KAIZEN™
INSTITUTE

COVID-19

**Evolution of Pandemic,
Economic Barometer
and Kaizen Strategy**

Introduction and Executive Summary
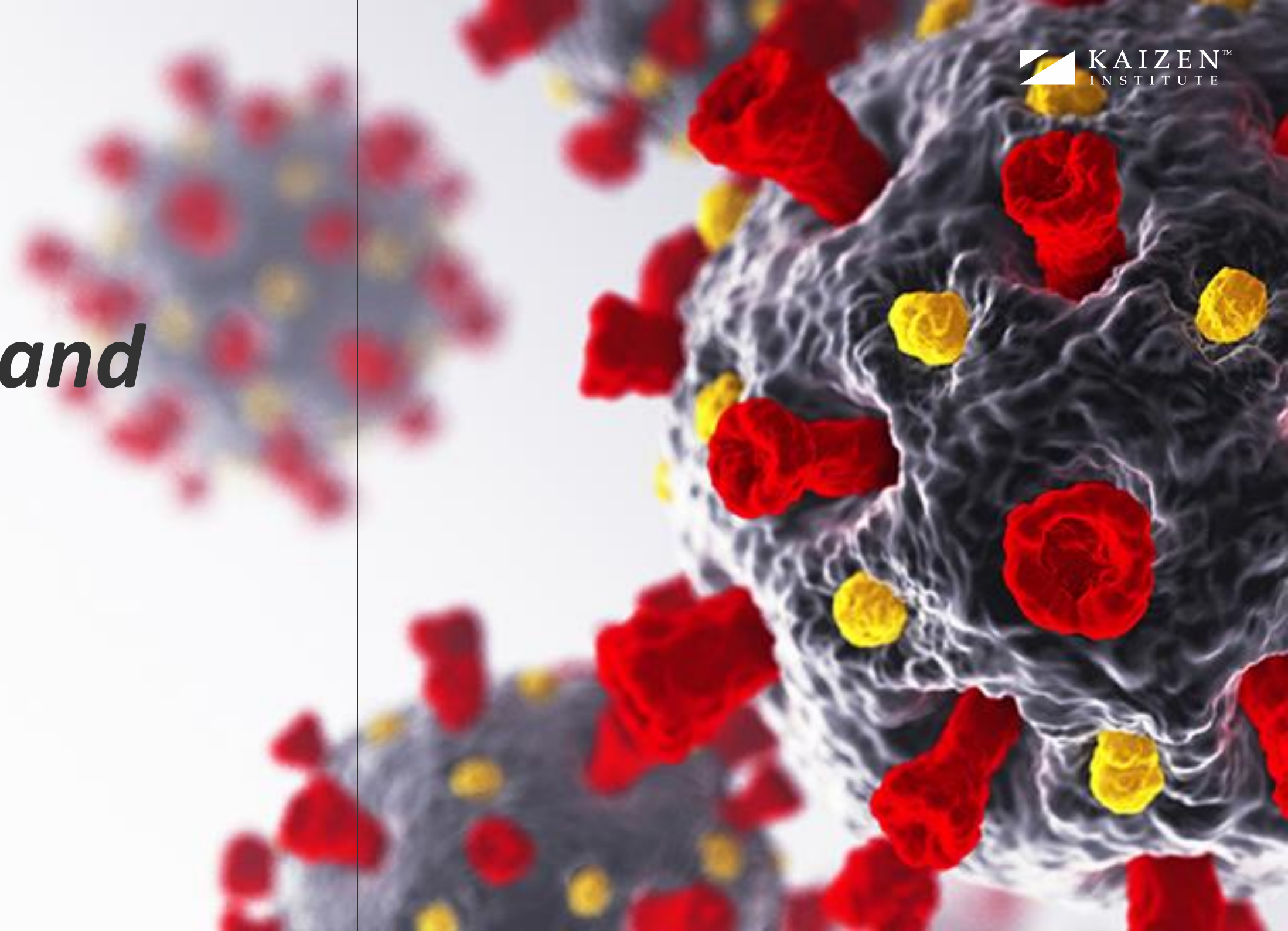
The crisis brought about by the COVID-19 outbreak has taken the world by surprise, and has caused a disruption to the health care systems and economies of practically every nation
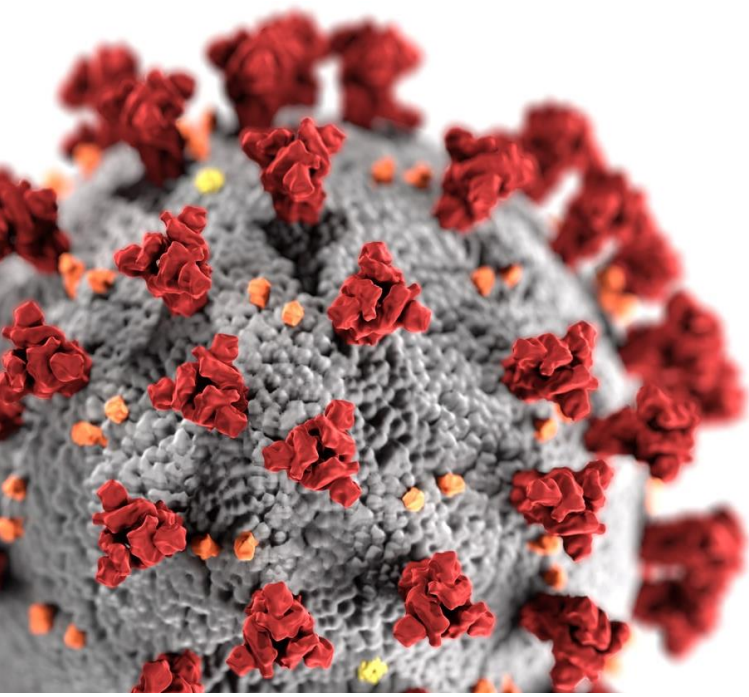
The **health crisis,** characterised by a high mortality rate among high-risk groups and the pressure on the health care system, will lead to an even greater number of casualties as a consequence of the lack of resource capacity once the pandemic reaches its peak.

From an economic perspective, the heath crisis plays its part through the **almost total shutdown** of the **entire national economy** as a result of "lockdown" policies, designed to slow down and minimise further spreading of the infection.

In this report, we have gathered **sets of data and analyses** to summarise the situation of the fight against the infection (as of April 12) and **present a perspective of phases and deadlines** that aim to allow companies to **react quickly and deliberately**, in order to emerge from the crisis stronger.

Companies are able to take advantage of some of the time available to develop their people and processes, even when working remotely, in order to emerge from the crisis with a competitive advantage

The responses of the National Barometer are overwhelming and demonstrate well the deplorable situation that this crisis has brought to companies.

Anayslisng the evolution of the pandemic in countries that were effected at earlier stages enables us to **estimate a base scenario of phases and recovery dates.**

These inidcators allow us to project llikely scenarios and enable us to suggest **improvement actions** that can be carried out, to ensure effective utilisaion of employees and other resources.

There is talk of a "new normal" and the need to **review the organisation's strategy** in order to respond to the new "change drivers" that emerge from the crisis.

According to the base scenario, recovery **starts in the third quarter**, but it is possible to start the preparation now, because "**what doesn't kill us, makes us stronger".**

Euclides A. Coimbra
Senior Partner & Managing Director
Kaizen Institute Western Europe

Executive Summary

An analysis of the **evolution of pandemic** across the world, and in Malta in particular, leads us to conclude that the lockdown policies are working and it is expected that, in Malta at least, the crisis will follow a profile of stages and dates in accordance with the summary table on the next slide.

A crisis has many negative aspects and its effects are felt throughout all sectors, but a crisis will also bring new beginings that for many that chose to be optiistic and dynamic may mean new opportunities and ore importantly a competitive advantage.**The prospect of emerging stronger and more competitive is on the horizon.**

Thus, we make suggestions of how to **improve and prepare in the form of actions** that organisations can initiate in order to emerge from the crisis stronger and with broader horizons.
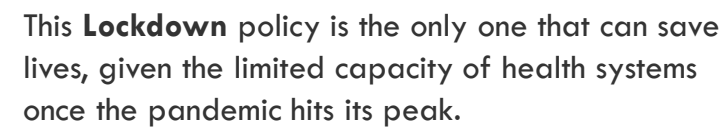
It is also important to **set up and perfect a crisis management "war room"** that will most likely be valid during the current year of 2020.

If everything comes together, **2021 can be a year of great growth** with the recovery achieved first in public health and with the efficiency of our mutual response.

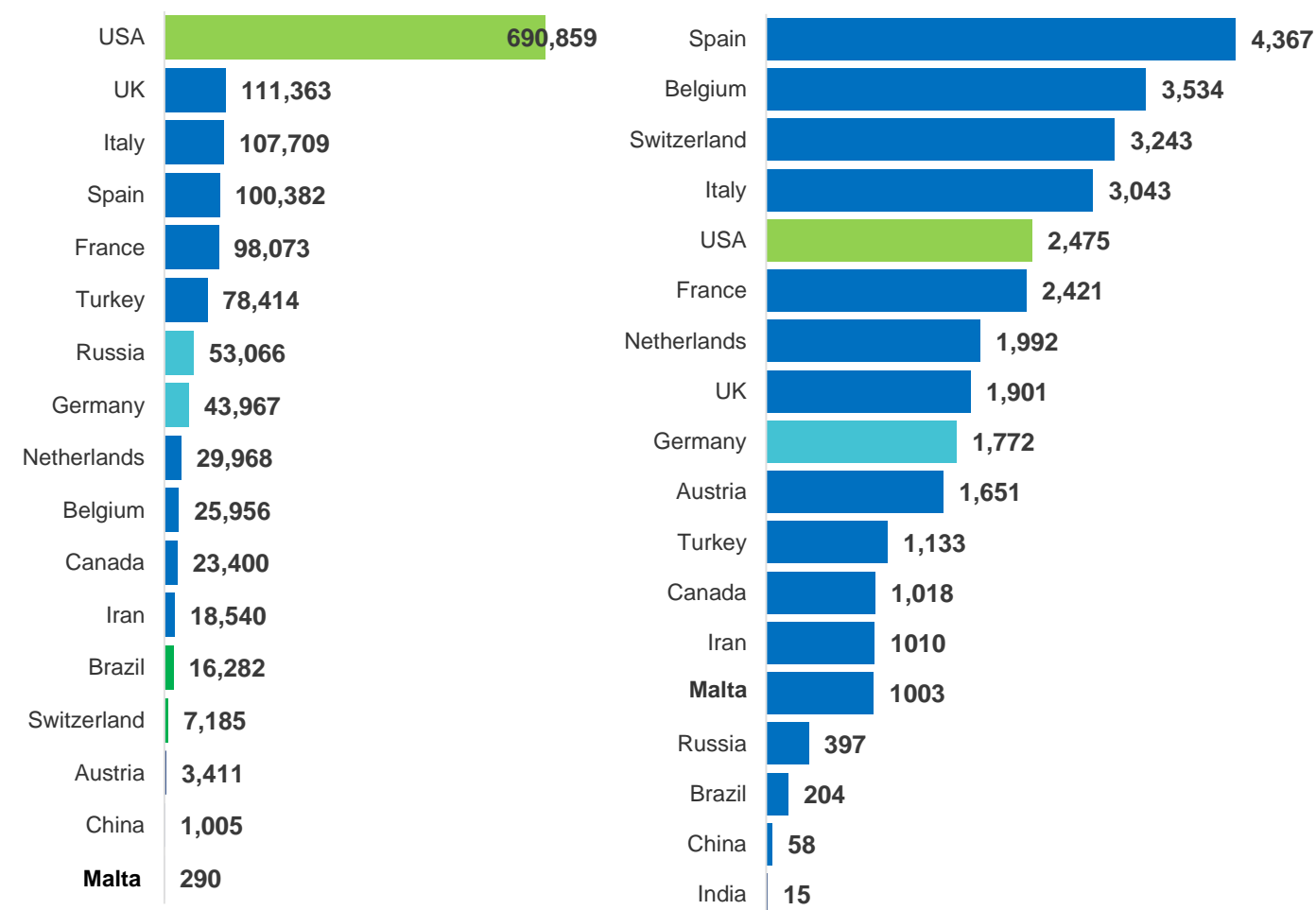|	PHASE I: DENIAL	PHASE II: DISRUPTION	PHASE III: RESOLUTION	PHASE IV: RECONSTRUCTION	PHASE V: RE-INVENTION
Start and End of each Phase	• 1st Case Detected until … • Declared State of Emergency (Lockdown)	• Declared State of Emergency (Lockdown) until… • 1 Week of Abrupt Fall in New Daily Cases	• 1 Week of Abrupt Fall in New Daily Cases until… • State of Emergency Officially Terminated	• State of Emergency Officially Terminated until… • 50% of Pre-Crisis Business Recovered	• 50% of Pre-Crisis Business Recovered until… • 100% of Pre-Crisis Business Recovered
Dates and Duration Forecast	• Started: March 7th • Real Duration: 2 weeks	• Started: 22nd March • End: 18th April (4 weeks)	• Start: estimated 19th April • Expected End: May 17 (4 weeks)	• Start: estimated 18th May • Expected End: 30th August (3 months)	• Start: estimated 31st August • Expected End: 30th December (4 months)
Start Potential Improvement Actions and Preparation	• Implement Crisis War Room • Improve Emergency Operations • Improving Project Management in Remote Working Environments • Reinforcing Digital Marketing	• Improve Daily Kaizen in Remote Working Teams • Implement Kaizen Energy in Remote Working Teams • Review Pricing Strategy • Improve Equipment Maintenance	• Increase employee versatility • Ensure Efficiency in Post-Crisis • Resize the Supply Chain • Improve Sourcing and Suppliers	• Improve Customer Experience • Improve Selling Capacity • Improve Service and Support Operations (Agile Organisation) • Accelerate New Product Development	• Review Business Strategy • Reinvent Innovation Strategy

Evolution of the Pandemic

*Perspectives and Deadlines
for Resolution*

The COVID-19 Pandemic, started in China on the 8th of December 2019, is rapidly gaining ground worldwide

Governments have applied Lockdown policies to try to slow down and reduce the spread of the virus

Proteína de envelope
Proteína da Membrana
Proteína S
Proteína Nucleocápside
Membrana Lipídica

THE ENEMY

Covid-19 is the **worst health crisis in the last 100 years.**

Although the mortality rate is higher in the elderly, it is young people who are most likely to contract the infection.

