approach consist in?  
What are its main components and how to implement this methodology Part II / page 7
- ▶ How to use Arengibox to deploy the approach? Part III / page 15

# Foreword

If you consider this approach to be relevant to your organisation, our consultants are available to answer your questions and assist you (free of charge), starting with:

1. How the approach should be adjusted to your organisation
2. Preparing a ready-to-use Arengibox instance to support implementation
3. Assist you during implementation, if needed

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I

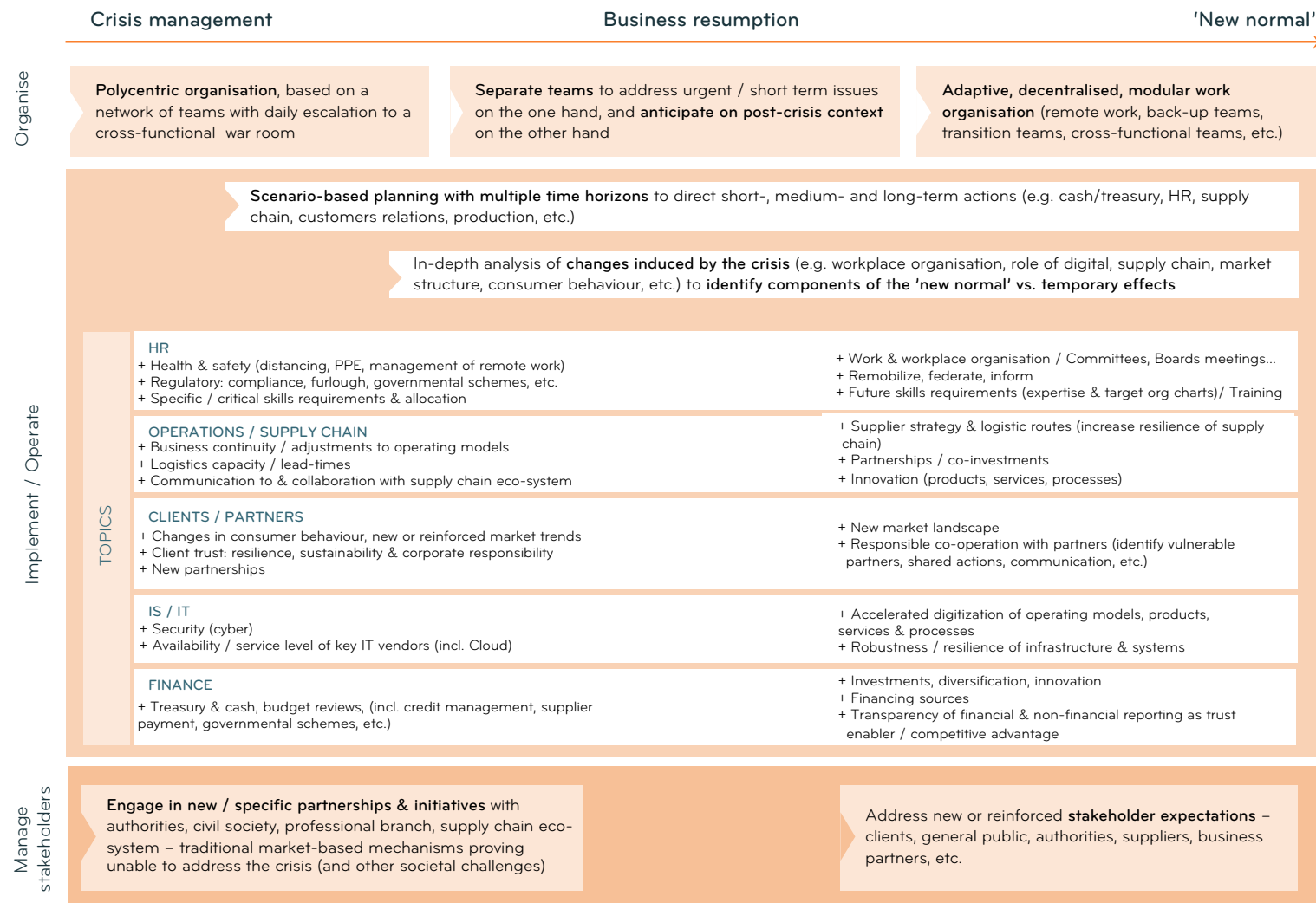
Capitalise on external insights &  
benchmark

# Capitalise on external insights & benchmark

## High-level perspective

The unprecedented crisis triggered by the Covid-19 outbreak has already taught a number of lessons – some, more or less obvious or established, on crisis management and resilience, others, less definitive on market landscape & dynamics in the aftermath of the crisis, and the 'new normal' taking shape.

