



averroes

أفيريوس للإستشارات وتطوير الأعمال
Business Advisory and Services

Operational Optimization in Crisis Times

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Introduction:

We have not seen - in the modern era - something similar to the current Coronavirus pandemic, COVID-19. Perhaps the last similar crisis is the Spanish flu in 1918, which claimed the lives of tens of millions. Several questions are raised in this pandemic but still no complete answers yet, such as the duration of the pandemic, the nature of the virus and whether it is still evolving, when will there be an effective treatment or vaccine? and would we face another wave of the virus - as some have warned - in the coming fall or will the severity of the virus end with the summer heat as some hope?

Undoubtedly, everyone agrees that the world after the Coronavirus will be different from the one preceding it, we are beginning to live in these trends that have been introduced or accelerated by this pandemic. In addition to the health impact of this virus; the economy stands out as the worst affected by the pandemic, where, the economic consequences may persist even after the health crisis recedes. Although some sectors (e. g. the travel and air transport sector, the energy and petroleum sectors) have been severely affected, other sectors are doing well (e. g. the medical supplies sector, the technology sector as well as the pharmaceutical sector), however, the impact of the crisis will be severe on small and medium enterprises in various sectors. Statistics indicated that more than 30 million workers have lost their jobs in small and medium enterprises, with nearly a third of the jobs remaining threatened with the prolongation of the crisis in the United States alone [1], and 75% of organizations expect; large or very large impacts on their businesses [2].

Resources are a limited commodity, and they may become scarce in some circumstances. Thus, they must be used efficiently and effectively in order for any organization to be competitive. Of course, there are no limitless resources for any organization to utilize however it wants, wherein crises, investing the available resources in the best way becomes a crucial element where survival or not; can have the highest consideration.

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The importance of Operational Optimization in times of crisis

The importance of improving operational optimization comes in that it helps in increasing the added value the organization provides for its customers. It further helps the organization to undertake an advanced competitive position in the market to achieve a competitive advantage. Besides, it helps the organization in dealing with ongoing challenges and changes in the business environment. Consequently, the transition from firefighting to the shaping of the future where operational optimization programs and activities help leaders and organizations to be able to identify the early stages of potential problems, that will negatively impact a major business or organizational goal of high importance and level. It further allows a comprehensive view of the organization, its challenges and opportunities as well as providing leaders with the proactive capacity to identify and address the root causes of problems before they occur, or in the early stages of their development. Last but not least, it helps in achieving higher returns and lower costs.

In crises, operational improvement revolves around finding critical points in the organization's main areas of work, in which identifying risks and challenges within it and finding appropriate solutions will constitute the appropriate rescue plan to deal with and mitigate the crisis in the best possible way. In times of crisis, operational optimization becomes a critical component; because it defines the difference between survival and business continuity on one hand and failure and exit from the market on the other. Moreover, small decisions and slight improvements in the operational areas can lead to overcome the challenges of the crisis or may lead the organization to failure.

Improving operational optimization in times of crisis also helps organizations in adapting and adjusting quickly to new realities and new business trends. Thus, undertaking an advanced position in competition once the crisis recedes.



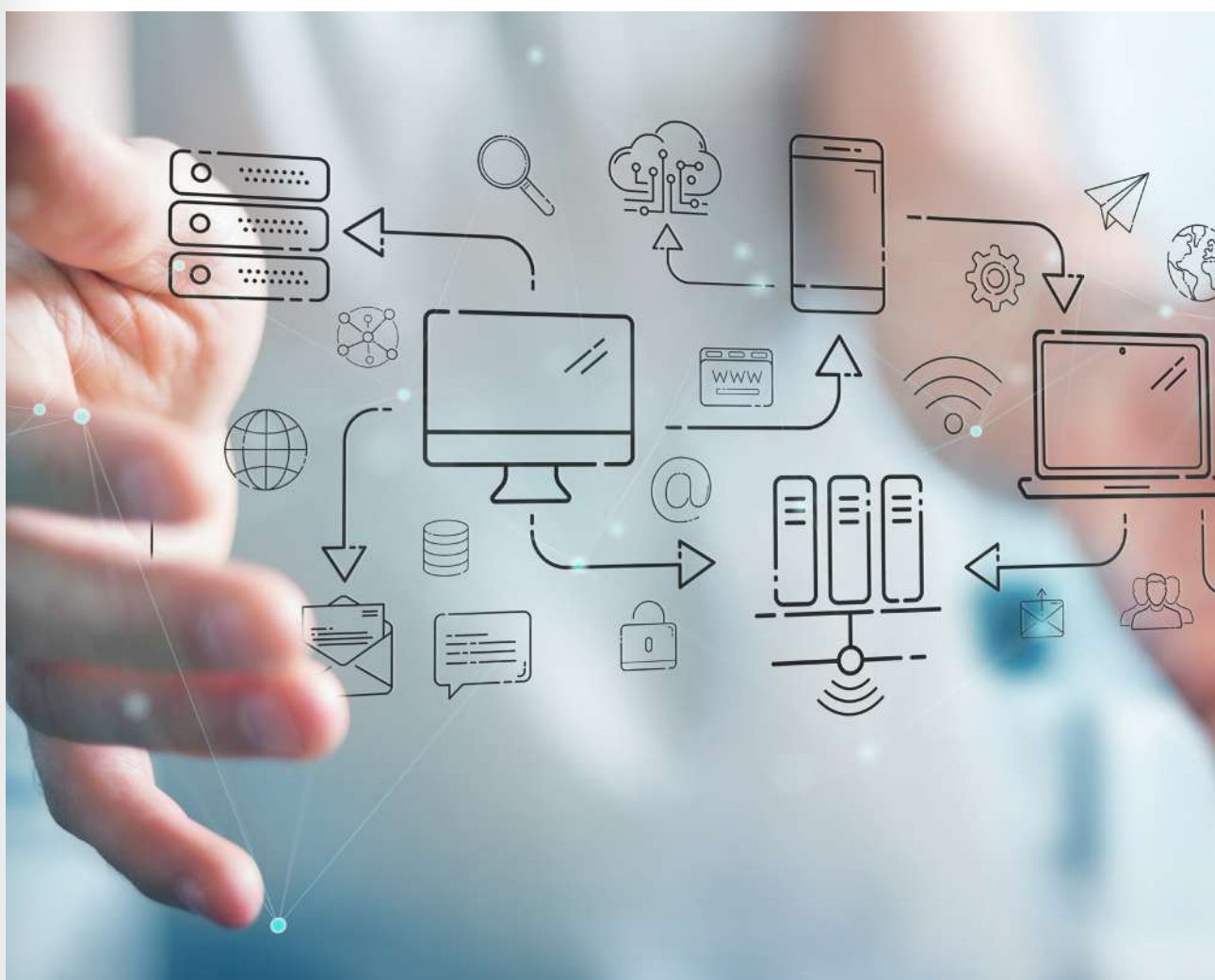
What is Operational Optimization?