The **treatment capacity** in hospitals **is limited** and can be quickly exceeded and put a strain on medical resources such as (respirators and protective equipment since these are lacking.)

The policies of the different nation states have one main objective: **to decrease the rate of infection of the disease** (newly infected).

This **Lockdown** policy is the only one that can save lives, given the limited capacity of health systems once the pandemic hits its peak.

Evolution of the # Total Cases Worldwide

Total Cases (Millions)

Week	4	5	6	7	8	9	10	11	12	13	14	15
Date	26 Jan	2 Feb	9 Feb	16 Feb	23 Feb	1 Mar	8 Mar	14 Mar	22 Mar	29 Mar	5 Apr	12 Apr
Total	2 800	17 391	40 553	71 205	79 205	88 585	109 991	156 475	337 459	723 390	1 162 260	1 796 488
% change	(+521%)	(+133%)	(+76%)	(+11%)	(+12%)	(+24%)	(+42%)	(+116%)	(+114%)	(+61%)	(+55%)	

Legend: South Korea, Portugal, Iran, United States, China, Germany, France, Italy, Spain, Other, EUA

South Korea (1%)
Portugal (1%)
UK (4%)
(4%)
(4%)
(5%)
(7%)
(7%)
(8%)
(9%)
(24%)
(30%)

Since the **1st reported case on 8th December in Wuhan, China,** the Pandemic has spread rapidly to the West.

On April 12, the **USA** is the country with the **highest number of infected people.**

Although the USA has the highest number of reported cases, Spain is the leader in terms of Cases per Capita

- Data reported on April 22;

- Malta exhibits a middling number of cases per capita (41st worldwide), exacerbated by its high population density. Currently, Malta shows an infection rate per capita similar to Canada and Iran.

- The risk of Pandemic growth in countries with the highest population density is very high. However, due to proactive measures, much of the virus spread has been limited.

- In Europe, Lockdown policies are beginning to show some results, representative of their effectiveness (as we will see in the next analysis);

- In the USA, Lockdown policies are expected to be tightened up, as well as throughout the world, in countries where they have not yet been properly implemented.

Total Active Cases vs Cases per Million Inhabitants

Total Active Cases		Cases per Million Inhabitants	
USA	690,859	Spain	4,367
UK	111,363	Belgium	3,534
Italy	107,709	Switzerland	3,243
Spain	100,382	Italy	3,043
France	98,073	USA	2,475
Turkey	78,414	France	2,421
Russia	53,066	Netherlands	1,992
Germany	43,967	UK	1,901
Netherlands	29,968	Germany	1,772
Belgium	25,956	Austria	1,651
Canada	23,400	Turkey	1,133
Iran	18,540	Canada	1,018
Brazil	16,282	Iran	1010
Switzerland	7,185	**Malta**	1003
Austria	3,411	Russia	397
China	1,005	Brazil	204
Malta	290	China	58
		India	15

Let us look at the results of Lockdown's policies in China:

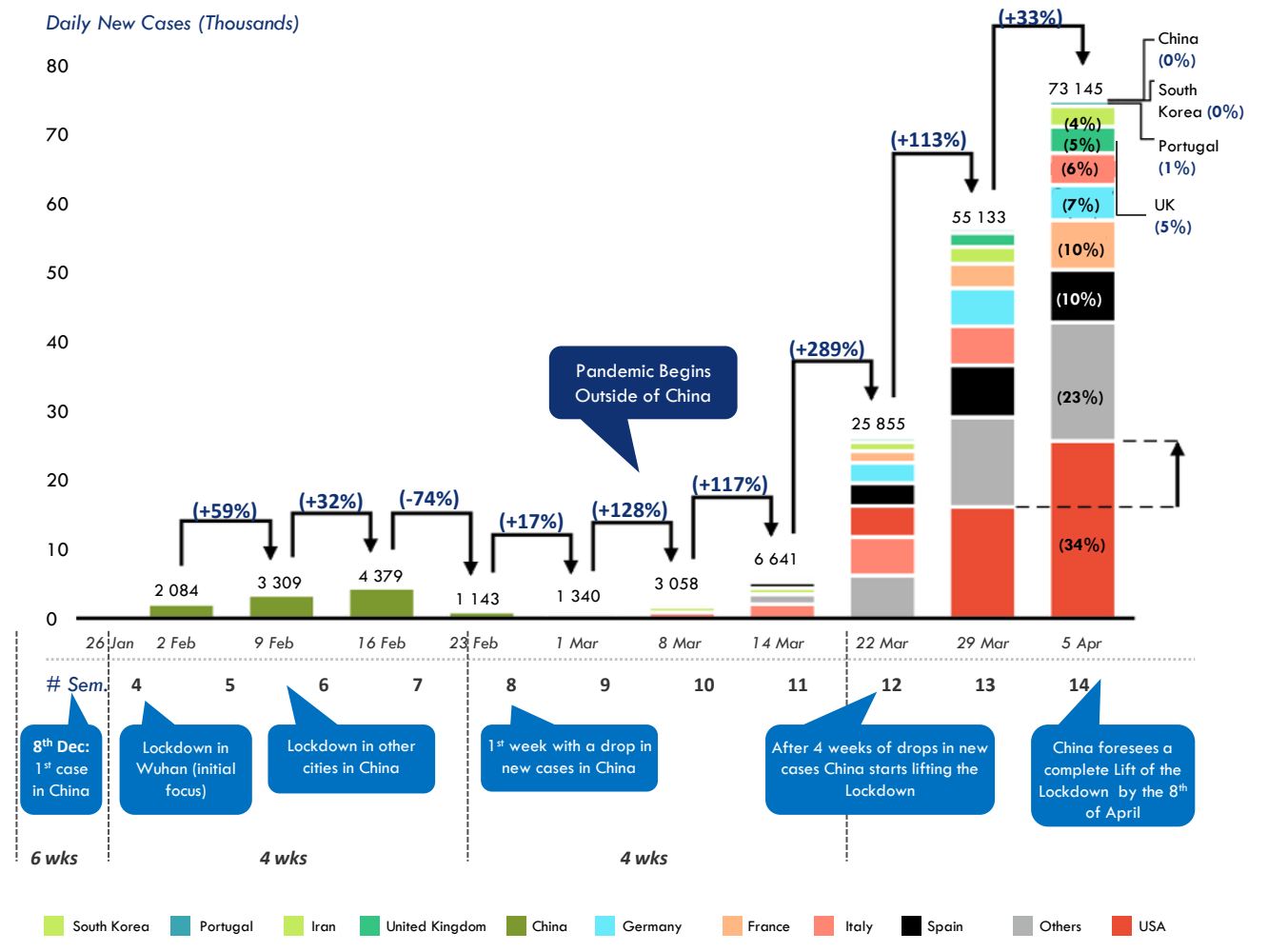*The main Indicator of Effectiveness is the number of New Daily Cases*

PHASE	DURATION
Phase I: From 1st case in Wuhan to Lockdown	**6** weeks
Phase II: From Lockdown to Start of Reduction of New Cases	**4** weeks
Phase III: From Start of Reduction of New Cases to Lockdown Lift	**4** weeks
Total Duration of the Pandemic in China	**16** weeks

Conclusions:

- Too long until Lockdown is put in place
- A more expeditious Lockdown possibly reduces total duration by 4 weeks
- Pandemic can last 3 to 4 months (depending on the speed and effectiveness of public containment policies)

Evolution of the # New Cases Worldwide

Daily New Cases (Thousands)

Pandemic Begins Outside of China

China (0%)
South Korea (0%)
Portugal (1%)
UK (5%)

(+33%)
73 145
(4%)
(5%)
(6%)
(7%)
(10%)
(10%)
(23%)
(34%)

(+113%)
55 133

(+289%)
25 855

(+117%)
6 641

(+128%)
3 058

(+17%)
1 340

(-74%)
1 143

(+32%)
4 379

(+59%)
3 309

2 084

| 26 Jan | 2 Feb | 9 Feb | 16 Feb | 23 Feb | 1 Mar | 8 Mar | 14 Mar | 22 Mar | 29 Mar | 5 Apr |

Sem. 4 5 6 7 8 9 10 11 12 13 14

8th Dec: 1st case in China

Lockdown in Wuhan (initial focus)

Lockdown in other cities in China

1st week with a drop in new cases in China

After 4 weeks of drops in new cases China starts lifting the Lockdown

China foresees a complete Lift of the Lockdown by the 8th of April

6 wks   4 wks   4 wks

Legend: South Korea | Portugal | Iran | United Kingdom | China | Germany | France | Italy | Spain | Others | USA
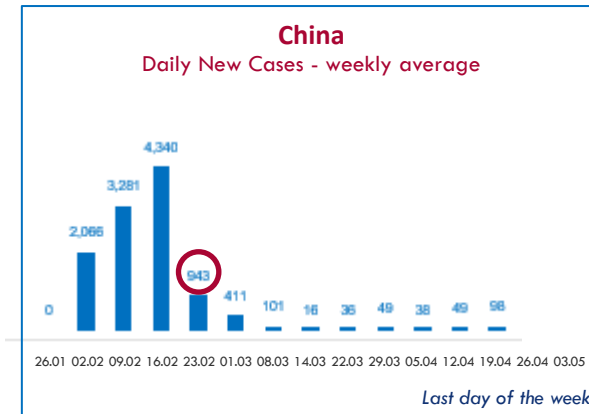
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Based on Pandemic Evolution in China and the Containment Policies adopted, we can see that the Pandemic Evolution Curve goes through the following Phases
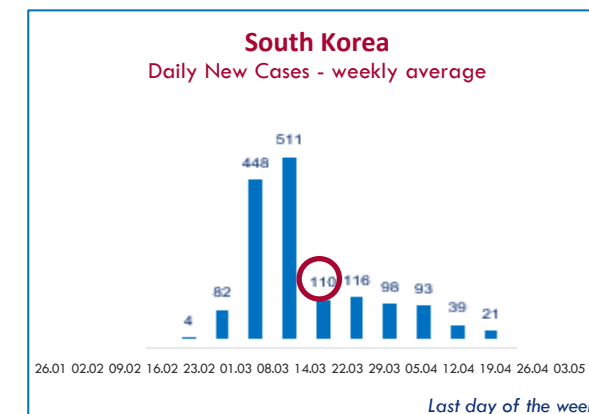
Pandemic Evolution Curve

Severity of the Pandemic

Curve for the Total Number of Cases
(Exponential and its drop depends on the speed of healing and health recovery)

Curve for the Number of Daily New Cases
(U shaped and start of its drop depends on the effectiveness of lockdown and containment policies)

Gradual Start of the Economic Recovery

Start of Pandemic

End of the Pandemic

Time

Phase I: DENIAL
From detection of the 1st case to... State of Emergency (Lockdown)

Phase II: DISRUPTION
From State of Emergency to... Systematic Drop in Number of New Cases

Phase III: RESOLUTION
From Systematic Drop in Number of New Cases to... End of State of Emergency

Phase IV: RECONSTRUCTION
From End of the State of Emergency to... significant start of Economic Recovery

China = 16 weeks
(but can be improved)

1 to 8 wks   **2 to 6 wks**   **2 to 6 wks**   **4 to 8 wks**

TOTAL LEADTIME:
9 to 28 weeks

An analysis of Phase III start dates: Resolution in several countries…

… reveals a starting point for the sudden drop in new cases, due to the effects of the Lockdown

China
Daily New Cases - weekly average

Last day of the week

4 weeks until start of drops in total number of daily new cases

South Korea
Daily New Cases - weekly average

Last day of the week

4 weeks until start of drops in total number of daily new cases

Italy
Daily New Cases - weekly average

Last day of the week
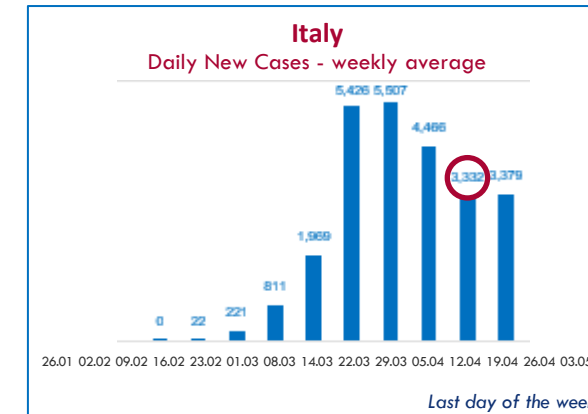
7 weeks until start of drops in total number of daily new cases

United Kingdom
Daily New Cases - weekly average

Last day of the week
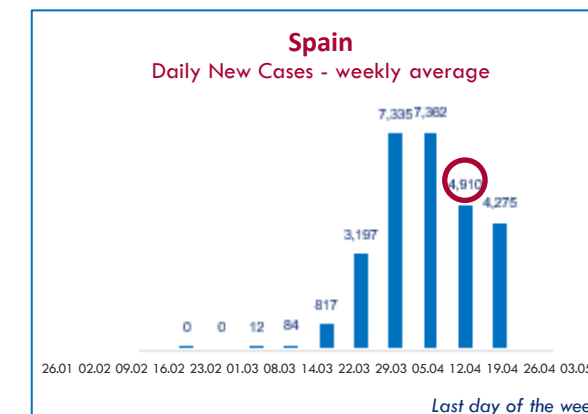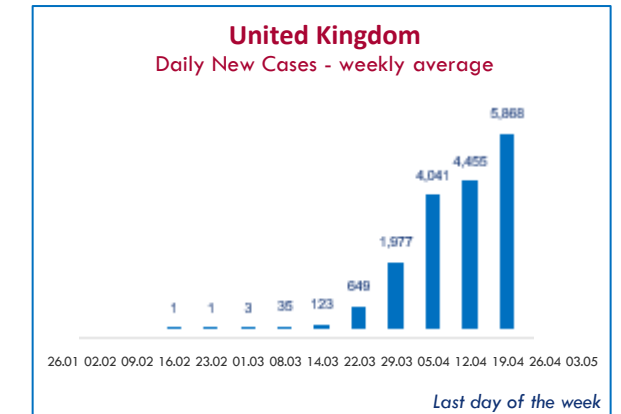
UK not yet reached Plateau

Spain
Daily New Cases - weekly average

Last day of the week

6 weeks until start of drops in total number of daily new cases

Malta
Daily New Cases - weekly average

Last day of the week
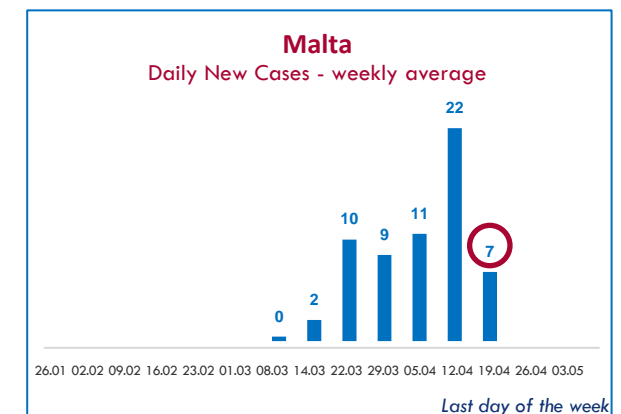
5 weeks until start of drops in total number of daily new cases

Currently, in Europe, Pandemic shows signs of slowing down in France, Spain, Germany and Italy

The trend is similar for Malta

- Pandemic loses in Asia are still be registered, although China sees an increase in imported cases, but in small numbers;

- In the largest European countries there are signs of a slowdown, except in the United Kingdom;

- In the United States, in the last week, it seems that the situation of growth of new cases has stabilized, as is the case in Malta and other European countries.