A variety of publications are publicly available – professional associations, consulting firms, analysts, journalists, authorities... – each with its own angle and perspective, but displaying similarities in form and content. Below is a high-level summary of the key topics covered:



# Capitalise on external insights & benchmark

## Cheat sheet

Below is our selection of sources, among the many publications issued over the last week, all publicly available, with a focus on business resumption. This is a good basis to expand from -especially with industry-specific papers relevant to your organisation- and support the analyses to be conducted as part of the approach described in the following pages.

### Operational / short term

[Adenium - Plan de reprise d'activité](#) (French)

[Kyu - Focus supply chain](#) (French)

[Deloitte - Travel risk map](#) (English)

[Deloitte - World map of governmental measures](#) (English)

[iTrust - Kit Cyber Covid-19](#) (French)

### Strategic / medium term

[BCG - Sensing & shaping the post-Covid era](#) (English)

[Roland Berger - Industry specific analysis \(5 industries reviewed\)](#) (French)

[McKinsey - A global view of how consumer behaviour is changing amid COVID-19](#) (English)

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II

## Implementing the 'Fast Rebound Approach'

## Identifying key success factors for recovery & rebound

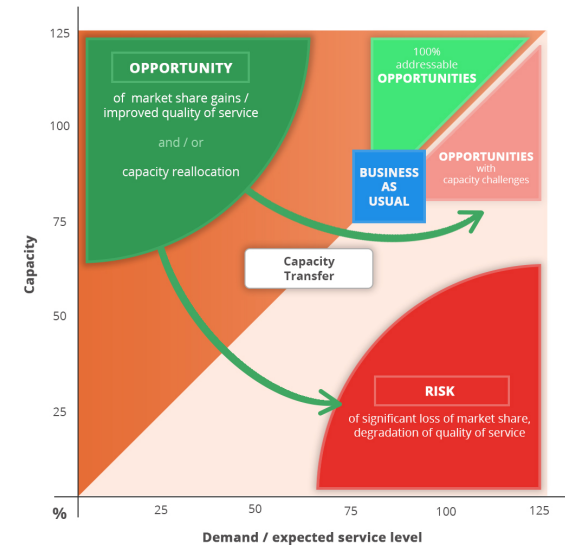
## Crisis management

## Business resumption

'New normal'

## Prioritise recovery drivers

- + **Assess your situation** at the end of the crisis, by market business or product line, country, market, site, division, etc. ,
- + Structure an action plan
- + **Implement, monitor & adjust collaboratively** your action plan over time (3-6 months), reflecting changes in in internal / external context as recovery pick up pace, or slows down
- + Assess **changes in your situation**, especially as regards competition and **opportunities** arising from this unprecedented situation
- + Have a **comprehensive, high-level view** of the short term **impacts of the crisis** and provide material to share with **governance bodies** if applicable / required



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Anticipate risks & opportunities arising from the recovery period

Prioritise actions allowing to secure recovery & seize opportunities to create / optimise stakeholder value during this period

**ArengiBox**, loaded with a « Fast Rebound Approach » framework, integrates a method to **assist management planning & tracking a recovery action plan**