Improving operational optimization is intended to align all of the organization's resources and utilizing it in an efficient and effective way to achieve its goals and objectives. It lies in the convergence of high efficiency, appropriate effectiveness, and optimal use of all relevant resources available at the organization's control. It is concerned with the continuous development of allm aspects and operational areas of the organization, which would increase its efficiency effectiveness and optimal use of its resources.



Technology and Automation

At the beginnings of the restrictions imposed by COVID-19 until now more than ever; considerable organizations perceived the undoubted value offered by the cloud system. Perhaps the most interesting thing about cloud computing technologies is the flexible options they provide. Even more in this crisis, when organizations need solutions that can implement and test quickly. It has also enabled - the vast network of endless cloud systems - the world around us to survive during this pandemic with very few nuances. Therefore, we can see a rapid rise in demand for telemedicine and distance learning, an industry that has been fully empowered through secure cloud technologies [3]. The crisis will also accelerate the automation of all elements of production, delivery services and will enhance virtual reality technologies at the level of customer experiences. On the other hand, building the necessary infrastructure to support a digital world using the latest technologies will be essential for any organization to remain competitive in the post-COVID-19 world, as well as a comprehensive human-centered approach to technology governance.



Important business trends influenced by COVID-19 crisis

The past few months - since the beginning of the crisis - witnessed a rapid development of new trends that will formulate the new way of conducting business. It can be said that the COVID-19 crisis has pressed the key to accelerate the future, as we live it in the present. The most important business trends are as follows:



Remote Work

While going through the “world’s largest work-from-home experience”, we may wonder, what will the workplace look like after this crisis ends? How will this affect employee participation? What will productivity look like if fewer employees came to the office every day? The good news is: evidence indicates that the result will look good by working remotely. The future workplace will be simpler, employees and individuals have the flexibility to work remotely from home with colleagues around the world. The question, “Does remote work exist?” is replaced by the real question now, “What are the growing trends across the remote work scene, and how will they embed it efficiently?”. Each organization may not maintain a remote work policy once the virus pandemic is over, but many will integrate a flexible work schedule for their employees, and it will notice the presence of integrated technologies for communication, task management, project management, and customers engagement using existing interaction platforms in organizations of various sizes in the long term.

E-Commerce

COVID-19 has transformed online shopping from an optional activity into a must worldwide. We have seen a major and rapid transformation of most of the retail and food & beverage sectors, as it has moved towards online purchase in few weeks. Online shopping needs to be supported by a robust logistics network, keep in mind that personal delivery is not a virus-free process. Currently, many delivery companies and restaurants in the United States and China launched contactless delivery services where goods are picked up and delivered at a specific location instead of the usual delivery process. Chinese e-commerce giants are also stepping up their development of robot delivery. However, before robot delivery services become mainstream, delivery companies need to develop clear protocols to protect the health conditions of delivered goods.



From Globalization to Regionalization

unsurprisingly, the COVID-19 pandemic's already playing a role in national narratives today. For some Americans, the Chinese origins of the disease will simply reaffirm the belief that China poses a threat to the world and cannot be trusted to act responsibly. Meanwhile, many Chinese are likely to see some US virus response measures as racially motivated and aimed at preventing the rise of China. [6]

The longer impact of the pandemic may be that it has largely exposed deficiencies in organizational structures. Meanwhile, national governments focus more on the need to stockpile national resources to protect populations.

Nearly, all Western economies having largely surrendered to the logic of globalization, are now weak, as supply chains fade and concern for health and pandemic prevention has become top priority for a large number of governments. In the same vein, once supply chains are disrupted, people will look for alternative local suppliers, even if they are more costly.