- In the rest of the world, there is widespread growth and spread across 195 countries.

Total Cases vs New Cases: Evolution Week 15> Week 16

% Evolution of Daily New Cases Week 15 > Week 16

Circle = 200.000 Total Cases in Week 16

% Evolution of Total Cases Week 15> Week 16
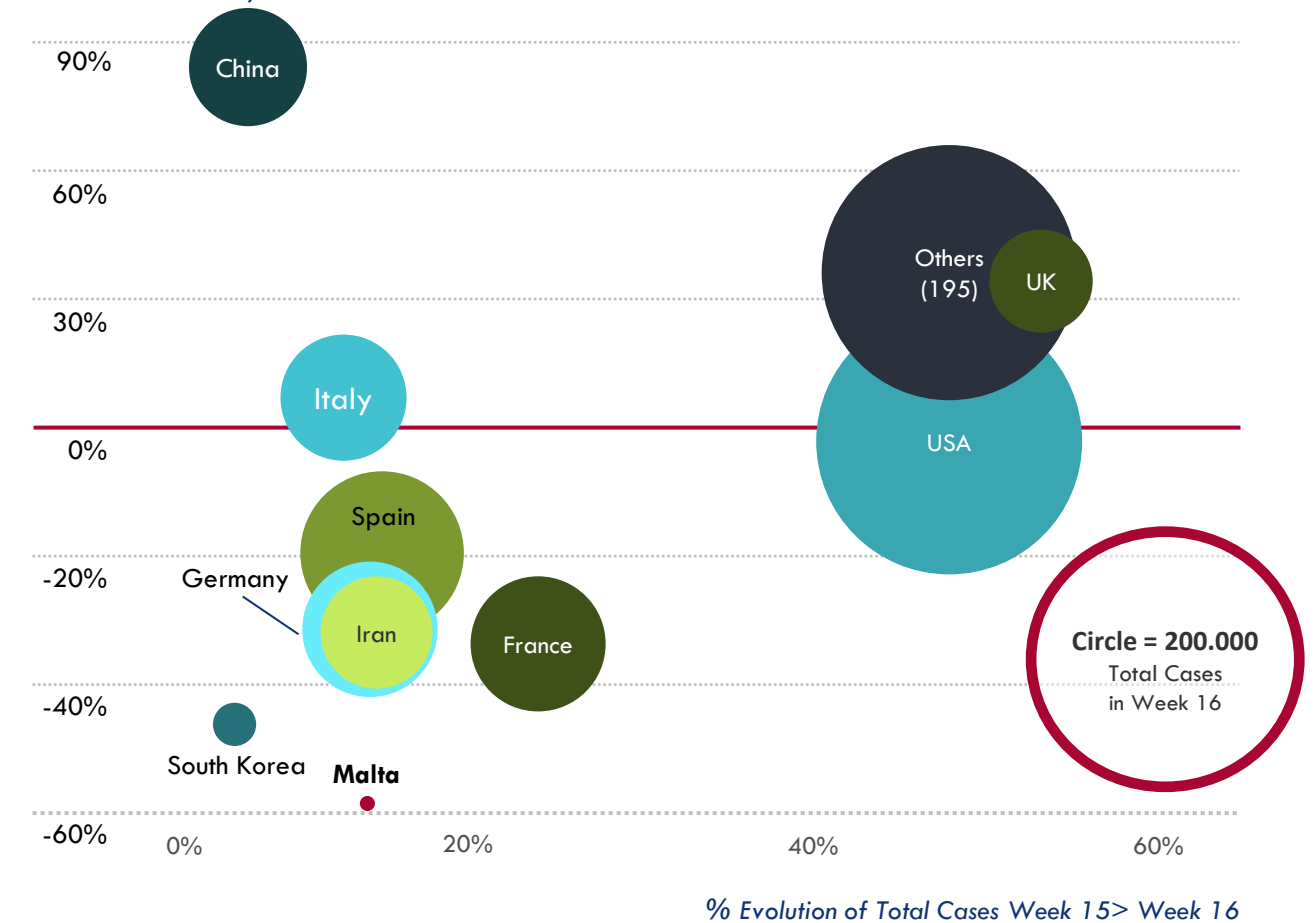
Malta has been proactive in its response and has shown signs of entering Phase III of Systematic Reduction of Daily New Cases

- Similarly to Malta, The Czech Republic has never even let the number of cases rise significantly (note: it was the only European country to use masks from the beginning);

- Sweden has always advanced at a low pace and has the luxury of implementing only partial measures;

- Austria is more interesting. It started before Portugal, probably due to the huge exposure to Italy, and it always went with twice as many of our cases. It recently stalled in the new cases. Deaths have been falling for 5 days, reaching 10 a day. That's where we want to go;

- Austria implemented, a week ago, the mandatory masks in supermarkets at this time of crisis, distributed door-to-door.

Speed of Response
 # days since the 1st Death and Extent of Lockdown Policies

	PUBLIC EVENTS SUSPENDED	SCHOOLS CLOSED	NON-ESSENTIAL BUSINESSES CLOSED	NON-ESSENTIAL DISPLACEMENT FORBIDDEN	LAND BORDERS CLOSED	INTERRUPTION OF NON-ESSENTIAL INDUSTRY
Austria	0	3 days	4 days	4 days		
Belgium	3 days	4 days	6 days	6 days	10 days	
Czech Republic	0	0	0	0	0	
France	15 days	31 days	29 days	32 days		
Germany	11 days	6 days		13 days	7 days	
Greece	0	0	5 days	12 days	4 days	
Hungary	0	1 day	3 days		2 days	
Italy	12 days	12 days	18 days	18 days	18 days	36 days
Poland	0	4 days	3 days	13 days	3 days	
Malta	0	0	0	0		
Spain	6 days	11 days	11 days	12 days	12 days	26 days
United Kingdom	12 days	18 days	16 days	19 days		

COVID-19 – Daily new confirmed cases – 3d average
The number of confirmed cases is lower than the total number of cases. (Cause: limited testing)

In conclusion, we can estimate, based on the available data, a possible duration for the various phases in Malta

However, for the complete elimination of the Pandemic, progress in health systems will be necessary; namely cheap / available tests, clinical treatment tested to control more serious cases in high-risk groups and innovation in terms of vaccines.

WEEK	50	51	52	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
DATE	9-15 Dec	16-22 Dec	23-29 Dec	30-5 Jan	6-12 Jan	12-19 Jan	20-26 Jan	27-2 Feb	3-9 Feb	10-16 Feb	17-23 Feb	24-1 Mar	2-8 Mar	9-15 Mar	16-22 Mar	23-29 Mar	30-5 Apr	6-12 Apr	13-19 Apr	20-26 Apr	27-3 May	4-10 May	11-17 May	18-24 May	25-31 May

COUNTRIES

China — Phase I: 1st case in Wuhan — **6 wks**; Phase II: Lockdown installed in Wuhan — **4 wks**; Phase III: start of drop in new cases — **4 wks**; Phase IV: End of Lockdown – Start of Economic Recovery — **Today**

Italy — Phase I: 1st hospitalised case (Chinese tourist) — Lombardia Focus; Phase II: Nationwide lockdown; Phase III: Start of drop in new cases

France — Phase I: 1st hospitalised case (brought in from China); Phase II: Nationwide containment measures

Spain — Phase I: 1st hospitalised case (German tourist); Phase II: State of Emergency

Germany — Phase I: 1st hospitalised case (brought in from Italy); Phase II: Nationwide containment measures

USA — Phase I: Several hospitalised cases

Slow Reaction!

UK — Phase I: 1st hospitalised case (brought in from China); Phase II: Nationwide containment measures

17th of May: Estimated end of Lockdown based on leadtimes experienced in China and most recent developments

Malta — Phase I: 1st Hospitalised case (brought in from Italy); Phase II: Nationwide containment measures; Phase III: Start of systematic drop in new cases; Est. Phase IV: Lockdown End – Economic Recovery Start

Evolution of the Economy

Large National Company Barometer

The COVID-19 crisis took European Businesses by surprise. Almost a month after the state of emergency was declared, the degree of confidence of entrepreneurs in the economy is 8.4 in a scale from 1 to 10
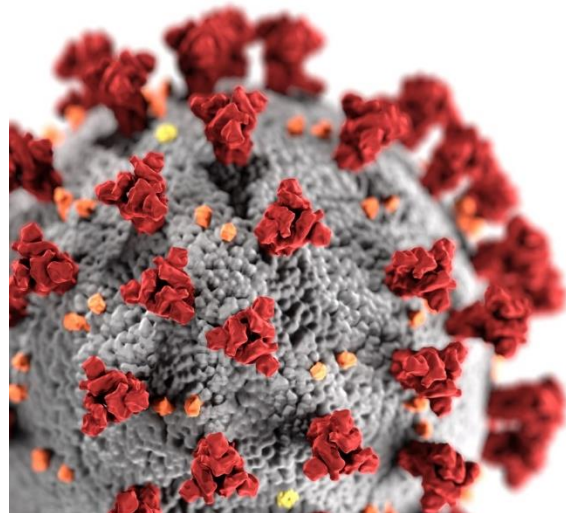
The Kaizen Barometer is promoted by the Kaizen Institute and is comprised of a **panel of more than 220 CEOs and Directors** from European companies.

The purpose of this initiative is to listen to current issues of relevance to the economy, as well as to assess the challenges and constraints that managers face, and this pandemic is a totally unexpected situation.

All issues include a fixed question, which measures the degree of confidence in the economy. Other issues related to current topics are also included. This edition features 70% of large companies, 25% of SMEs and 5% of public organisations.

Date of Survey: 8-13 April

55% of the companies have already reduced or will reduce jobs due to the Pandemic, 60% of the entrepreneurs foresees that it will take between 6 months and more than 12 months to resume the same level of pre-COVID-19 activity
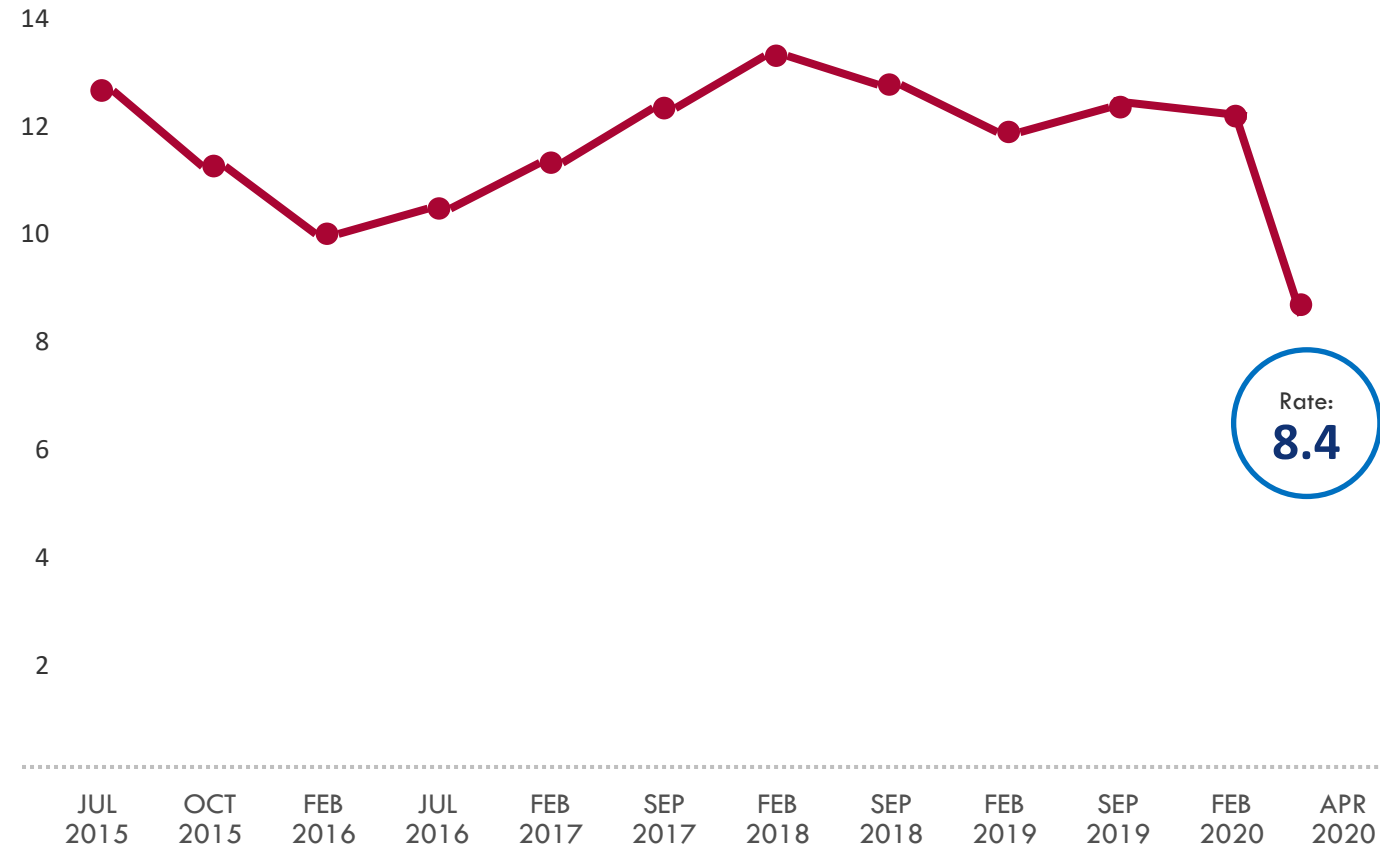
In this edition it was evident that the large majority of entrepreneurs consider that **the measures that have been taken by the Government to support the companies are not enough.** It should be noted that a **little more than half of the companies do not plan to use credit lines to support their cash flow.**

Another topic which covered was the billing of companies in March, **with 78% of companies reporting amounts below budget but 74% of companies managing to reduce costs.**

One of the highlights of this Barometer is the evidence that **almost all companies which were surveyed have teleworking employees and more than 60% of the teleworking teams report less efficiency in their performance.** 87% of entrepreneurs expect a drop in the results of their organisations in 2020 compared to 2019.