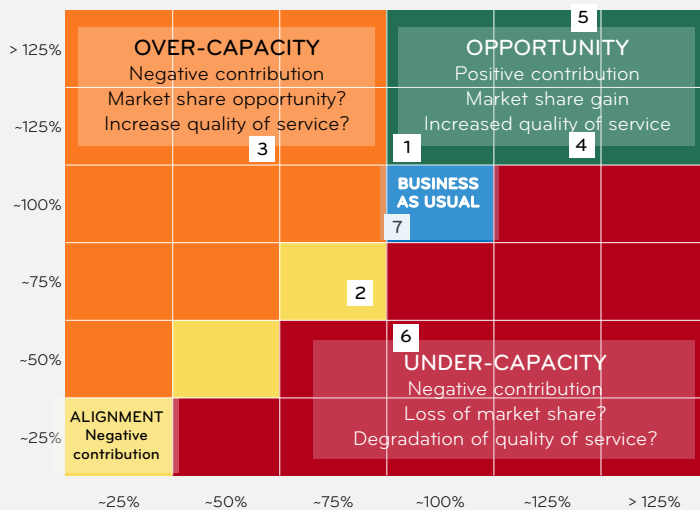
# Risk & opportunity mapping

- ✓ Assess & track the situation
- ✓ Support decision-making in resource allocation
- ✓ Monitor actions & inform governance bodies

## Situation matrix

Plot entities vs. production capacity and market demand / expected service level

### Capacity



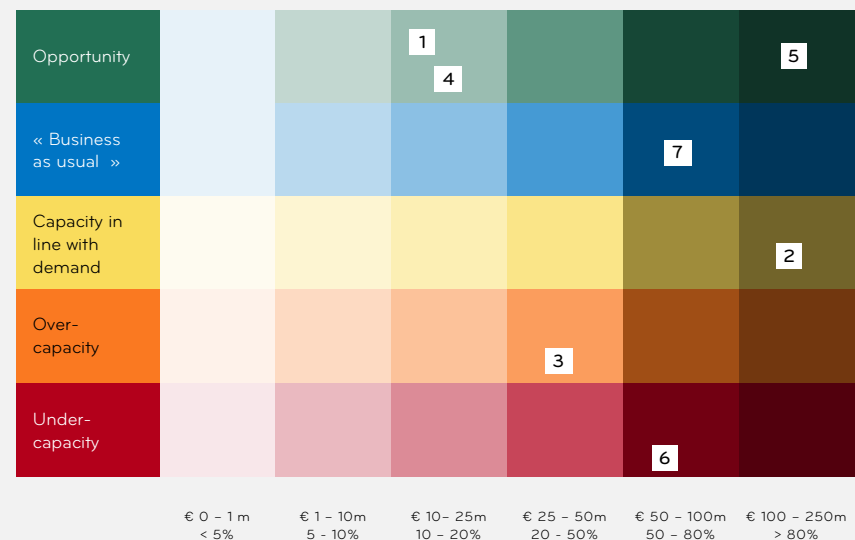
Demand / expected service level

1 Entity 1

## Impact matrix

Combine situation (1st matrix) with contribution to budget (revenue / EBITDA / operating margin / Cash...)

### Situation



Budget contribution impact  
(revenue / EBITDA / op. margin, cash...) or mission / service level

# Approach

## I – Pre-requisites



Define **granularity** / entities to be surveyed, e.g. subsidiaries, countries, sites, divisions, projects, product or business lines, clients, etc.



**Adjust assessment criteria** – drivers for capacity, demand / expected service level, contribution (see following pages)