Changes in Consumer Behavior

Looking beyond the immediate effects of the pandemic, few consumers expect to revert to their old behaviors at any time. With so many traumas we encounter in life, people are in the mood to pause and think. Today, one third of consumers strongly agree with the suggestion that they will re-evaluate the things they value most and will not take certain things for granted. More than a quarter of them tend to care more about what they consume and what's their impact. Perhaps in the post-crisis world, we will see consumers become more aware of the consequences of their choices. Consumers show a greater preference for local shops, restaurants and brands. They are more concerned with value of money (rather than price), origin and product benefit. Again, this will lead to the need for more transparency and traceability in the supply chain. [4]

Consumers expect to spend more on essentials, like groceries, home centric products and personal care items. Consumers are also trying to use new brands when the usual brands they use are not available. As a result, brands with more powerful supply chains are growing faster, giving them a unique opportunity to gain consumer loyalty, 95% of consumers expect a long impact on their routine [5].



I. Areas of improvement:

We have limited this part to the most important vital areas, the importance of which may vary from one organization to another, but are indispensable for any organization - no matter how small or large - which are :

1. People
2. Processes
3. Supply Chain
4. Cost and Finance

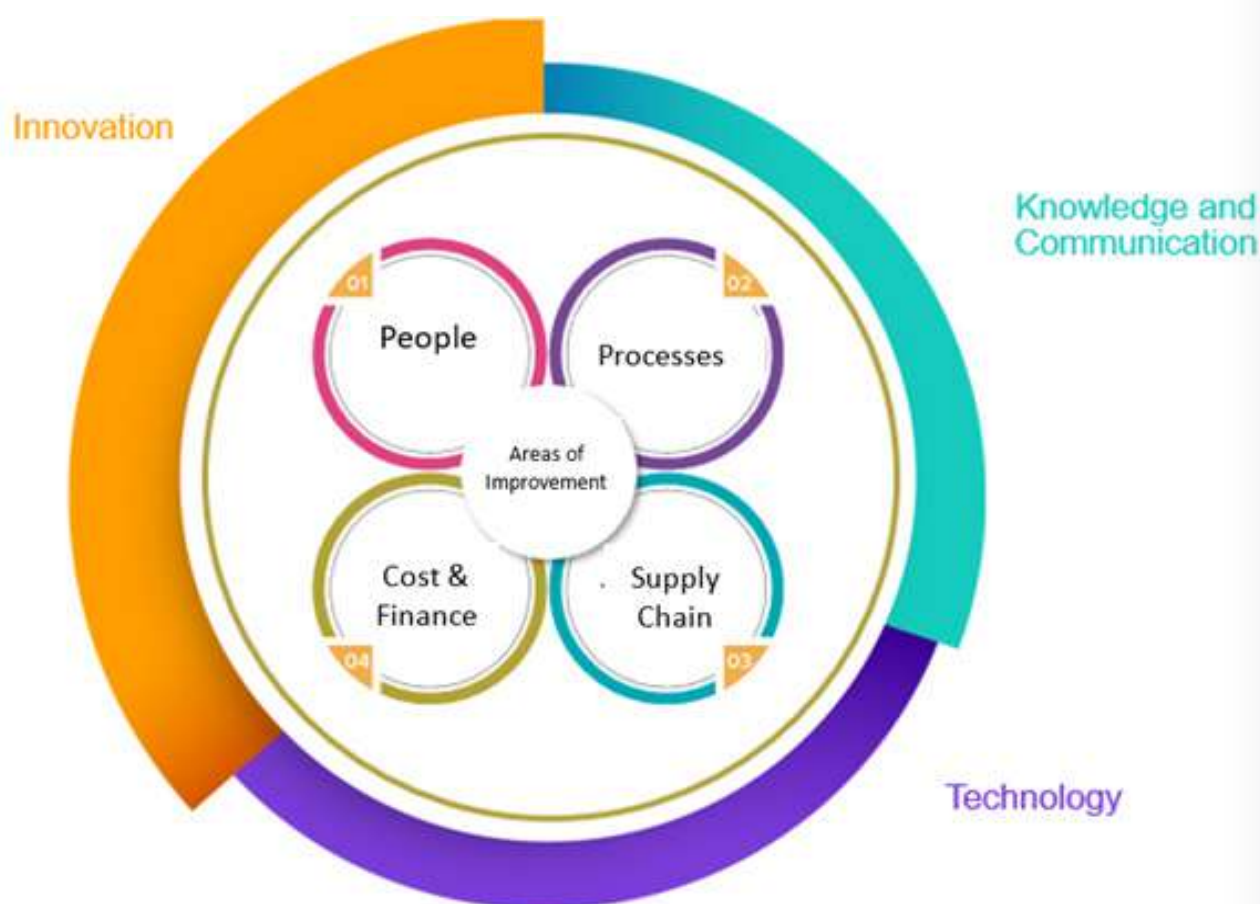


Operational Optimization Framework

By working with organizations of all sizes and types and examining a number of regional and international experiences, we are putting in your hands a framework that helps leaders and teams alike in various organizations to look closely and find solutions to make important improvements in their operational optimization in a way that helps to overcome the challenges of this crisis and other crises.