1.

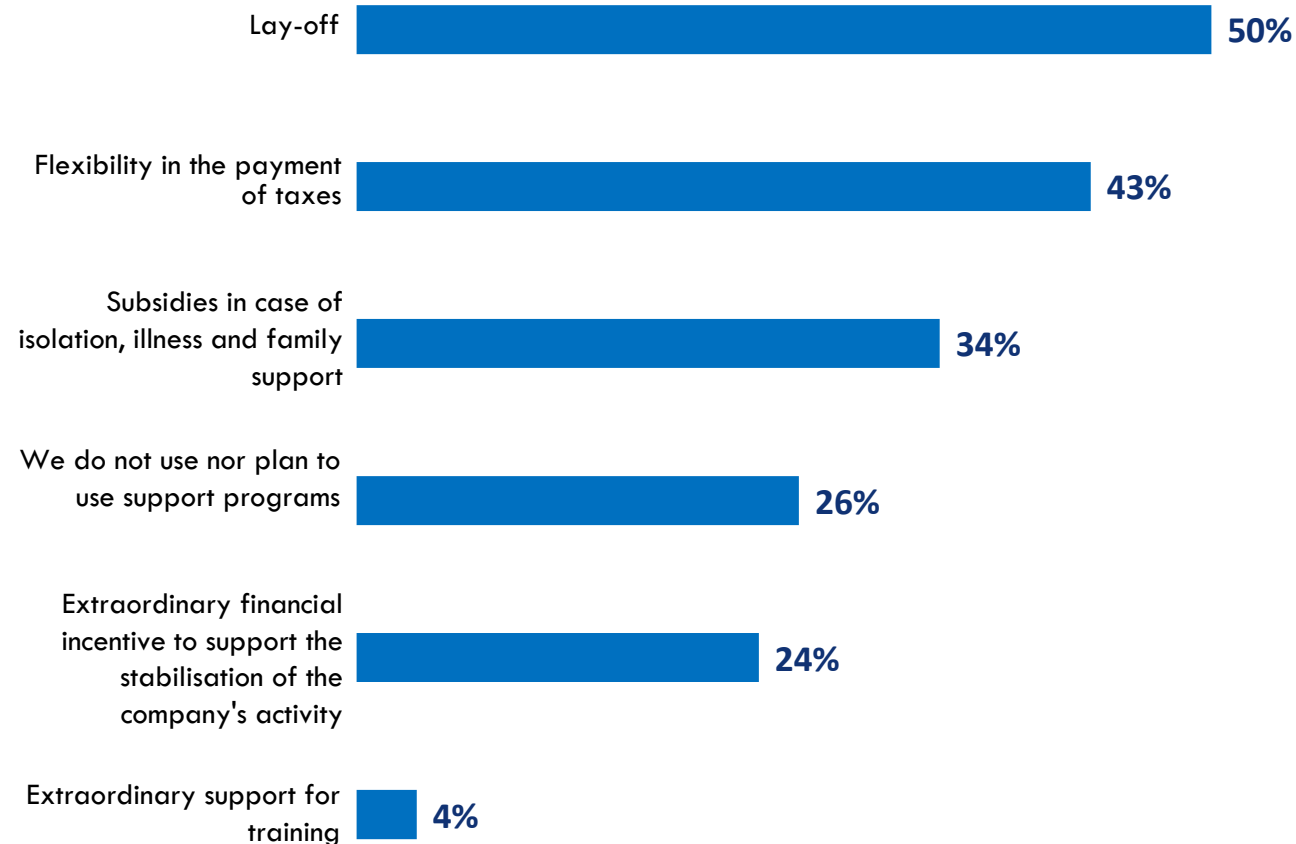**In a scale of 0 to 20, what is your current trust level in the national economy?**

Rate: **8.4**

JUL 2015	OCT 2015	FEB 2016	JUL 2016	FEB 2017	SEP 2017	FEB 2018	SEP 2018	FEB 2019	SEP 2019	FEB 2020	APR 2020

2.

Do you consider that the measures taken by the government to support the companies are enough?

No **81%**

Yes **19%**

3.

Identify the support program(s) provided by the government that your company has already used or plans to use:

Support program	Percentage
Lay-off	50%
Flexibility in the payment of taxes	43%
Subsidies in case of isolation, illness and family support	34%
We do not use nor plan to use support programs	26%
Extraordinary financial incentive to support the stabilisation of the company's activity	24%
Extraordinary support for training	4%

4.

Which are the additional support measures for companies that you think the government should implement?

Measure	Percentage
Exemption from commissions on credit lines provided by the government	40%
Financial support direct to families	39%
Allow exemptions from social contributions to employers who choose to pay above the amounts provided by law in case of lay-off	39%
Allow exemptions from social contributions to employers regardless of lay-off	32%
Expansion of economic activities in operation	26%
Payment by the government of the entire costs with employee salaries in lay-off	25%
Other	19%

5.

Is your organisation going to request credit lines to support the Cash Flow?

No	**52%**
Yes, between 1 and 10 million	**29%**
Yes, up to 1 million	**9%**
Yes, between 10 and 100 million	**9%**
Yes, more than 100 million	**1%**
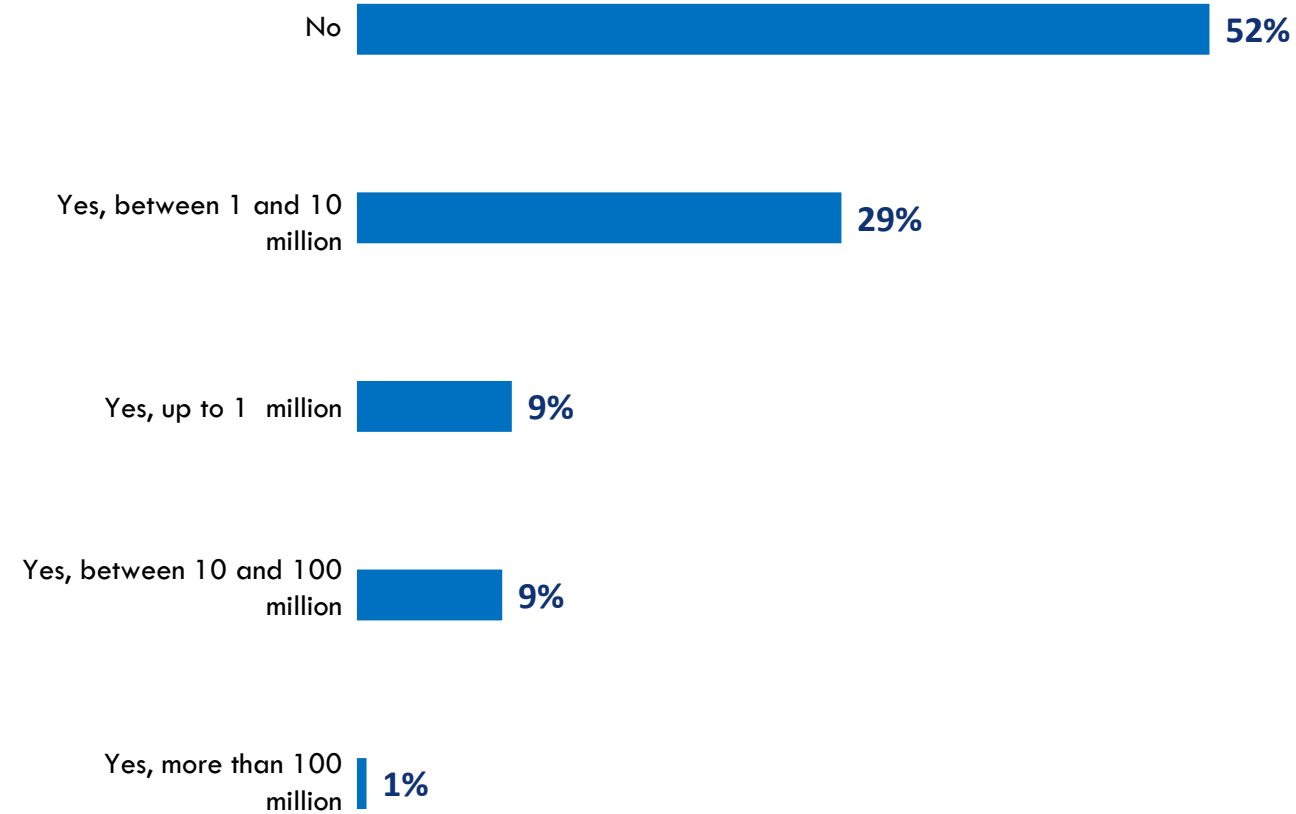
6.

What effect has the current situation has on your company's invoicing, in March?

Bellow the budget Between 0% and 25%	**46%**
Bellow the budget Between 25% and 50%	**20%**
Above the budget Between 0% and 25%	**19%**
Bellow the budget In more than 50%	**12%**
Above the budget In more than 20%	**3%**
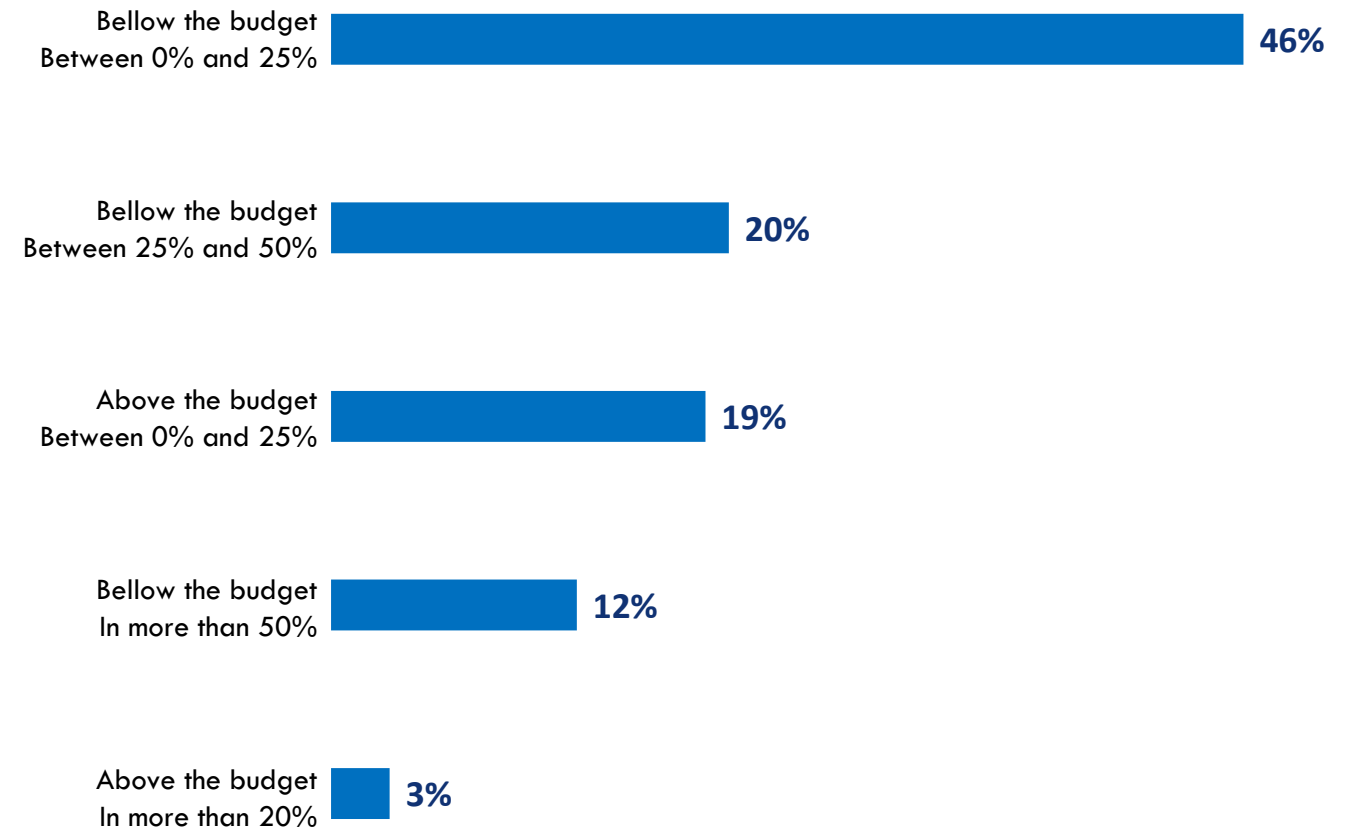
7.

What percentage of costs were you able to reduce in order to face the invoicing drop?