**Identify coordinators & contributors** to the analysis, and information sources , both internally & externally

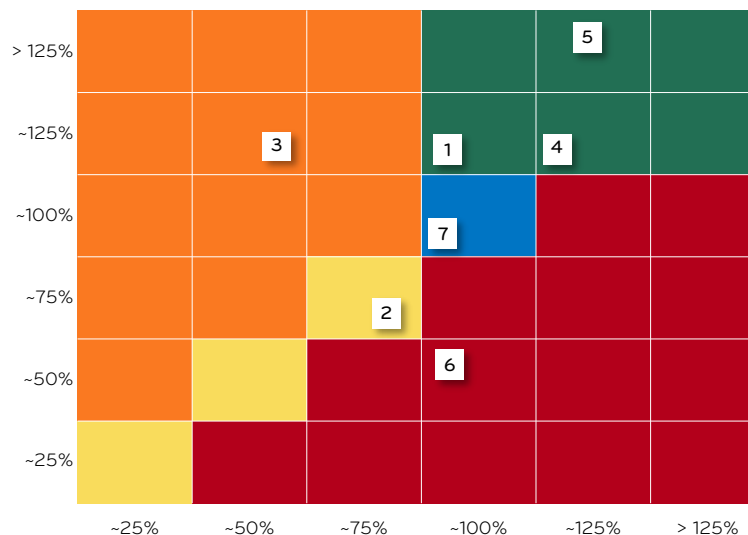
# Approach

## II – Assess end-of-crisis & recovery situation

Plot each entity based on production capacity & market demand / expected service level (example criteria below to be adjusted / tailored to your organisation)

- ✓ Effects of specific regulatory restrictions affecting activities- if any (e.g. lockdown progressively lifted)
- ✓ Remaining capacity vs. contribution to national / regional crisis response efforts
- ✓ Availability of human capital (including contractors, subcontractors)
- ✓ Availability of means of production (sites, equipment, utilities) / access to workplace)
- ✓ Information systems (business / industrial systems)
- ✓ Procurement : available inventory & supply chain / suppliers' capacity
- ✓ Logistics capabilities (in-house or subcontracted transport / warehousing)
- ✓ Availability of distribution channels (distributors, points of sale, third party logistics, etc.)
- ✓ Other

Capacity



Demand / expected service level

Support analysis with internal & **publicly available, industry-specific benchmark data**

- ✓ Service level as required by a client
- ✓ Service level as required by authorities
- ✓ Project progress & milestones / stages of contract execution
- ✓ Status of concerned market(s) vs. Covid19 & lockdown (V-, U-, L-, W-shaped recovery)
- ✓ Position in value chain & time for demand to materialise
- ✓ Market inventory levels: delaying / buffer effect, or conversely increased demand to rebuild inventory
- ✓ Share of demand already addressed by other players, e.g. organisations from other regions, less affected by the crisis or with a head start in resuming operations

# Approach

## II – Assess end-of-crisis & recovery situation

Categorise entities in 5 situations depending on Capacity / Expected service level assessments

### ↑ OVER-CAPACITY

#### Situation

- Potential capacity exceeding a weak demand, or required service level
- Loss of revenue
- Loss of margin (fixed costs, unsaturation charges, working capital etc.)
- Opportunity to improve quality of service (reallocation of resources)

#### Drivers

- Defer resumption of operations
- Reallocate resources on other activities / projects / sites / divisions / clients...

### → ALIGNMENT

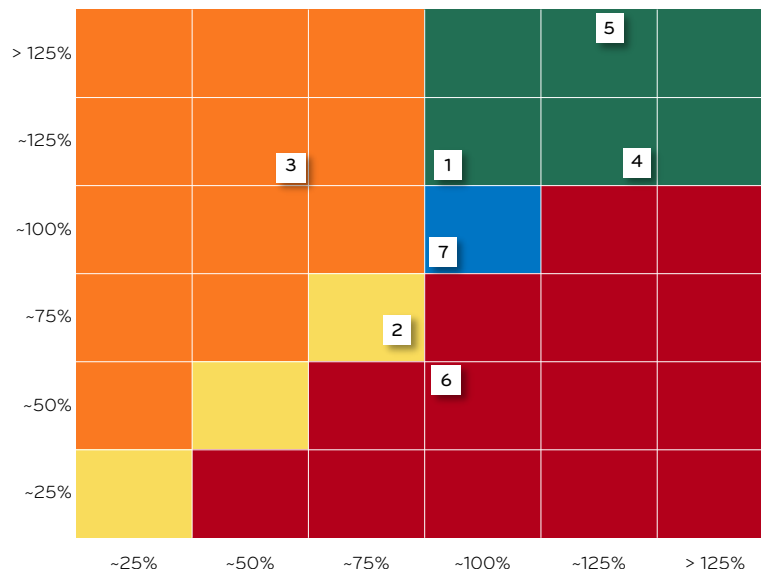
#### Situation

- Capacity in line with demand / required service level
- Loss of revenues Limited margin impact
- Limited impact on quality of service