The model is divided into two parts, the first part concerns areas of operational improvement and we mean the most important areas, in which to look and identify the challenges and risks brought up by the crisis, in order to identify improvement opportunities that can be implemented in light of the crisis.

As for the second part, it seeks enabling areas that must be available in order to achieve the sought results and the required improvements in all areas. For simplicity, we ask in every available field a set of important questions in order to draw attention and guidance to determine the most significant challenges that the organization can encounter and analyze its causes. Then, find appropriate answers and solutions that help the organization through appropriate planning and implementation in dealing with the crisis and how to overcome it.



Are the current employees and team tasks meet the principle processes and changes required by the crisis, or do they need to be redesigned?

In light of the physical distance and work through computer screens, it is important that the work teams have the appropriate formation and appropriate communication, and it is imperative to be able to look at a holistic view of the overall work of the teams in the organization to ensure the flow of business and tasks to achieve their goals.

Do employees have all the skills and tools to work and produce efficiently?

The crisis has created the need to develop skills for workers which were not essential before and to ensure the efficiency of workers; it is important to develop the skills necessary to perform their jobs with the required competency. From remote work, e-marketing, and decision-making, organizations will need to review the capabilities and competencies required of their employees. One of the positive outcomes of the crisis is that the organizations have the ability to rehabilitate and develop employees skills through distance learning and online training, where today they can easily add the skills and expertise they desire from all over the world through distance learning strategies and technologies for competitive prices

Do employees have the right level of authority to achieve their goals and deal with crisis challenges?

Crises generally cause disruption in the system of leadership, traditional communication hierarchy and the decision-making mechanisms that organizations are accustomed to and may become unfit for the circumstance. Therefore, organizations must redistribute the power granted to employees to deal immediately with the new reality and develop a new mechanism for organizational decision-making.



People



“When people are financially invested, they want a return. When people are emotionally invested, they want to contribute.”

- Simon Sinek

No organization can overcome crises, especially large ones, and make a fundamental operational improvement without the intervention of the human element. Therefore, we believe that it is the first viewing angle in the operational improvement of any organization in general, especially in times of crisis.

The most important questions:

Can employees do their jobs safely and stably?

We are witnessing a health crisis and therefore, the protection and support of employees during their work at the workplace or even remotely has become more important, and it is crucial to take all necessary health measures inside and outside the workplace to avoid any infection, including awareness, guidance, the use of protective gear, ensuring the cleanliness and sterilization of public places continuously and using technology to enter and leave the workplaces, as it may also mean a redesign of the workplace and its facilities, a redesign of working times and a way to complete operational processes so that they reduce physical contact. These procedures are important for employees to make them feel that their safety is above business considerations.

All of these health considerations are equally important when dealing with clients. Employees will also need mental support as the experience of working from home for most or all of the time is new, especially in the Arab region. It is imperative not to lose sight of the emotional (psychological) and mental aspects as well as the necessity of informing the employees of their importance and their role in overcoming the crisis, as crises often mean mass layoffs.

Are appropriate tools and communication channels available to all employees with a proper speed and manner?

In light of the physical distance and the new reality, it is no longer possible to continue to work via many and frequent physical meetings and in light of working from different sites, it is necessary to ensure that the channels and tools of communication exist and are effective among all members of the organization and that the exchange of information and live interaction is available to manage the crisis efficiently. Hence, starting with the ability to access the Internet, and the availability of electronic communication devices and tools, to the tools of production management and follow-up of achievement, it is important for the corporation today to adapt in order to manage its business using these tools and channels and maintain their efficiency. Notingly, a very good part of these tools and channels will become the new reality for business and should not be treated as a temporary phase.



What flexibility do we need in the redesign or new processes?

As the interactions of the crisis are variable, and the crisis passes through different and overlapping stages, as it may vary from one region to another and its scenarios may change unexpectedly, it is important for the updated or new processes to be flexible and to use what-if scenarios? For example, what if the demand for products increases, what if the laws and regulations change, what if the supply chain fails, and so on ...

Are all process inputs available?

In such major crises, various aspects of the organization are disrupted and affected, both at the level of individuals, materials and supply chains. When reviewing processes and improving their efficiency in light of the crisis, it is important to ensure that the necessary inputs are available for all vital processes and find appropriate solutions to provide them continuously and smoothly. One such essential resource may be time!

Supply Chain



“You will not find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics.”

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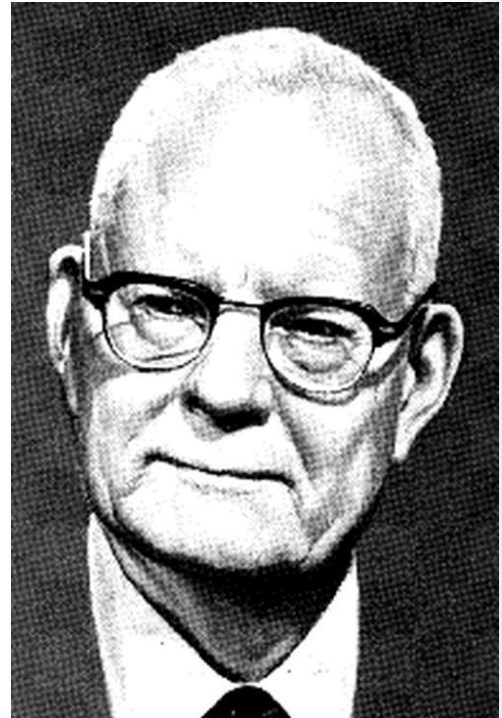
General Dwight D. Eisenhower

Supply chains have become an integral part of today's world, wherewith globalization, organizations of all sizes become more dependent on additional internal or external parties to provide them with some of their business requirements. Smooth and efficient supply chains can constitute a distinction or a weakness element of the organization because it directly affects its cost of production, the quality of its products or services, and the speed of providing the product or service to the satisfaction of customers therefore, affects the success of the organization.