0 to 20%	**62%**
Invoicing has not decreased	**26%**
20 to 40%	**8%**
More than 40%	**4%**
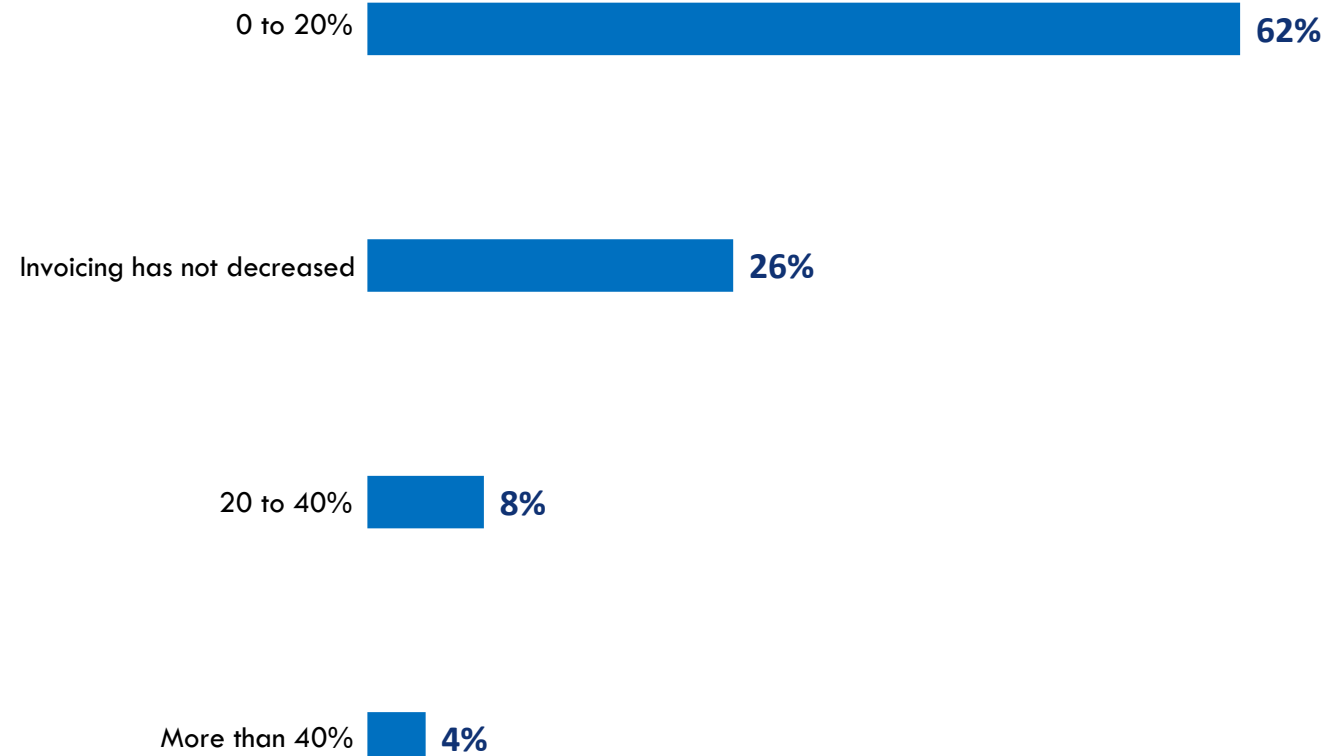
8.

Since the beginning of the pandemic did you reduce the labour force in your organisation?

No, I don't intend to reduce	**45%**
No, but I will reduce	**34%**
Yes, between 0 and 10%	**15%**
Yes, between 10 and 30%	**5%**
Yes, above 30%	**1%**
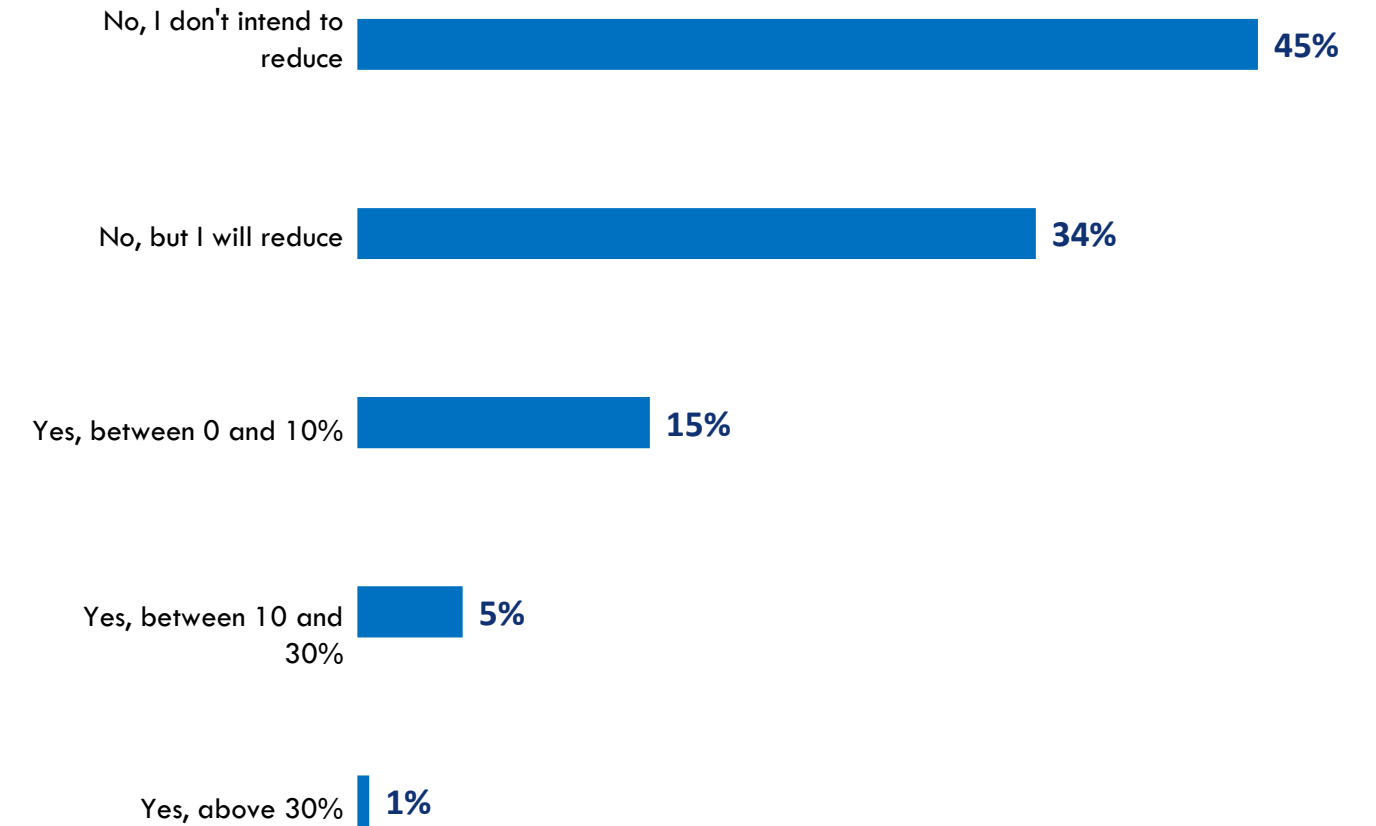
Do you have employees working from home?

Yes, 25% — **54%**

Yes, between 25% and 50% — **23%**

Yes, more than 50% — **19%**

No — **4%**
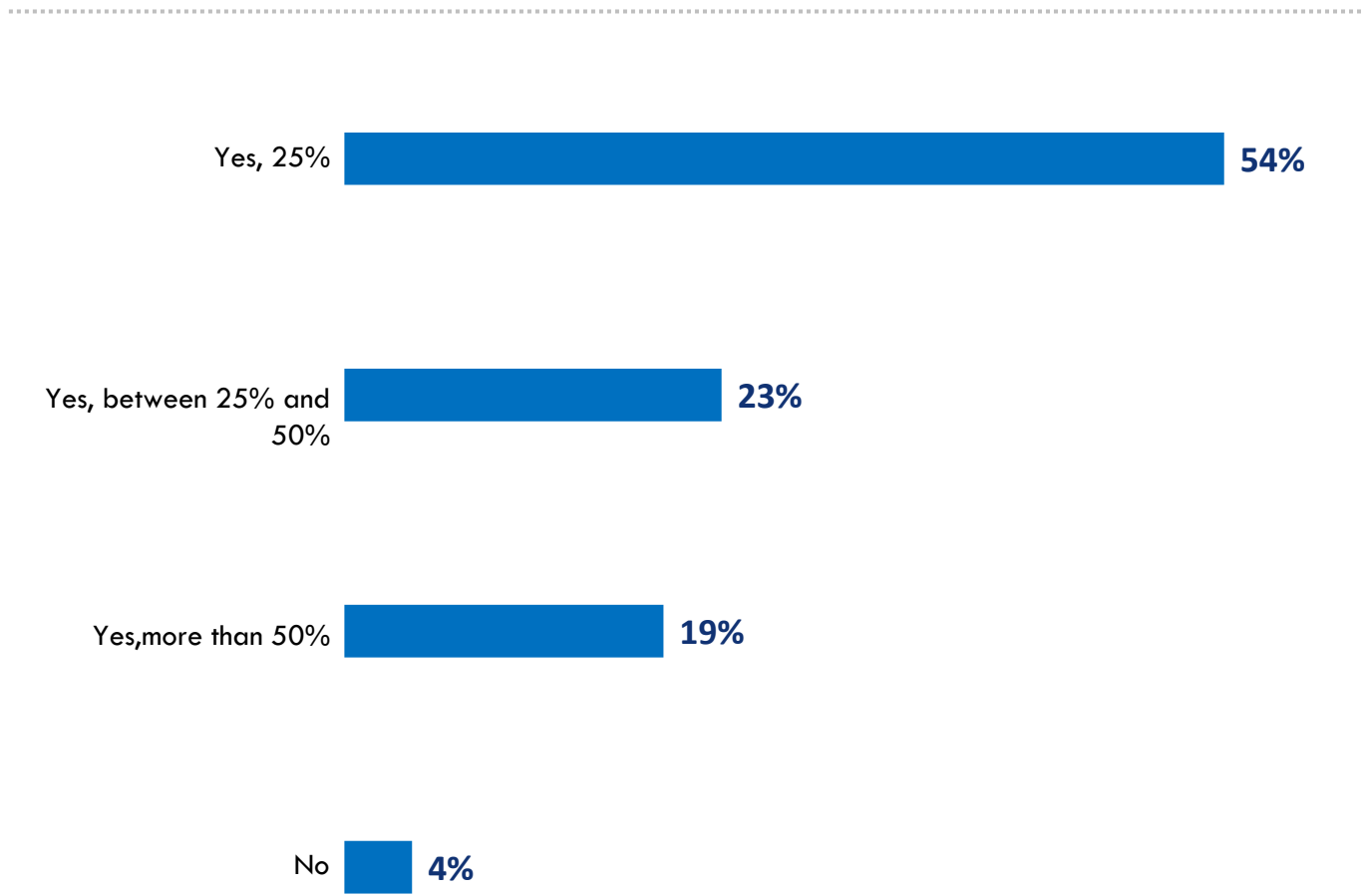
What is the team efficiency when working from home?

Lower efficiency — **57%**

Same as pre-COVID-19 situation — **29%**

Greater efficiency — **9%**

Much lower efficiency — **5%**
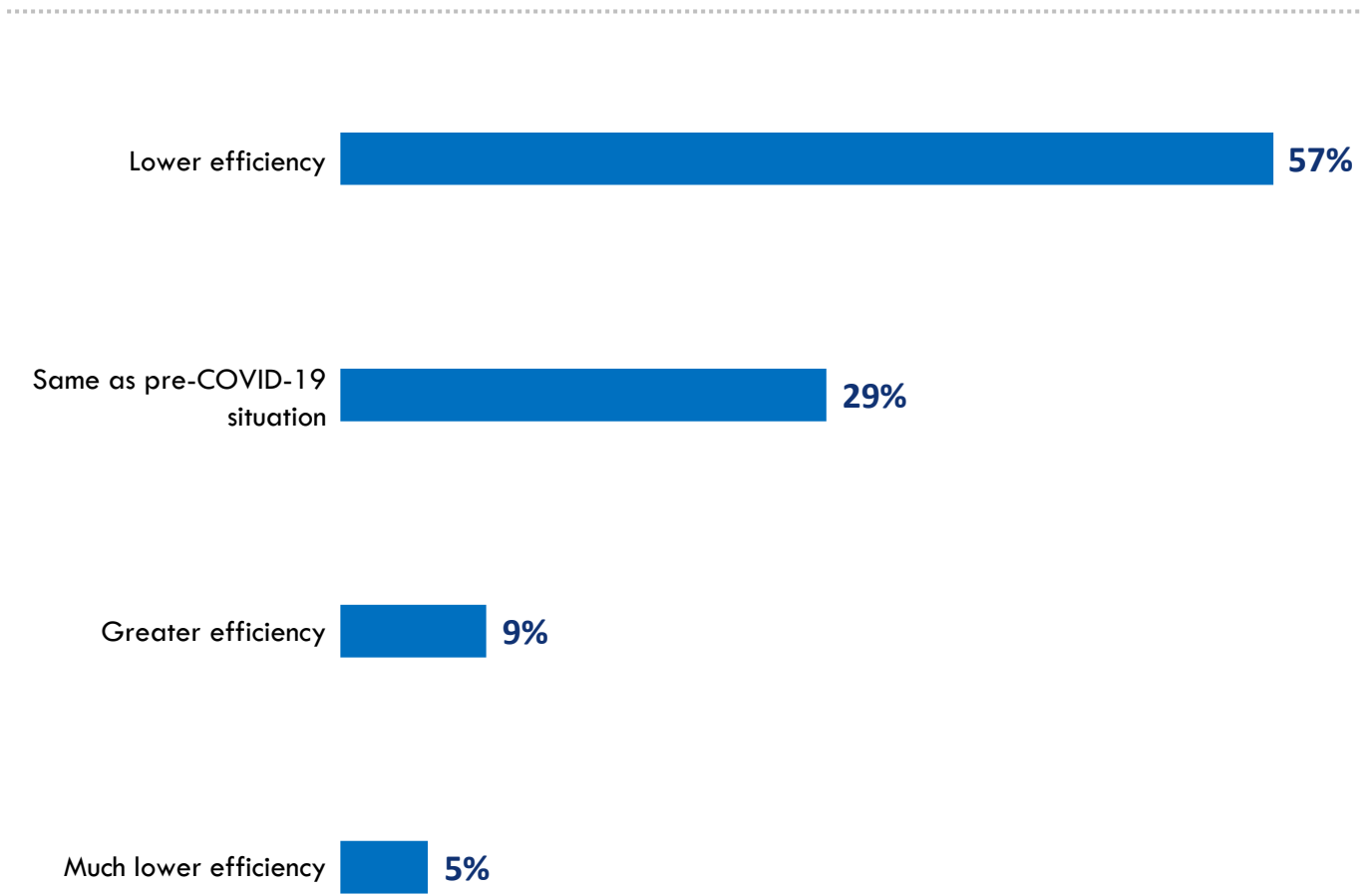
11.