#### Drivers

- Manage / optimize / anticipate resumption of operations

#### Capacity



Demand / expected service level



« BUSINESS AS USUAL »

### ✕ OPPORTUNITY

#### Situation

- Capacity matching or exceeding a strong & increasing demand
- Increase in revenue market share gains
- Improved quality of service

#### Drivers

- Increase capacity to maximise opportunities
- Aggressive sales (market share gains)
- Review pricing / allocation approach (as allowed by ethics / compatible with CSR commitments)

### ↓ UNDER-CAPACITY

#### Situation

- Capacity below (a potentially strong & increasing) demand / required service level
- Loss of revenues & market share
- Degradation of quality of service

#### Drivers

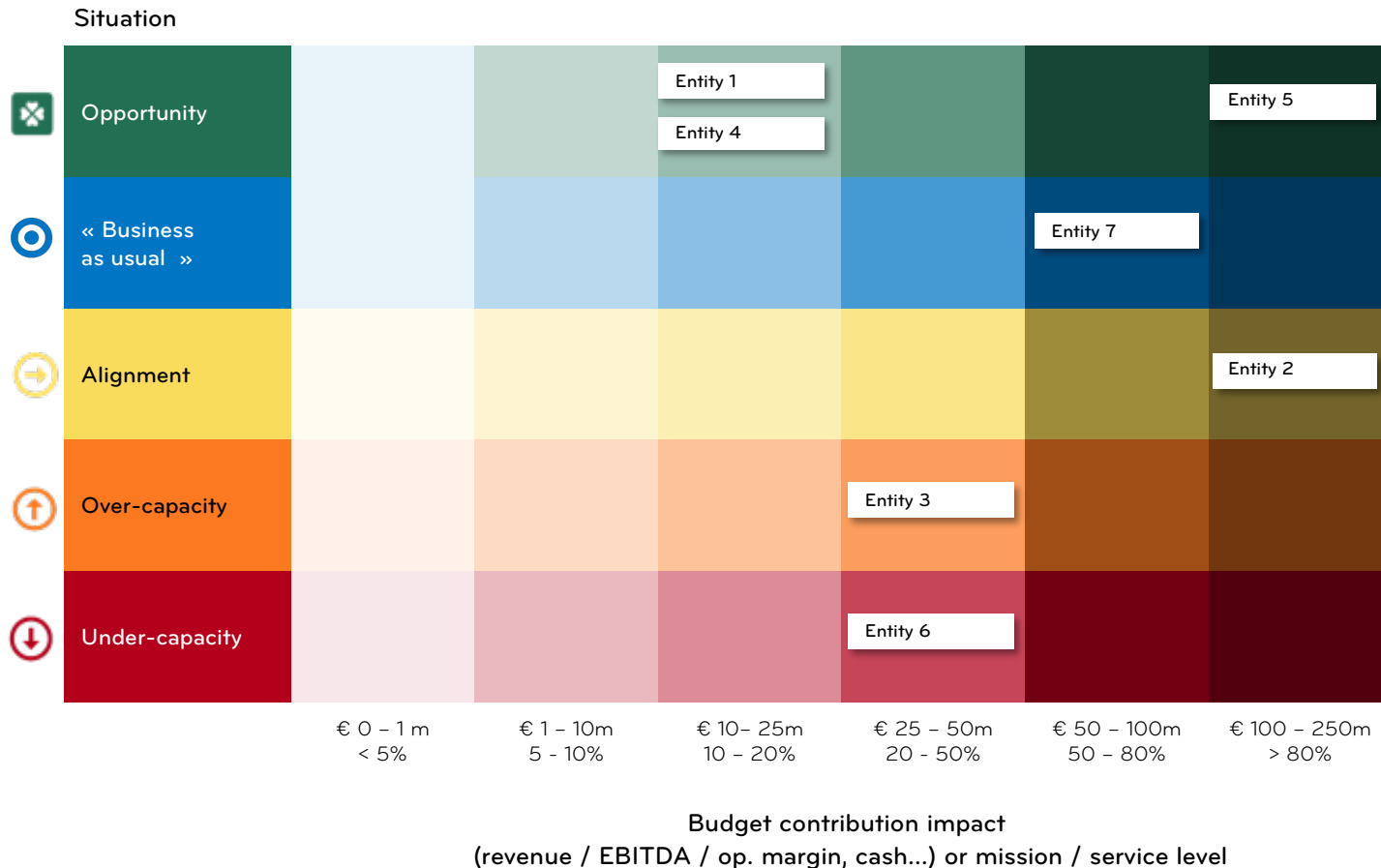
- Priority for resource allocation for resumption of operations
- Allocation & trade-off decisions regarding clients

