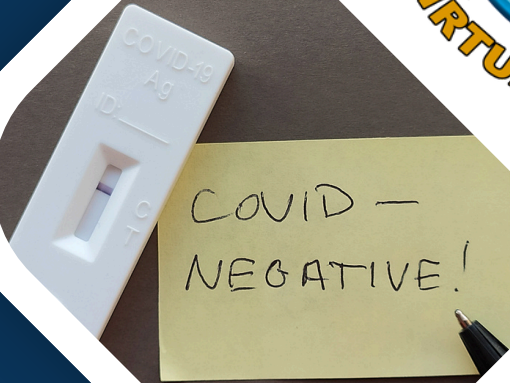


# COVID 2019

# BUSINESS RECOVERY PLAN



The human race is bigger than this,  
and it will prosper – eventually.  
- Derek Gallimore



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# THE GLOBAL ECONOMY IS FALTERING

Many businesses have been forcibly shut down

We're now navigating through one of history's most extreme black swan events. The repercussions of the economic suppression are severe, immediate and ubiquitous. Even if COVID-19 is eradicated tomorrow, no one knows how long it will take for the economy to recover. And no one knows when COVID will be gone.

Businesses are like a human heart – they need to keep beating. You can't just stop a business, and start it up again in two months time. You need to keep your business ticking over.

Experts suggest the economy will either have a 'V-shaped' recovery or a 'U-shaped' recovery ('V' meaning a sharp bounce back, or 'U' meaning a slow climb out of recession). The world may be facing its worst recession ever. Even once Corona has gone, the economy could take many months or years to rise from the ashes.

However, we will conquer this. The human race is bigger than this, and it will prosper – eventually.

## COVID-19 DEMANDS A NEW BUSINESS STRATEGY

Within any down-market, there are some incredible opportunities.

We can already see an uneven distribution of impact from this pandemic:

- The health, delivery and food sectors are struggling to keep up with demand – they need people and resources, now
- Online SaaS and WFH tools are booming – Zoom is trying to keep up with demand
- Home fitness apps and remote personal trainers are booming
- Governments are spending unprecedented sums of money to support and stimulate the economy
- The travel industry has been all but decimated Different parts of the lending/loan industry may either do well or collapse
- Warren Buffet will no doubt find an opportunity in this



# SEQUOIA CAPITAL'S BLACK SWAN

On March 5th, Sequoia Capital, the preeminent Silicon Valley venture fund, raised an early alarm for businesses to be vigilant, stating: "Coronavirus is the black swan of 2020." A 'black swan' is an extremely rare event with severe consequences. It cannot be predicted beforehand and can cause catastrophic damage to an economy.

Sequoia's sober message: "Having weathered every business downturn for nearly fifty years, we've learned an important lesson – nobody ever regrets making fast and decisive adjustments to changing circumstances. In downturns, revenue and cash levels always fall faster than expenses. In some ways, business mirrors biology. As Darwin surmised, those who survive "are not the strongest or the most intelligent, but the most adaptable to change."

They highlight six areas for close immediate attention: *Cash runway, fundraising, sales forecasts, marketing, headcount, capital spending*. They encourage all businesses to guard their cash, reassess the fundamentals, and focus on the product (adaption, evolution).

Some people will come out of this looking better than others. However, before there's any rebuilding, most businesses will first have to cut costs and adapt.

How are you cutting costs? How will you adapt? How will you rebuild? Will you find the opportunities amongst the threats? Every business playbook and every situation is different – but amidst COVID-19, 100% of businesses will be tracing these next three steps: (i) *slash costs*, (ii) *adapt*, (iii) *rebuild*. This is the new imperative for business in 2020.



## SLASH COSTS, ADAPT, REBUILD

Business is hard enough – even in good times. However, in the hard times – to add insult to injury – you have to do more, with less. You have to evolve and be creative, there is no other option. You either sink or swim.

*Necessity* is the mother of invention.

When businesses are successful and economies are fat with profits, companies can become comfortable and complacent. Now that the tide has turned, only the tough and innovative will survive.

No one has any choice now but to:

- *Slash*
- *Adapt*
- *Rebuild*



# SLASHCOSTS

All businesses are going to have to work through their own U-shaped or V-shaped journey. If you are one of those lucky sectors that are getting a boost from Corona, then you'll have to respond quickly and slash all possible costs. Trim the fat, and shut down any non-essentials.