Are your operations prepared to work in full capacity, complying with the contingency regulations?

(adaptation of jobs, shift work, internal circuits, use of PPE, material handling, limit of people by area, contacts with external elements, among others)

Yes, immediatly — **73%**

Yes, within a month — **18%**

Yes, between a period of 1 to 3 months — **5%**

Yes, in more than 3 months — **3%**

We are not prepare — **1%**
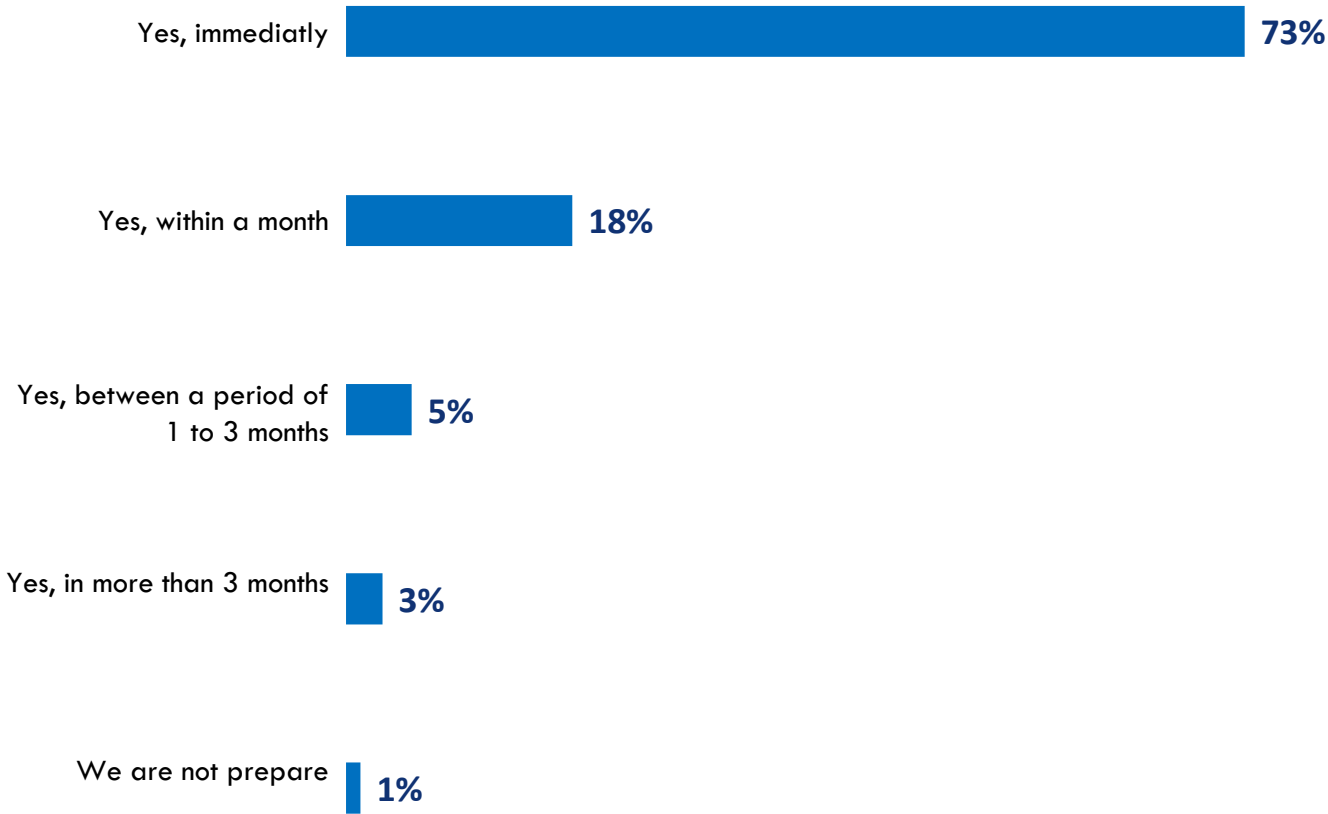
12.

When do you expect your company to recover to the same level of activity pre COVID-19?

More than 12 months — **30%**

Between 6 to 12 months — **30%**

Between 3 to 6 months — **22%**

Until 3 months — **18%**
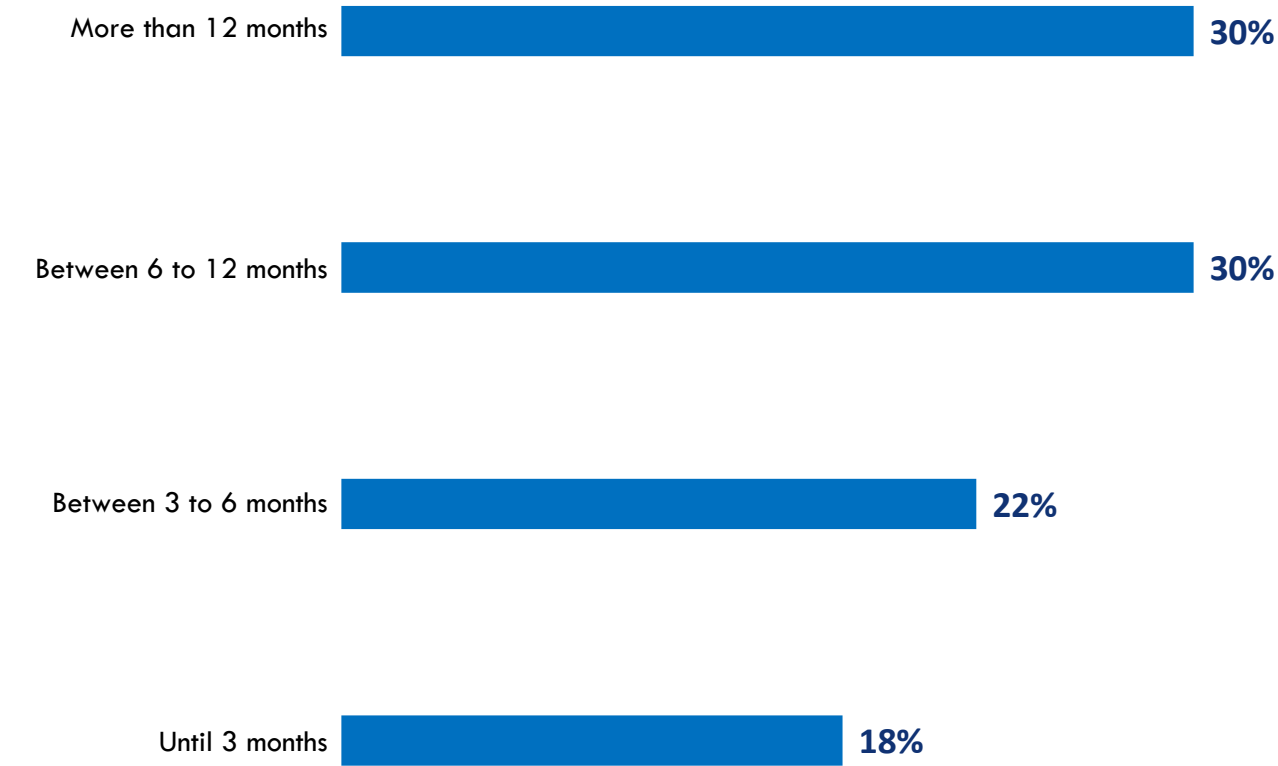
13.

What scenario do you foresee for the results of your organisation in 2020 compared to 2019?

Scenario	Percentage
Drop from 10 to 30%	37%
Drop greater than 30%	32%
Drop of 10%	18%
Same	9%
Growth	4%
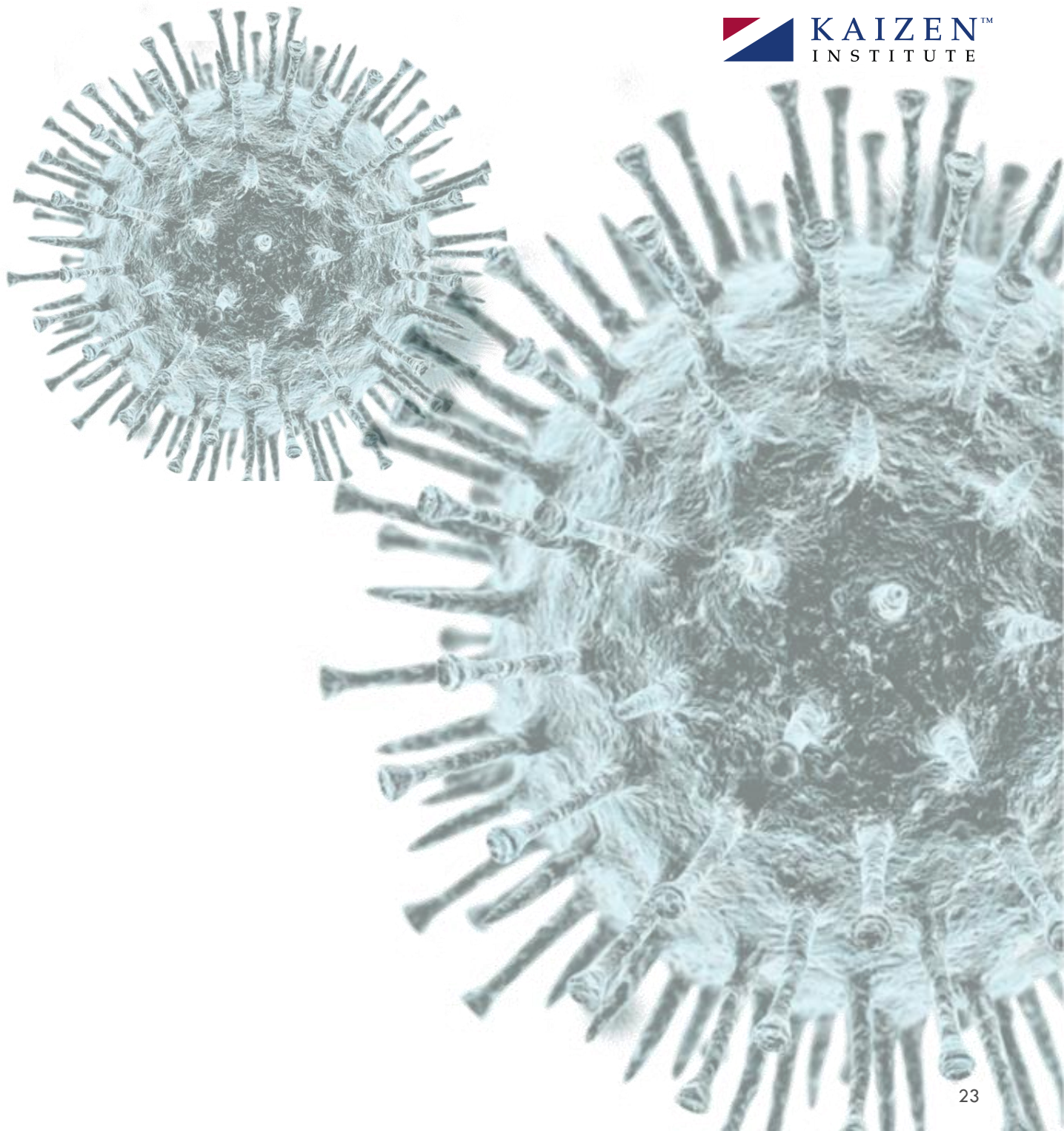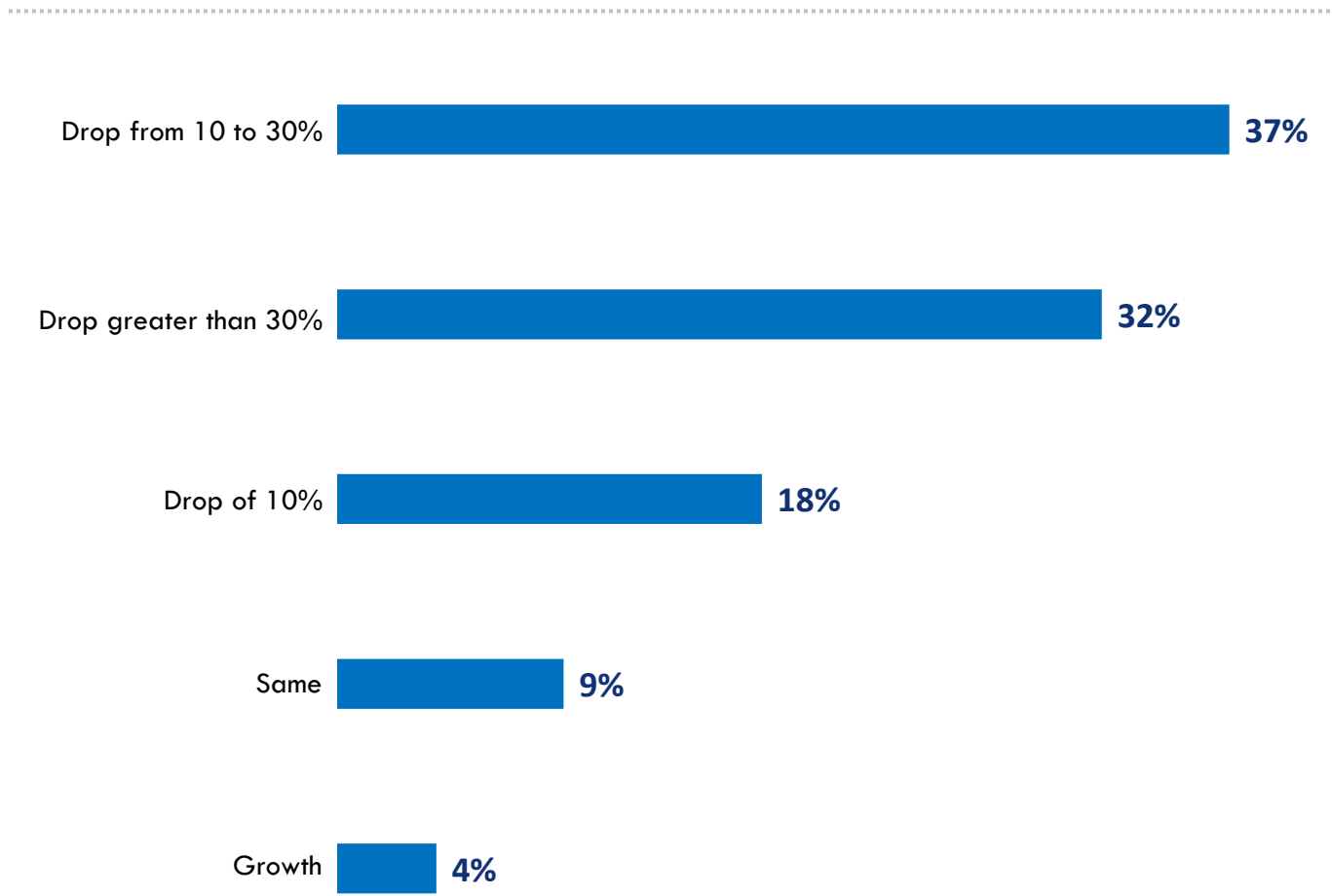
In conclusion, we can see that a strong Economic Recession accompanies the Beginning of the Pandemic