During the crisis and from its early stages, supply chains have been affected over the period of providing value, with 94% of Fortune 1000 companies expecting supply chains to malfunction due to the COVID-19 crisis, [7]. On the other hand, the organizations faced a wide range of challenges in various dimensions, ranging from providing the necessary raw materials for production due to the disruption in logistics to the delivery of products and goods to customers due to the closing of stores and the halting traffic. In addition to problems in providing the labor needed to complete some important operations due to health precautions.

“A **bad** system
will beat a good
person every
time.”

Edwards Deming



Processes represent the essence of the operational work through which the organization develops the product or service that it offers to its clients. For any operational improvement, it is necessary to find the most important challenges and risks that affect the processes of offering the service or providing the product and find the necessary improvements and solutions. The organization consists of a variety of processes. Production is a process, Marketing is a process, Delivery is a process, Employment is a process, and so on... In short, operations are how organizations operate.

The most important questions:

What are the most critical/key processes in light of the crisis?

It is important to know how customer needs have changed and to redefine the value that the organization provides to customers. Consequently, define the key processes that need focus on to provide this added value..

Do you need dynamic/key processes to redesign under the new reality?

After defining the new added value and defining the vital processes, how can the processes be redesigned to ensure the optimal flow to build this added value(Optimized Value Streams)?

Does the organization need entirely new operations in light of the crisis?

When developing the appropriate design for the flow of processes that will create the new added value, the organization may find that it needs new processes that was not previously used, such as electronic payment, delivery, sterilization, packaging, etc.

“for better or worse, cash is the oxygen of your business, and you can’t last long in any environment without it.”

- Neil Blumenthal

Money is one of the most important resources any organization can have. Meanwhile, in crises that affect the economy, it becomes a threatened resource because of the diminishing revenues that the organization receives or the high operational costs.

Therefore, many organizations find themselves unable to continue due to the lack of cash available to fund their operations.

The most important questions:

What are the changes in an organization’s cash conversion cycle in light of the crisis?

Is the accounts receivable still the same or is there any unearned revenue? Is the agreed collection period remained the same? What payments can be deferred and for how long? Can inventory be managed in a more effective way to maximize the use of cash?

What are the decisive/ critical items in the budget that are essential and should be maintained or even introduced?

E-marketing today has become indispensable and its budget must certainly rise in the organization that want to remain in the market. Before deciding which items to include or exclude within the budget, it is important to consider the following (the expected return / expected financial savings, the number of expected risks, the impact on the organization and implementation requirements).

What are the costs that can be dispensed with or deferred payment without damaging the basic operations of the organization?

Capital expenditures, such as purchasing nonurgent assets, upgrading some equipment, reducing number of operating branches or production lines, and nonurgent spending such as travel and events, may be among the items that can be reduced or cancelled entirely in the crisis phase. A make arther buy strategy may also be an option to reduce costs. Reducing variable costs is often a faster way to instantly reduce cash outflows, but a crisis of this duration and impact also requires thinking of some fixed costs that can be converted into variable costs.



The most important questions:

Can supply partners conduct their business safely and stably?

It is important and immediately to evaluate the current supply chains, to ensure that the various supply partners and chains are able to operate in a stable and a safe manner, identify the current critical gaps and assess the business continuity plan risks based on the current situation and degree of impact.

Has the new customer's needs and demand process been rethought in light of the levels of production required during the crisis?

Crises of this type show different requirements and new needs. To ensure the efficiency of supply chains, it is necessary to identify these needs and necessities, evaluate and analyze supply and demand processes for both products and services, including any fluctuations and demographic variations, consequently, to evaluate the efficiency of available supply chains.

What do we need to make our business and operations more flexible and faster?

In light of the crisis conditions, what do business and operations need to become more rapid and flexible and able to respond quickly to the needs of different customers, such as the growing freight and home delivery orders and the demand at different times? It is important to define quantitative and specific indicators of the required flexibility and speed; for instance, supplying at different times, supplying different sizes and specifications of raw materials and so on...

What are the (internal and/or external) critical supply materials or processes in production or service provision? What are the potential risks for each of them in light of the crisis?

In light of the inability to find and achieve all proper solutions, it is necessary to identify critical procurement processes, beside analyzing potential surrounded risks, and thus, determine priorities accordingly in order to find possible solutions, that can be implemented quickly.

What are the other possible supply options within and under the vital scope of the enterprise?