Generally, cuts are hard, so businesses cut their costs too little too late. Instead of one deep painful gouge and then onto the rebuild; repeated smaller cuts are made – never quite getting ahead of the curve – and creating a death by a thousand cuts scenario.

# REBUILD

When the time comes, you will need to rebuild. Resources will be scarce, and you will need to make the most of what you have. Your recovery might even be harder than the previous stages – but you have no choice.

The world-economy could be slow to recover, and fragile for years ahead. Your rebuilding and recovery phase needs to be as efficient as possible. You need to rethink the norms of doing business.

Business is tough now, but as the world emerges from this crisis there are undoubtedly incredible opportunities awaiting the agile and bold.

Fortune favours the brave. Use your adoption phase to prepare for the rebuild. Pivot, test and reiterate; test and reiterate again.

Be ready with a new business and be ready to double-down on what's working as the world emerges from its malaise

# ADAPT

Once you get ahead of the curve with costs and you have bought yourself some space, it's now time to adapt to the new reality. Quickly. This even means a complete pivot if necessary. Don't rule anything out.

Ironically, it takes time and resources to adapt, explore and pivot. Now is not the time to experiment – but there is no choice.

- Canlis, one of Seattle's most acclaimed fine dining restaurants now sells take-out burgers and fries
- A Chinese SaaS company has done a complete pivot and started offering food deliveries
- Conference and expo companies are moving into online webinars and chatrooms
- Zoom is adapting its pricing model to accommodate and encourage the new flood of users

# OFFSHORE STAFFING – THE MAGIC BULLET FOR YOUR BUSINESS

## EMPLOYEE SALARIES ARE THE BIGGEST EXPENSE FOR MOST COMPANIES

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**Outsourcing** is counter-cyclical, the industry can thrive in market-downturns when Western businesses are forced to cut costs. Recessions cause a spike in demand for outsourcing services, and their expertise, for good reason:

Offshore staffing allows you to save up to 70% on your staffing costs.

It enables you to slash your costs whilst maintaining the team necessary to rebuild your business

It gives you the space and resources you need to adapt and rebuild your business

Business owners are now forced to (re)consider all cost-saving measures

Offshore staffing isn't about replacing your local staff with overseas workers – it's about giving your business the breathing room it needs to adapt to the new environment and start the recovery