- **A global recession is inevitable,** possibly also in emerging markets;

- Uncertainty, panic and Lockdown policies cause a huge **drop in demand;**

- The **impact on demand is greater than the initial shock** of slowing supply chains;

- The **investment** of many companies (especially SMEs) and the **spending** of many families **depend** heavily on the **availability of Cash Flow;**

- Large declines in demand will force many **companies to close,** leading to an **increase in Layoffs** and further decline in Demand;

- The **economy** is in a **negative spiral.**

High Value Drops in the Stock Exchange in 2020
% change since start of 2020

SSEC (China)

S&P500 (USA)

FTSE (UK)

FTSE MIB (Italy)

jan   feb   mar   apr
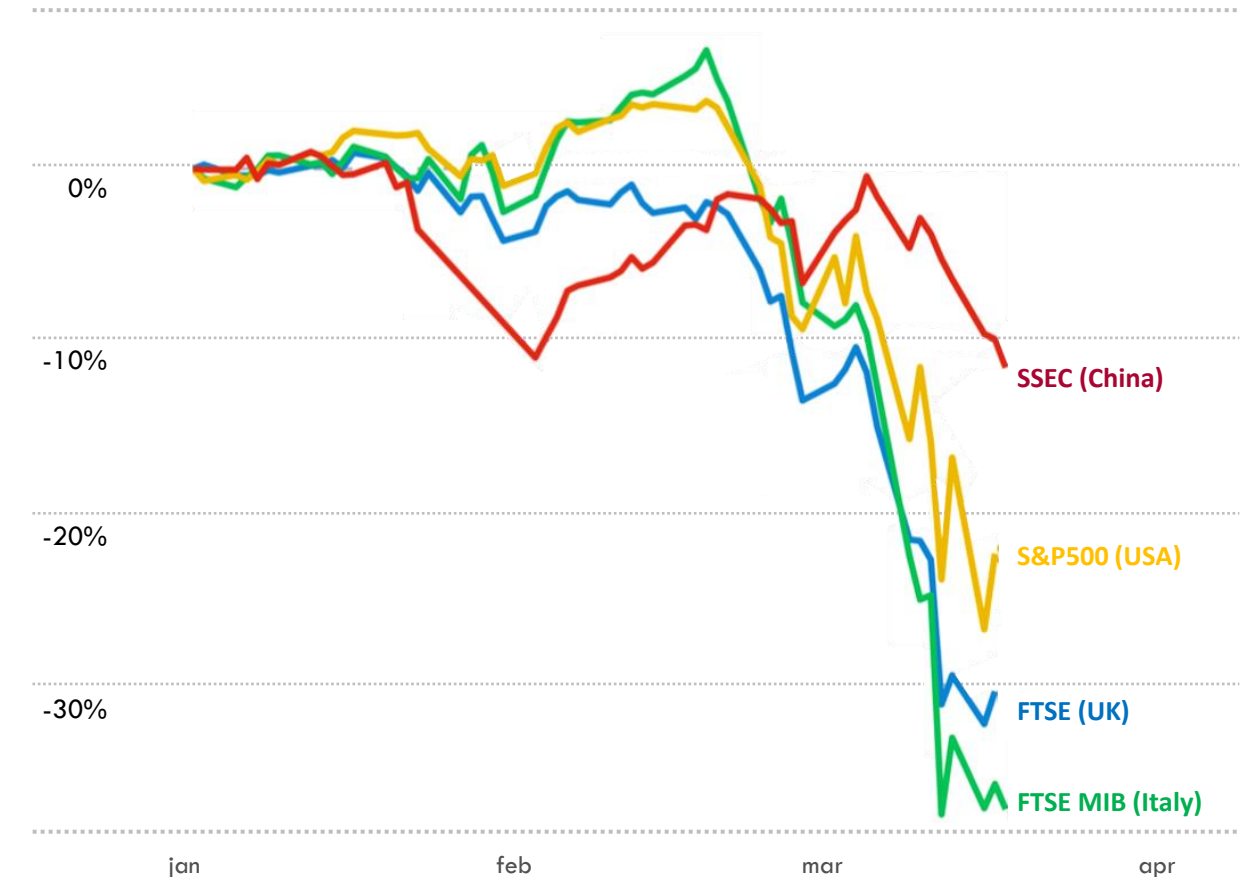
Last update: 2020-03-18
Source: yahoo Finance, Investing.com, own calculation

In Malta, the effect of Social Distancing Policies has caused a great reduction in all economic activities

DEMAND SHOCK**:**

- Insulation measures with a strong impact on consumption. Reduced **consumer confidence.**
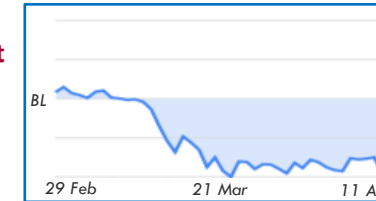
OFFER SHOCK**:**

- Closure of factories and logistical chains causing **shortage of supply** in the short-term. **Investment reduction.**

FINANCIAL SHOCK**:**

- Liquidity restrictions cause **cost cuts, shrinkage of investment** and **consumption;**

- **Credit paralysis** for companies and individuals.

Retail & Entertainment

-71%*

Trends of displacement to places such as restaurants, cafés, shopping malls, theme parks, museums, libraries and cinemas

Pharmacies & Commerce

-11%*

Trends of displacement to places such as grocery stores, food warehouses, markets, food specialty stores, drugstores and pharmaciess
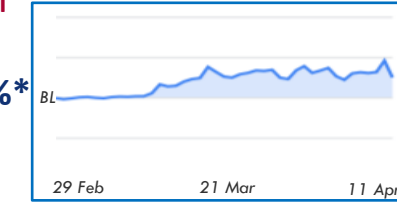
Parks

-41%*

Trends of displacement to places such as national parks, public beaches, marinas, dog parks, squares and public gardens

Transit Stations

-51%*

Trends of displacement to places such as underground, bus and train stations, for example

Workplaces

-50%*

Trends of displacement to the place of works

Residential

+20%*

Trends of displacement to residential areas

*Comparison against the baseline Data Google Sector Mobility in Malta

Impact on liquidity and profitability in 2020 will affect all sectors, but not equally

MOST AFFECTED SECTORS

- **Tourism and Aviation** will experience a steep drop in both liquidity and profitability with tourism coming to a complete stop due to the closure of borders resulting in cancellations and a lack of reservations;

- **Automotive** will face a strong drop in liquidity, as a result of a sharp drop in demand and a heavy fixed cost structure. This sector, however, can recover profitability faster. The ongoing recovery in China may mitigate losses as supply chains will be restored. Recovery will depend on the speed of regeneration of the logistics chains and the rise in consumption;

- **Financial Services** will face a moderate impact in short-term liquidity but should experience a limited recovery in profitability in 2020.
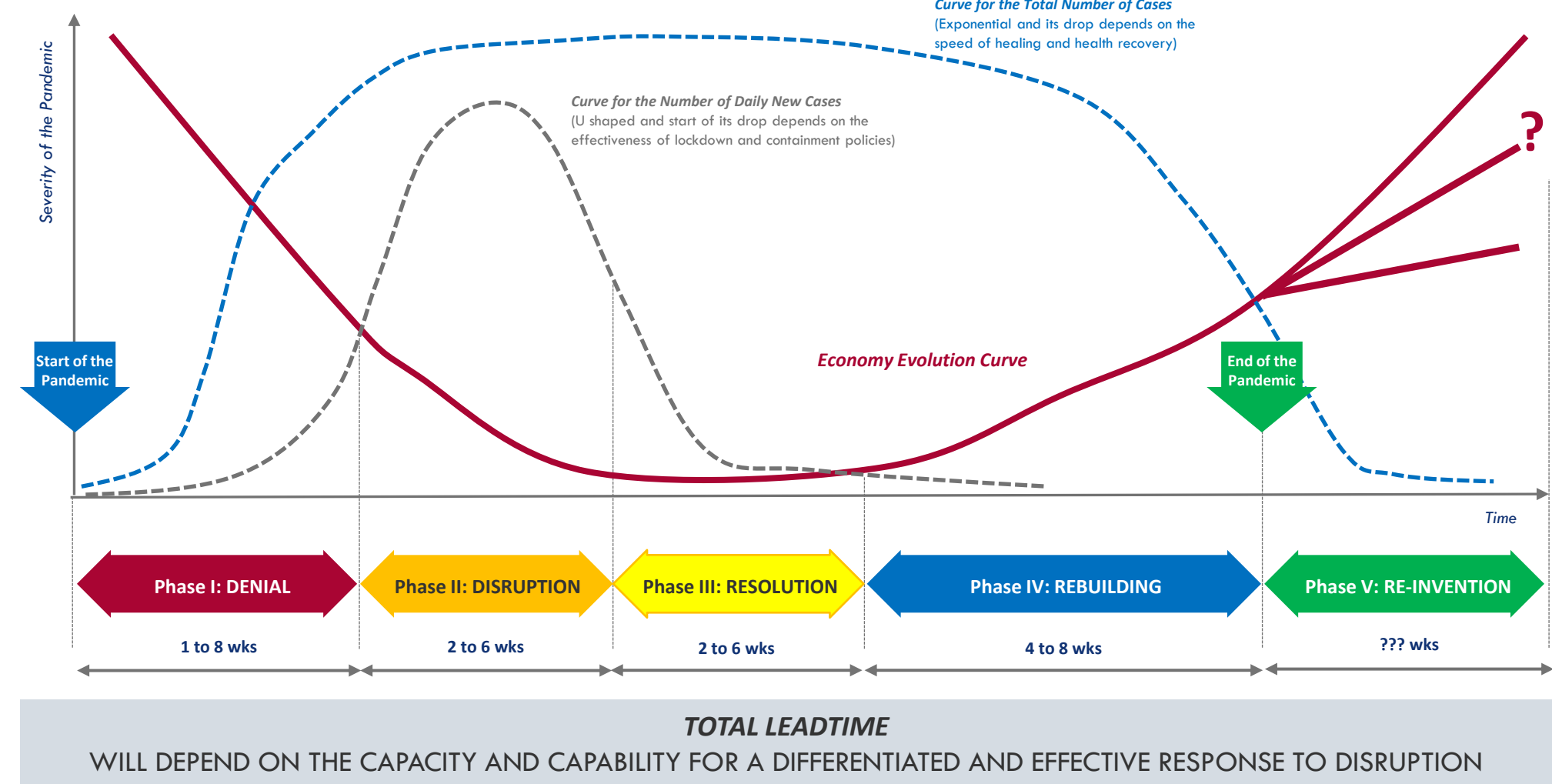
LEAST AFFECTED SECTORS

- **Retail** faces a short-term reduction in demand which will have an impact on liquidity, however hoarding and increased online demand can help mitigate this effect;

- **Food Industry** is still seeing reasonable demand and has been able to move existing stock. Factories have been slightly affected due to social distancing. The beverage Industry has not fared as well as the food industry;

- **Logistics** the increase in online sales has led to an increase in home deliveries. Industrial logistics, especially automotive related, have been negatively affected;

- **Construction and Pharmaceutical Industries** have both seen a moderate impact on liquidity but can realistically recover sales soon after the crisis, even this year.

The Economy Evolution Curve follows a "U" in sync with the Pandemic Curve, and will likely continue well beyond the end of the Pandemic

Budgetary and monetary stimuli, along with advances in the healthcare system, will contribute to a full recovery of the economy by the end of this year and strong predictable growth for 2021.

Economy Evolution Curve

Severity of the Pandemic

Curve for the Total Number of Cases
(Exponential and its drop depends on the speed of healing and health recovery)

Curve for the Number of Daily New Cases
(U shaped and start of its drop depends on the effectiveness of lockdown and containment policies)

Economy Evolution Curve

Start of the Pandemic

End of the Pandemic

?

Time

Phase I: DENIAL	Phase II: DISRUPTION	Phase III: RESOLUTION	Phase IV: REBUILDING	Phase V: RE-INVENTION
1 to 8 wks	2 to 6 wks	2 to 6 wks	4 to 8 wks	??? wks

TOTAL LEADTIME
WILL DEPEND ON THE CAPACITY AND CAPABILITY FOR A DIFFERENTIATED AND EFFECTIVE RESPONSE TO DISRUPTION

Crisis Phases and Forecast of Dates and Deadlines: Characterisation of the Scenario

This Model is based on data available to the general public, with the forecasts assuming no recurrence of the disease (i.e. second wave) in winter of this year

It is therefore a very likely, but not certain, scenario.