In a global crisis, where the severity and duration of the crisis can vary in time and place. Relying on a single source of supply can be fatal for business continuity, and thus, it is necessary to think about other options for supply chains that are able to compensate for any interruption in the current chains, these sources undoubtedly, must be geographically diversified.



Second: Enablers

1. Technology
2. Innovation
3. Knowledge and Communication



Technology

“Information technology and business are becoming inextricably interwoven. I don’t think anybody can talk meaningfully about one without the talking about the other”. Bill Gates

Concurrent changes demonstrated the importance of digital readiness, which allows business and life to continue as normal - as much as possible -during crises and disasters. Building the infrastructure needed to support a digital world will be essential for any organization to remain competitive in a post-COVID-19 world.

The most important questions:

How will information technology change the basis of competition in our industry?

Information technology is changing the way organizations operate. It is reshaping the product itself; the complete package of physical goods, services and information that organizations provide to create value for their buyers and changing competition rules in three ways. First, advances in information technology are changing the structure of the industry. Second, information technology is an increasingly important lever that companies can use to create a competitive advantage. An organization’s search for a competitive advantage through information technology to influence the industry structure often spreads as competitors imitate the leader’s strategic innovations. Finally, the information revolution is generating completely new companies.

What does it take to exceed our customers’ expectations in the digital world?

Modifying the method of communication, displaying products and proposing value, with regards to increase customers’ financial difficulties, measuring digital customer support channels and self-service options to support higher levels of customer communication, to move directly to retail to the consumer and ensuring continuous contact with the center’s operations and customers, all of which are requirements with the pace of the current crisis.



Can enough cash flow be made available for the duration of the crisis? What is the financial stress that we can endure?

Cash is considered the most important element in crises, it is more important than profit and loss as we often see many organizations fail due to negative cash flow for a long time without an adequate source of financing, especially small and medium ones. Therefore, it is important for organizations to focus on the cash flow statement and balance sheet, specifically (receivables, liabilities and inventory) more than they focus on the income statement, namely profit and loss. We recommend the management of any organization to study its cash flow requirements and develop appropriate procedures under different scenarios, and assess potential risks in the customer base and their supplier network giving the importance of cash flow at such times.

Is it possible to create other sources of revenue or financing?

Each crisis produces, with its challenges, a set of opportunities that those who seize it can achieve good triumphs, but to verify the possibility of adding other sources of revenue to the organization, the following must be taken into consideration:

- What are the new needs of customers that do not find one that meets their requirements? Is it immediate or will it continue after the crisis?
- What are the best options available for the organization to consider among the unmet needs?
- What are the investments and capabilities required to work on these needs and provide them to clients? Are they available?
- What are the potential risks? "The loss of the remaining operation budget deviations from the main business line and the loss of the most important customers, risking the reputation of the organization in the event of the inability to control quality", and can the organization afford it or deal with it?
- Can the new product or service be quickly brought to the market?

If the impact of a potential crisis scenario on the organization is putting pressure on the usual revenue streams, consider ways in which you can replace these revenues temporarily or possibly permanently. For example, if your primary markets are international, how do you shift to local markets (especially if your stock is perishable), or vice versa? If there are assets used to generate revenue, how can you think differently about how to use these assets to generate alternative sources of income?





The most important questions:

Where does the priority for innovation, which we so badly need, fall in our business model during the crisis?

In order to focus efforts, it must be determined which part of the business model desperately needs to innovate new solutions. Are they in products and services (added value)? In operations? In processes? In resources and partners? Reviewing the business model is important in this case to pinpoint the obstacles, challenges and opportunities present in all business model building blocks.

Is there an appropriate environment to support and foster innovation, and is there a 'safe place' for innovation?

Do individuals and teams have a clear impression that failure is capable? Are innovation tools and resources available?

Is there an innovation process that generates practical ideas and is quickly prototyped? In times of crisis, it is important to develop the practical tendency to innovate through experimental and practical work of possible ideas after their evaluation. The Design Thinking methodology, which is based on the rapid selection of ideas and applied experimentation, represents an appropriate model.

Are the criteria for selection and comparison of ideas and innovative projects that we will work on clear?

Is it the cost? importance and impact? resources required? or time? It is important for speed to be one of the criteria for selection, because the crisis may not give the organization enough time for innovation that requires a great deal of time and competition may seize such opportunities.

How will we measure and evaluate innovation efforts appropriately?

What are the signs that the innovation effort and the ideas we apply are paying off? It is important to rethink the first question and determine the reasons that have been chosen to determine the priority of innovation and by defining the objectives of innovation, the method of measurement can be determined. If the goal of innovation is to develop new products and services, an indicator such as the number of products and the value of new revenue can be used. If the goal of innovation is to develop processes such as the production process, for example, an indicator such as the number of products per day can be used, and so on.

Do we have the capability to deliver value from information technology?

As information technology spreads further, opportunities to benefit from a new competitive scope will increase. However, these benefits are only realized when information technology is spread across the organization and is used by most employees within the organization. It is very important to develop staff skills and train them in modern technologies and ensure their effective utilization.

Do we have the capabilities to pay the full value of our existing IT systems?

In many cases, the new technology has opened a unique one-time opportunity for the organization to redeploy its assets and rethink its strategy. Technology has given the organization the ability to craft new tools that can produce lasting gains in its market share. Of course, these opportunities vary widely from one organization to another just as the intensity and rules of competition differ greatly from one industry to another. Likewise, the organization's location, size, and core product technology also constitute potential applications of information systems technology.