# Approach

## II – Assessment of end-of-crisis / recovery situation

Combine with the situation matrix

- The entity's **contribution** to the organisation's revenue, EBITDA, operating margin, cash...), or mission/service, or
- The **gap** (positive or negative) of each entity vs. its budget



# Approach

## III – Elaboration & monitoring of recovery action plan



**Prioritise & plan** recovery actions, considering the situation & contribution of each entity and available recovery drivers (resource allocation)



**Monitor** actions with concerned stakeholders



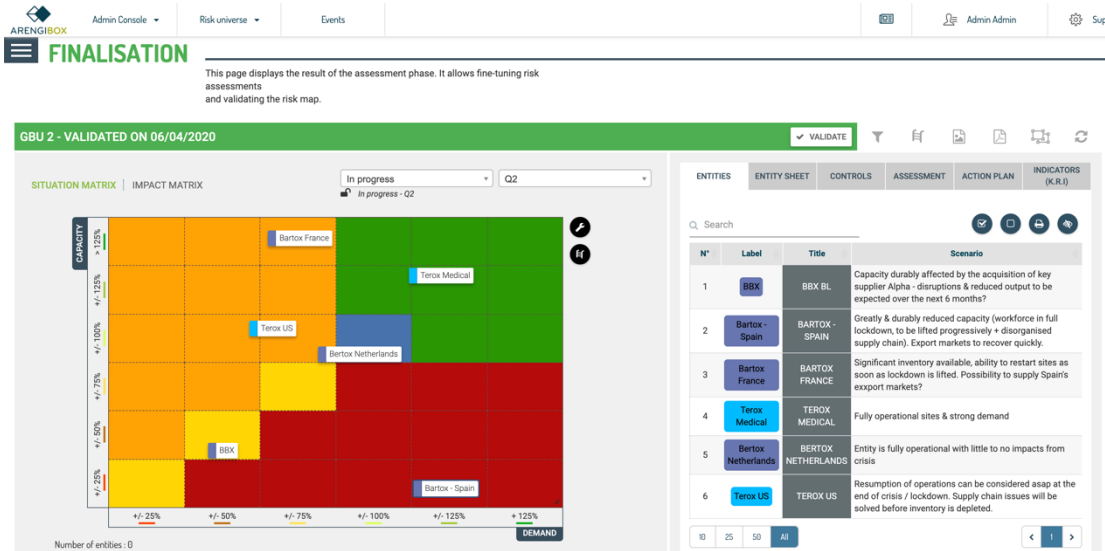
**Update** situation & impact matrixes – e.g. distinguishing different time horizons (3/6/9 months), or over FY 2020