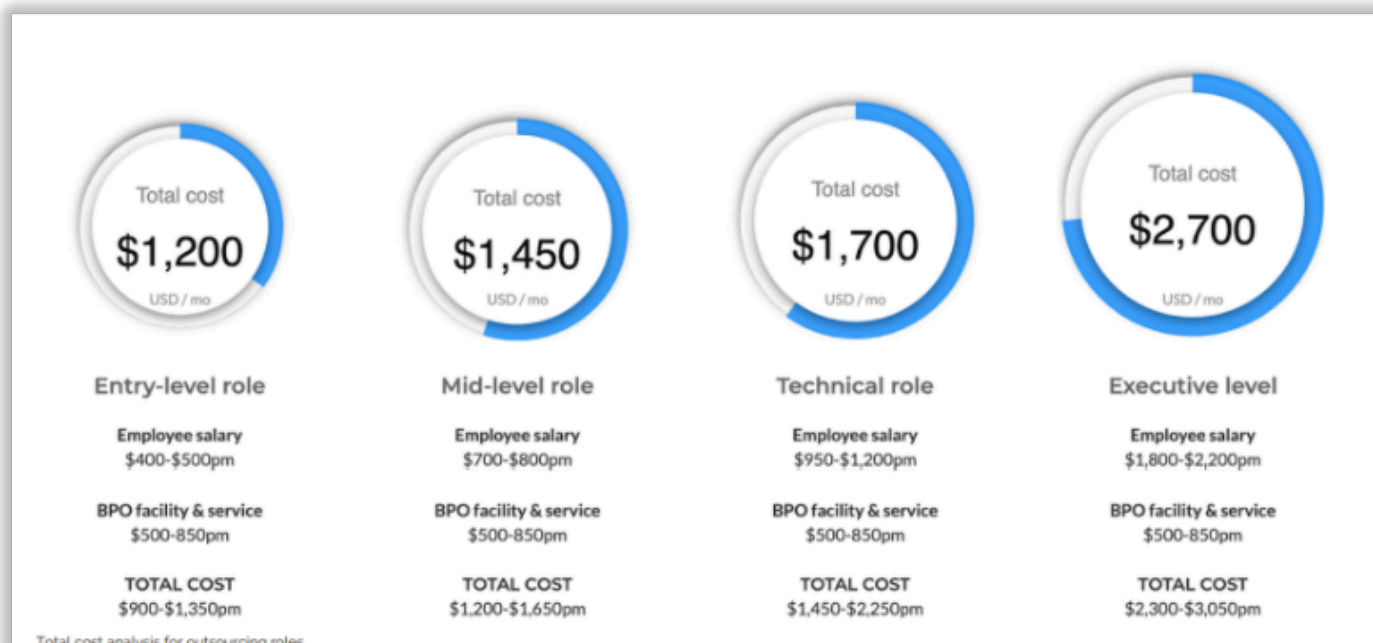


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## OFFSHORE STAFFING IS A FLEXIBLE BLENDED SOLUTION.

Depending on your cash position, you can have a mixed team of offshore and local, or you can build entirely offshore teams

### *Average monthly outsourcing cost guide (USD)*



There are profound reasons why offshore staffing can profoundly help your business, today:

- *Cost savings – save up to 70% on staffing cost*

This cannot be overstated – Offshore staffing can save you serious money! you can slash costs, Whilst still maintaining a workforce who can operate, and grow your business. Cash is king right now, and offshore staffing allows you to save 50%-80% on your all-in staffing costs

- *Work-From-Home (WFH) enabled remote workforce*

The world has had to quickly adapt to the new WFH environment. The outsourcing industry typically works from centralised offices, but it is fully WFH enabled and optimised. The Coronavirus has shown the world that there are alternatives to traditional local-staffing in-office solutions. Remote, outsourced and offshore teams are a powerful alternative.

## OUTSOURCING CAN SAVE YOUR BUSINESS

- *Instant teams – easy access to core & auxiliary staff*

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- *Flexible & Scalable workforce*

Offshore staffing can provide a flexible scalable workforce, quickly. There is less employment regulation, and you can have the people you need for the time that you require. You can avoid all of your local employment red-tape and bureaucracy. You can focus on your core business while the staff are taken care of.

- *Affordable external expertise*

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- *Highly qualified, dedicated candidates*

The Philippines has a population of 110m people. There are 650,000 university graduates every year. English is the primary language of the country, and they are a catholic culture. The current generation of Filipinos grow up using Netflix, YouTube, Twitter and learning from the same online resources as their US/UK, Australasian counterparts. They are highly culturally aligned.

## Outsourcing salary comparison chart

All amounts are in U.S. Dollars (USD\$) per annum

JOBS	PHILIPPINES	U.S.	U.K.	AUSTRALIA
Accountant	\$5,959	\$67,190	\$72,923	\$58,479
Customer Service	\$3,337	\$29,717	\$22,137	\$35,275
Copy Writer	\$4,767	\$56,600	\$52,088	\$62,653
Graphic Artist	\$3,883	\$46,658	\$38,668	\$37,596
HR Manager	\$9,506	\$78,007	\$46,669	\$66,518
IT Representatives	\$5,722	\$61,758	\$24,741	\$59,938
Project Manager	\$21,458	\$108,000	\$57,296	\$86,029
Software Developer	\$7,221	\$81,994	\$39,913	\$62,653
Software Engineer	\$8,333	\$109,087	\$44,459	\$62,653
Technical Support	\$4,638	\$36,924	\$35,225	\$38,232
Team Leaders	\$7,152	\$75,823	\$31,174	\$45,428



## *Slash costs, adapt, rebuild.*

# TAKE CONTROL OF THE SITUATION NOW

It might sound counterintuitive to explore 'hiring staff' in a crisis. But this is a strategy that helps you slash costs, yet take action, be proactive, respond to the environment, and start to grow or rebuild your business.

Moving offshore doesn't necessarily mean the long term loss of domestic onshore jobs. Many businesses which have a strong and healthy balance sheet are able to actually increase their onshore staff once their offshore staff has helped stabilize the business and increase its profitability.

Reach out to [Global OfficeWorks](https://www.globalofficeworks.com) now to have a discussion about how we can help you slash your staffing costs and grow or rebuild your business.

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