Are we satisfied with our IT risk level?

The closures imposed by this pandemic suddenly forced a large part of the world to move from managing life in a physical economy to living in a parallel and a lightweight digital world. As the transition to teleworking, telemedicine, electronics technology, and intensive monitoring at a high speed has transformed governments, organizations and people alike, this shift has brought levels of risk that were not apparent and focused on and with the potential for organizations to face a severe monetary crisis due to the recession caused by closures, the pressure to replace expensive people with machines will only increase and with organizations that are likely to face an acute cash crisis due to the recession caused by the closure, the pressure to replace costly people with machines will double, which may force senior management to become familiar with a new set of aspects of the risks that were not taken into account.

Innovation

When written in Chinese, the word 'crisis' is composed of two characters. One represents danger and the other represents opportunity John F. Kennedy

In crises, changes are usually large, numerous and profound, they need to be addressed with creativity and innovation in ideas, methods, and models. Therefore, some products or services can become completely useless and innovation becomes a necessity to get out of the crisis in the fastest and best available way, where the changes are varied (social, economic, laws and procedures).

Moreover, these changes are affecting some existing business model completely, for instance, "various sporting and artistic events, and social events, such as, travel and tourism tours," the change can drastically overrule the business model, and therefore the service and experience must be completely redesigned (remote entertainment and virtual experiences).

Do you have reliable and current sources of information on the developments and repercussions of the crisis?

It is important to obtain real-time information in four directions during the crisis from reliable sources, namely:

1. Health developments of the crisis and the duration of the pandemic and the various scenarios in that regard.
2. Laws and official local and international regulations. The crisis is global and the countries are affected by each other.
3. The economic situation and its implications and the changing needs of customers.
4. Information about competitors, their plans, and how they deal with the crisis.

The organization must analyze this information, consider its impact, and identify possible scenarios.

Is the scenario of dealing with the crisis and ways of responding to its developments are constantly updated?

The information that feeds the organizational decision will have a tremendous impact in light of a large and accelerating crisis such as the COVID-19 pandemic, where it is important to familiarize with the most important scenarios for the future of the crisis and update the plan to deal with it and continuous communication with individuals in the organization is required to build sufficient flexibility and prepare for any necessary change to deal with those scenarios.





Opinion is usually
something which people have
when they lack
comprehensive information.”

—
Idries Shah

Crises, especially on a large scale, go through multiple stages and may have different scenarios with different effects. Also, communication is of great importance in times of crisis, whether internally with the team and organization members or externally with clients, partners and society. Therefore, any effort to improve operational optimization will require the information and knowledge necessary to ensure its correct design, and adequate communication to ensure its efficient implementation.

The most important questions:

Are channels and mechanisms available to update information and communicate instructions to concerned people with the necessary speed and accuracy?

With the developments of the crisis and the imposed social distancing, which is clear that it will continue for a long period, it is necessary to have continuous communication channels between individuals to communicate information and instructions clearly, quickly and accurately. Communication will also help to strengthen the positive atmosphere in the organization to restore confidence, especially with the repercussions of the economic crisis.

Do individuals know what is the organization's strategy for dealing with the crisis, and the position that they want to land on when the crisis ends?

Employees must understand the organization's position and strategy to deal with the crisis and what measures it will work on. However, that in such crises, it is very natural that not all answers are present, likewise, no one can answer all questions definitely. Communication should be

3 Identify the needed solutions to conduct the required improvements

Set solutions and procedures to deal with challenges or take advantage of available opportunities and identify the necessary resources and time taken to implement solutions and procedures.

4 Set priorities

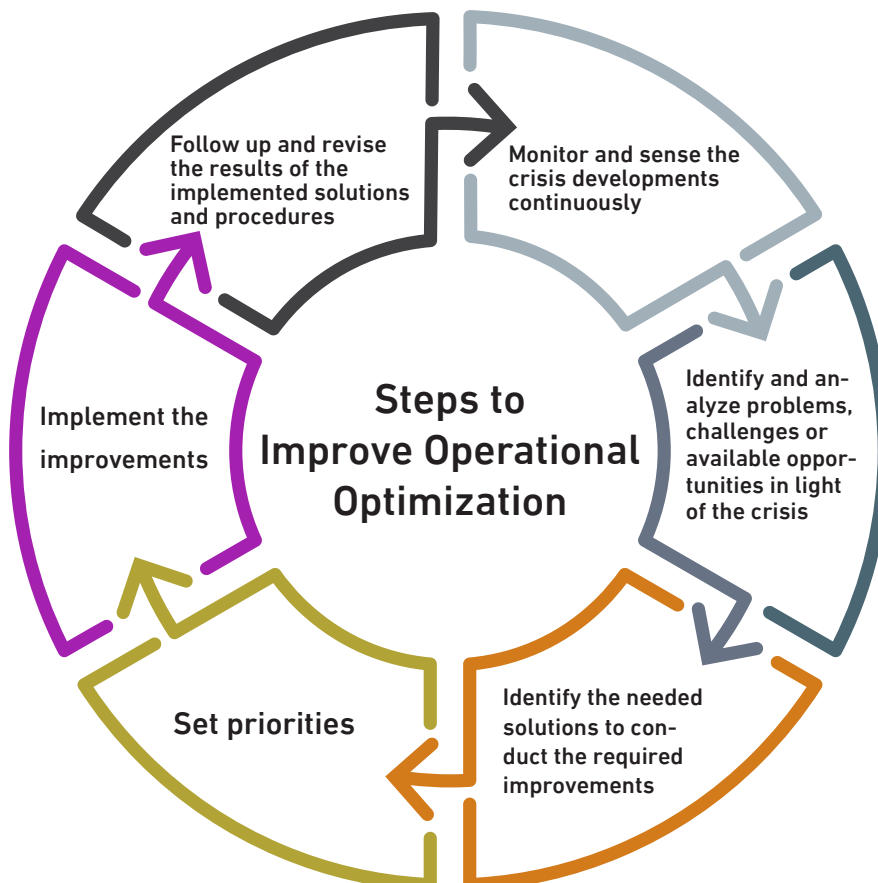
In a crisis of this magnitude, you will often find the need to make numerous and many adjustments, starting with products and services and ending with the smallest details in the methods of work and communication between team members. It is impractical to work on these solutions at once for several reasons, such as, limited resources, required speed, cost, etc.. Therefore, it is important to formulate the improvement plan according to priorities.