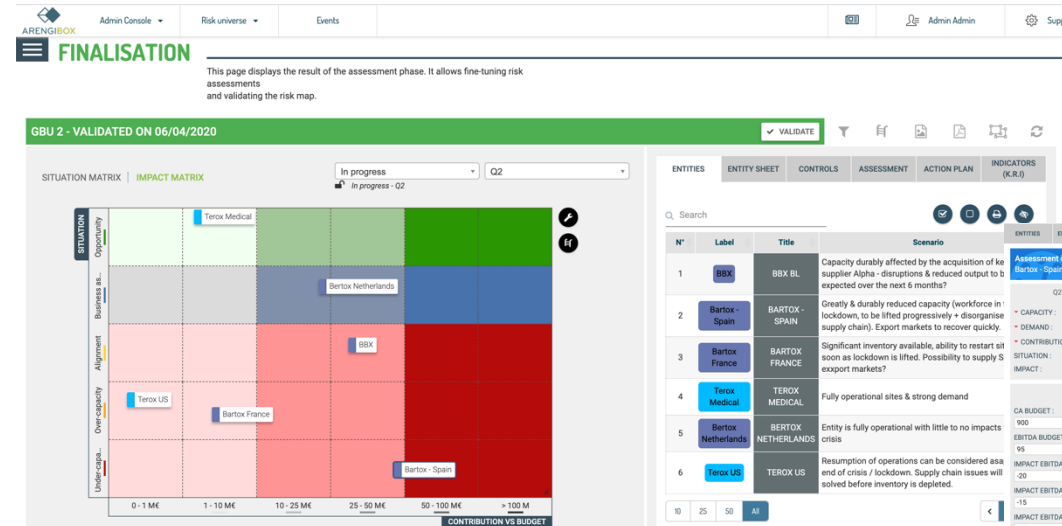
III

Leverage on Arengibox to deploy the approach

# 'Fast Rebound Approach' in Arengibox



Assess the end-of-crisis / recovery situation of your entities, identify recovery drivers



Prioritise, monitor & adjust recovery action plans depending on impact assessments & associated trade-off decisions



# 'Fast Rebound Approach' in Arengibox

**ARENGIBOX** Admin Console Risk universe Events

**DASHBOARD** GBU 2

Status : Validated on 06/04/2020

This dashboard summarises key information from a risk & opportunity map.

CREATE ENTITY VALIDATION

N°	Title	Category	Scenario	Q2 - Situation	Q3 - Situation	Q4 - Situation	Impact EBITDA Q2	Impact EBITDA Q3	Impact EBITDA Q4	Impact EBITDA 2020	Actions	Progress
1	BBX BL	BL1	Capacity durably affected by the acquisition of key supplier Alpha - disruptions & reduced output to be expected over the next 6 months?	Alignment	Over-capacity	Alignment	-13 KEuro	-2 MEuro	-5 MEuro	-39 MEuro	2	40 % In line
2	BARTOX - SPAIN	BL1	Greatly & durably reduced capacity (workforce in full lockdown, to be lifted progressively + disorganised supply chain). Export markets to recover quickly.	Under-capacity	Under-capacity	Under-capacity	-15 KEuro	-12 MEuro	-12 MEuro	-59 MEuro	2	25 % Delayed
3	BARTOX FRANCE	BL1	Significant inventory available, ability to restart sites as soon as lockdown is lifted. Possibility to supply Spain's export markets?	Over-capacity	Over-capacity	Over-capacity	-1 KEuro	-1 MEuro	-1 MEuro	-7 MEuro	2	80 % Alert
4	TEROX MEDICAL	BL2	Fully operational sites & strong demand									
5	BERTOX NETHERLANDS	BL1	Entity is fully operational with little to no impacts from crisis									

ARENGIBOX Admin Console Risk universe Events

**ACTIONS** GBU 2

This summary table lists all actions documented for all risks of the risk map.

ADD ACTION IMPORT ACTIONS LIST

N°	Title	Category	Entity	Situation	Impact	Progress	Outlook	Targeted completion date	Notifications		
1	ACTION 1	Suppliers	BBX BL	Alignment	Moderate -	0 %	In line	06/04/2030	0		
2	ACTION 2	Commercial	BBX BL	Alignment	Moderate -	0 %	In line	06/04/2030	0		
3	ACTION 1	Industrial	Linked to 2 risks	Link to several risks	Link to several risks	65 %	Delayed	06/04/2030	0		
4	ACTION 2	Commercial	Bartox - Spain	Under-capacity	High -	35 %	In line	06/04/2030	0		
5	BCP	HR	Bartox France	Over-capacity	Limited -	0 %	In line	06/04/2030	0		
6	BOOST PCX WORKSHOP	Industrial	Terrox Medical	Opportunity	Limited +	0 %	In line	06/04/2030	0		

Customisable dashboards to track recovery action plans in real time



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