

# Surviving Covid-19: Firms must adapt, seek opportunities

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Individuals and companies need to adapt to changes and look for opportunities at home and abroad to survive the disruption caused by the coronavirus pandemic.

Employees may have to lower their income expectations and upgrade their skills, while companies, especially small and medium-sized enterprises, should be prepared to pivot to new business models, said Mr Inderjit Singh, chairman of NTUitive, in a webinar yesterday.

NTUitive is a wholly owned subsidiary of Nanyang Technological University which helps take technology from the laboratory to the marketplace and manages the university's intellectual property assets.

Mr Singh noted it may take at least a couple of years to repair the economic damage worldwide. Businesses should plan for a 50 per cent to 80 per cent drop in demand for one to two years.

Singapore may suffer its deepest

recession this year since independence as the global economy heads for its biggest slump since the Great Depression of the 1930s.

Some of the changes, such as working from home and the surge in technology adoption, may become part of the new normal and both individuals and businesses will have to make adjustments accordingly, he said.

"There are no heroes, only survivors in a downturn," said Mr Singh, a businessman who has been in the manufacturing and consumer appliances sector for over three decades.

He said that while conserving cash and cutting expenses should take priority under a survival mode, companies should also not rush to fire their most valuable resource – experienced employees who will be key to the next stage of rebuilding and growing the business.

"Don't be destructive. Rather than laying off staff, companies should find other ways to reduce their costs," he said, citing salary cuts and shorter work weeks as ex-



**As the economy reopens, Mr Inderjit Singh (above) said, companies should continue to conserve cash, look for avenues to restructure their debts and find alternative sources of investment such as venture capital and crowdfunding.**

amples of alternatives.

Mr Singh said all companies should have a master plan for survival through the disruption, which will play out in three phases.

The first phase of chaos and confusion may persist until a vaccine is made available.

Then comes a period of survival and collapse as the health issue is settled and businesses restart. That will be followed by a period where companies will have to focus on growth, and new and stronger start-ups will emerge.

For now, businesses should hunker down and survive this "zero-revenue" period.

At the same time, they should also leave no stone unturned for cost reduction, look closely at government assistance schemes, and get in touch with their suppliers, landlords, partners and employees to figure out a survival plan.

Businesses should take full advantage of the Government's Jobs Support Scheme, property tax rebates, tax payment forbearance and cheap loan offers. The Government has rolled out four Budgets totalling close to \$100 billion – almost 20 per cent of the country's gross domestic product – to support businesses and limit job losses.

As the economy reopens, Mr Singh said, companies should continue to conserve cash, look for avenues to restructure their debts and find alternative sources of investment such as venture capital and crowdfunding. While businesses may resume, their customers may still be unable or reluctant to spend because recessions usually drive a deep cut in purchasing power.

Companies should understand their customers' needs and tailor their offerings accordingly, he said.

If possible, companies should restructure their business model and maximise the use of technology to improve efficiency and cost effectiveness.

When the public health issue is dealt with, the regrowing phase will start and that will also be quite challenging, Mr Singh said.

To regrow their businesses, companies would do well to look for new opportunities and new customers, both at home and abroad, he added.

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