5 Implement the improvements

Define responsibilities, create teams and proceed with rapid practical implementation. It is important to keep individuals in a high state of motivation and preparedness as feelings of anxiety and frustration often increase in crises.

6 Follow up and revise the results of the implemented solutions and procedures

It is imperative to set timetables and follow them permanently, as well as to measure the



Steps to improve operational optimization

There are many methodologies for improving the process of operational and organizational optimization, from quality theories, 6 sigma, continuous improvement processes (PDCA) to the Theory of Constraints, which is an improvement methodology that adopts the saying, "A chain is no stronger than its weakest link." As it is known, Failure Modes Effect Analysis (FMEA) is a proactive way of assessing the process in identifying potential failure points. The tool helps determine where and how the process can fail and the relative impact of those failures, to prioritize process improvement efforts that reduce risk.

However, in crises, organizations, especially small and medium-sized ones that are more vulnerable to the effects of the crisis, need easy and clear steps that we define in the following:



1 Monitor and sense the crisis developments continuously

The duration of the crisis is - at least- a medium-term, and it is clear that it has not reached its peak yet. It is important to monitor the developments of the crisis and its repercussions and to sense the coming challenges and opportunities. Here comes the importance of obtaining information related to health, economic status, regulations, competition and other reliable and well-informed sources and understand their impact on business.

2 Identify and analyze problems, challenges or available opportunities in light of the crisis

Through the main questions asked in the developed framework, one must clearly identify the challenges and opportunities in each of them and the extent of their impact on business, and thus, prioritize challenges that greatly affect businesses or easy-to-invest opportunities.





Continuous change and improvement are the norm

The developments of the crisis and the changes it produces will make the ceiling for optimizing operations of organizations a ceaseless goal with no specific end. It is important for improvement efforts to be continuous and consider change as the new constant.

There is no doubt that the best way to benefit from operational optimization during crisis is to ensure the optimization of the organization and its maximum benefit from its capabilities and resources through adopting a philosophy of a continuous improvement and organizational excellence before crises occur, as well as, continuous planning and preparation for an effective response to challenges of a crisis when they occur. This interest may constitute the difference in the organization's ability to continue beyond the crisis and continue the path. As the saying goes, "The tribulations that do not kill me make me stronger."

Alignment

In large crises, optimization solutions may overlap and sometimes conflict with one another. Some organizations may find a need to cut significantly in the operations budget, and at the same time, a need to develop new skills for their members or to invest in advanced technology. Therefore, after setting the priorities for improvement solutions, it is important to ensure that they are aligned with the organization's strategy and objectives in managing the crisis and are in harmony with each other.



Important strategies to improve operational optimization

Customer comes first

Organizations are usually taken by surprise and astonishment in light of the crisis and may start taking their actions quickly without regard to the voice of the customer. It is very important in times of crisis to listen to the customer's voice and know how the customer's new reality and needs change, and therefore any improvement measures should start from the new reality and needs of customers.



Scenario planning

Estimates regarding the crisis differ from its start until this moment and its repercussions are still ongoing and its effects have not reached the peak yet. Some expect another wave of the virus in the absence of a vaccine in the future, and therefore, it is not wise to plan on improving operational optimization based on the scenario of the current situation alone, because it is changing in an ongoing way and the crisis may take different turns. It is important to develop plans based on more than one scenario, with the identification of the most-likely scenario and to continue thinking about these scenarios as the crisis develops and new influences emerge in its course."

Measurement

It suffices to say; what cannot be measured cannot be managed. In crises, resources become more scarce and it is very important to develop indicators for the results of improvements that will be worked on and to be constantly measured.

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How can we help?

identifying and analyzing the organization's risks
Developing an operational optimization improvement plan
Developing Business Continuity Plan
Health checking the efficiency of supply chains
Financial Evaluation and recommendations
Digital Transformation

For more information about our other services, please visit our website www.averroesadvisory.com or send us an email to www.info@averroesadvisory.com

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