	PHASE I : DENIAL	PHASE II : DISRUPTION	PHASE III: RESOLUTION	PHASE IV: RECONSTRUCTION	PHASE V: RE-INVENTION
Start and End of Each Phase	• From 1st Case Detected to... • State of Emergency Declared (*Lockdown*)	• From State of Emergency Declared (*Lockdown*) to... • 1 Week with Abrupt Drop in Daily New Cases	• From 1 Week with Abrupt Drop in Daily New Cases to... • State of Emergency Officially Ended	• From State of Emergency Officially Ended... • 50% of the Pre-Crisis Business Recovered	• From 50% of the Pre-Crisis Business Recovered to... • 100% of the Pre-Crisis Business Recovered
Characterisation	• Gradually, the harsh reality of having to stop sales and operations begins to take hold • There is a state of denial about the urgency of the crisis • Companies begin to take Urgent Actions as the loss of customers and the need to close operations increases	• Officially or unofficially, the country comes to a standstill and almost all businesses are affected • There is a push to try to minimise the disruption of the stoppage and to respond in the most supportive way • Initiation of actions to maximise operations' effectiveness and maintain work (at home or when necessary)	• The phase of "plateau" or "drop-off" is now realised, where there is talk of lifting of the state of emergency • There is a growing sense of hope that companies can get back to normal soon • Beginning of Preparation of Replacement and Reconstruction Actions	• Officially, the situation has entered the post-crisis reconstruction phase • There is a state of putting measures in place to prevent the problem from recurring at the same scale and ensuring that companies quickly get their business back • Beginning of Recurrence Prevention Action and Recovery	• This phase centers on companies returning their operations to normal as quickly as possible • Companies begin reacting to changes in the market and legislation and evaluating available opportunities • Actions to guarantee Speed and Effectiveness of Reconstruction
Estimated End Dates and Duration	• Start: 7th March • Real Duration: 2 weeks	• Start: 22nd March • End: estimated 18th April (lasts 4 weeks)	• Start: estimated 19th April • End: estimated 17th May (lasts 4 weeks)	• Start: estimated 18th May • End: estimated 30th August (lasts 3 months)	• Start: estimated 31st August • End: estimated 30th December (lasts 4 months)

Crisis
"War Room"

Implement and use a Digital War Room to manage all aspects of the Crisis

Example of the Design and Operation of a COVID-19 War Room
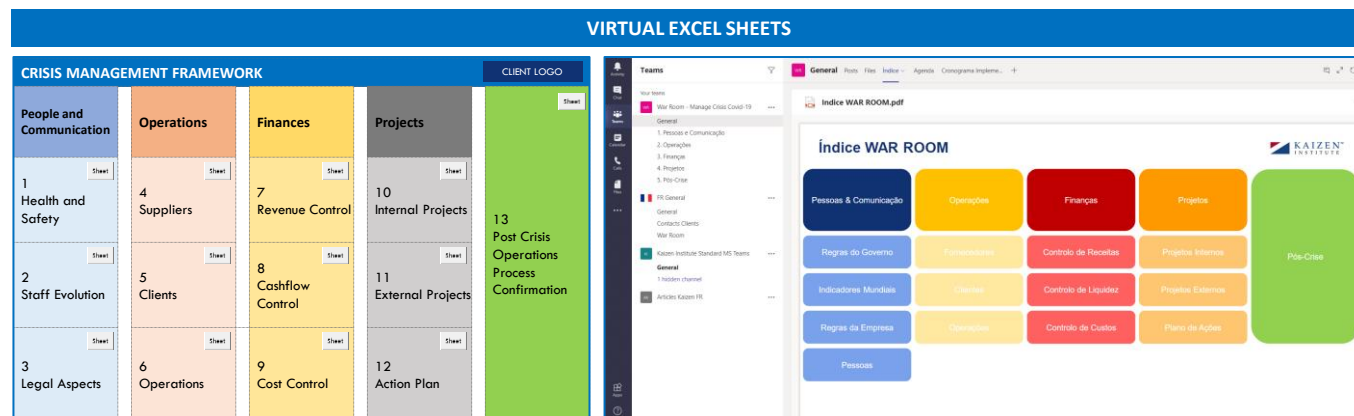

Manage the Crisis Simply

Increased Productivity for All Involved

Reduce Decion Making Response Time

Improve Team Spirit and Collaboration between Different Areas

VIRTUAL EXCEL SHEETS

OBJECTIVES

- Daily Management of the Crisis
- Increasing the Productivity of all Involved
- Minimising the Lead Time needed to Take Decisions

WHY

- To Improve Teamwork and Collaboration between Sectors/Teams
- To Increase Effective Crisis Management

HOW AND WHO

- Assembling and Maintaining Virtual Boards
- Holding Daily Virtual Meetings

CEO Direction

1. Crisis Management War Room

People and Communications

GOVERNMENT RULES AND AUTHORITY REGULATIONS

Links to Official Government Websites, to be able to check the latest News Regarding Updates to Health and Safety Laws as well as a Shortlist of Internal Company Procedures

| 1 – HEALTH AND SAFETY	Responsible: Last Updated:	Quadro	CLIENT LOGO
Government Rules			
Link	https://covid19.min-saude.pt/relatorio-de-situacao/		
Internal Company Rules			
Rule 1	Disinfect and Wash your Hands Regularly		
Rule 2	Availability to Work at Clients is Subject to their Internal Regulations as well as the Government's		
Rule 3	Maintain Contact with the Clients and Manage Projects Remotely (via Microsoft Teams, where possible)		
Rule 4	Trips to the office are forbidden except when given special authorisation		
Rule 5	Comply with the Work Plan (Training, Marketing and Development)		

Global **Indicators**

Global Indicators showing the Pandemic's impact Worldwide
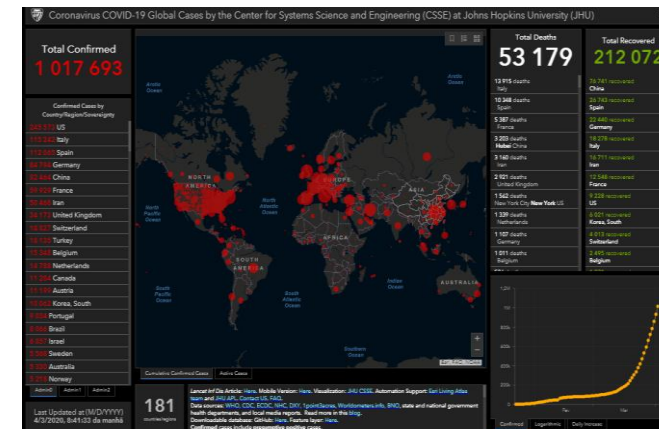
POEPLE

A Dynamic Dashboard that allows the team to manage and monitor the number of employes On Site, those Remote Working, and those who are Unavailable

1. Crisis Management War Room

Operations
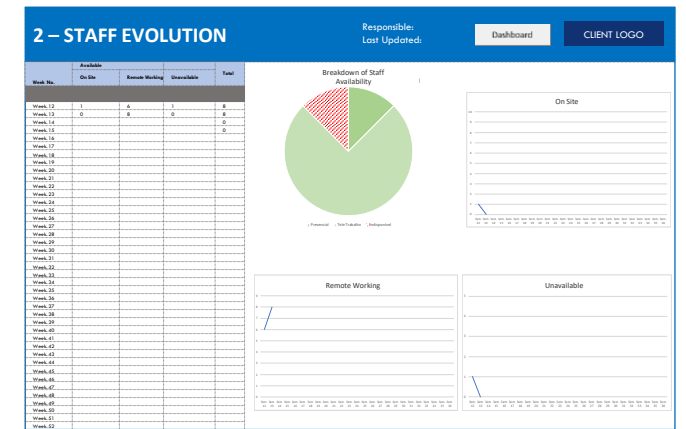
SUPPLIERS

Sheet Comprised of 3 Tables; Last Updates Regarding Suppliers, the Status of each Supplier (Stopped, Functioning in a Limited Capacity, Functioning Normally) and the Next Steps

4 - SUPPLIERS				Responsible: Last Updated			Dashboard	CLIENT LOGO
Last Updates	Area	Date	Who?	Supplier name	Material		Status	Comments
							🟡	
							🔴	
							🔴	
							🟢	
Next Steps	Area	Date	Who?					

CLIENTS

Summary of Information on the Company's Major Clients, again comprising of the Last Updates, The Status of Operation of the Client and the Next Steps to be taken internally

5 - CLIENTS				Responsible: Last Updated			Dashboard	CLIENT LOGO
Last Updates	Area	Date	Who?	Client Name	Material		Status	Comments
				XXXX	XXX		🔴	
				XX	XXX		🔴	
				XXX	XXX		🔴	
				XXX	XXX		🟡	XXX
				XXX	XXX		🔴	
				XX	XXX		🔴	
				XXX	XXX		🔴	
				XXX	XXX		🟢	
Next Steps	Area	Date	Who?	XXX	XXX		🟢	
				XX	XXX		🟡	XXX
				XXX	XXX			XXX
				XXX	XXX			XXX
				XXX	XXX		🟡	XXX
				XXX	XXX			XXX
				XXXX	XXX		🔴	
				XXX	XXXX			Atraste Confirmation

OPERATIONS

Centralised Information on **internal operations:** Last Updates; Status of Each Department and Action Plan

6 - OPERATIONS				Responsible: Last Updated		Dashboard	CLIENT LOGO	
Last Updates	Area	Date	Who?	Department	Area		Status	Comments
				Produção	Prensas		🔴	Paragem completa
				Produção	Montagem		🟡	1 turno
				Logística	Armazém		🟢	
				Logística	Transportes		🟢	
				Backoffice	Financeira		🟡	Tele trabalho
				Engenharia	Desenvolvimento		🟡	Tele trabalho
Next Steps	Area	Date	Who?					

1. Crisis Management War Room
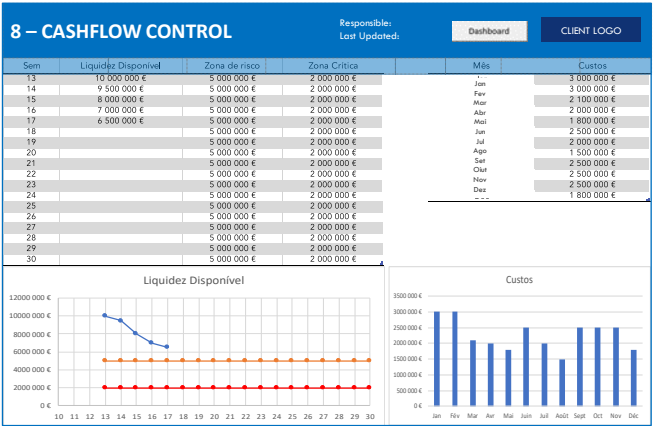
Finances

REVENUE CONTROL

Financial KPIs outlining **invoicing vs actualized income** as well as any rectifications made to the **company budget**
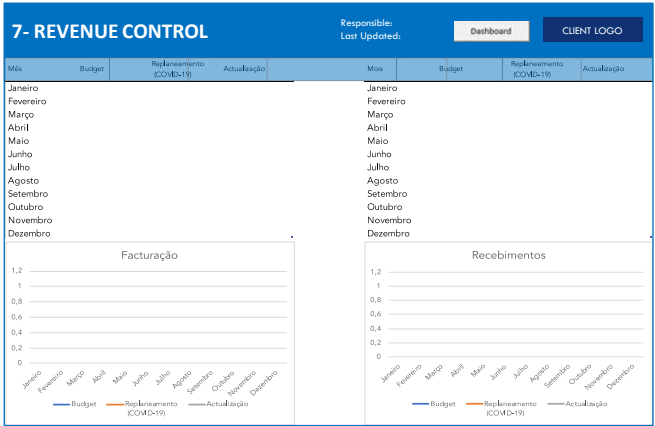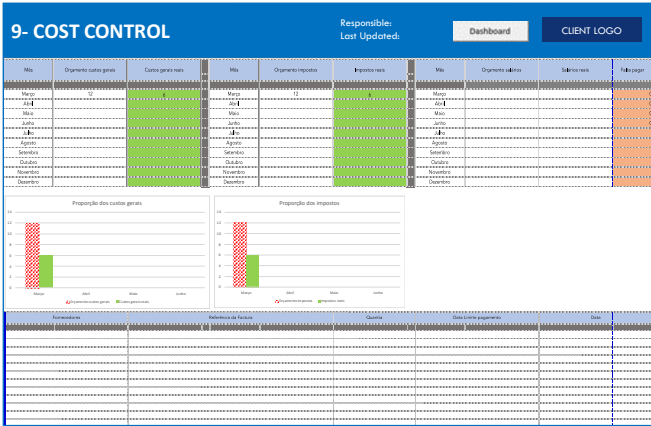

CASHFLOW CONTROL

Financial KPI to monitor the company's liquid cashflow. Alerts the team as to when the cash level is approaching **dangerous or critical** levels.

COST CONTROL

Sheet that allows the team to track **general costs** and **extraordinary costs** throughout the crisis

1. Crisis Management War Room

Projects

INTERNAL PROJECTS

Sheet that allows the team to monitor all internal projects and control them in terms of actual delivery vs initial plan and vs the necessary replan due to the ongoing crisis. Ex: Employee Training, Maintenance

| 10 - INTERNAL PROJECTS | | | | | | | Responsible: Last Updated: | Dashboard | CLIENT LOGO |

Projects	Leader	Priority	Status due to Covid-19 (stopped, ongoing in a limited capacity, ongoing normally)	Global Status	Due Date	Deliverables	Results
xxx	xxxx	High	🟢	🟡	31 mar		
xxx	xxx	High	🟢	🟡			
xxxxx	xxx	High	🟢	🟢	02 apr		
xx	xxx	High	🟢	🟡	19 mar		
xxxx	xxxx	High	🟢	🟡	30 apr		
xxxx	xx	High	🟢	🟡	25 mar		
xx	xxxxx	High	🟢				
xxxxx	xxx	Low	🟢	🔴			

EXTERNAL PROJECTS

Sheet that allows the team to monitor all external projects (those with external companies) and control them in terms of actual delivery vs initial plan and vs the necessary replan due to the ongoing crisis.

| 11 – EXTERNAL PROJECTS | | | | | | | Responsável: Data actualização: | Dashboard | CLIENTE LOGO |

Projects	Priority	Status due to Covid-19 (stopped, ongoing in a limited capacity, ongoing normally)	Global Status	Due Date	Deliverables	Results
xxx	Medium					
xxx	Medium	🟡	🟡	🟡	🔴	🟢
xxx	Low	🔴	🟢	🟢	🟢	🟢
xxx	High	🟡	🟢	🟢	🟢	🟡
xxxxx	Low	🔴	🟢	🟡	🟢	🟡
xx	Low	🔴	🟡	🟡	🟢	🟢
xxx	Low	🔴	🟡	🟢	🟢	🟢
xxxxxx	Low	🔴	🟡	🟢	🟡	🟡
xxx	Low	🔴	🟢	🟢	🟢	🟡
xxxx	Low	🔴	🔴	🔴	🔴	🔴
xxx	Low	🟡	🟡	🟡	🟡	🟢
xxxx	Low	🟡	🟡	🟡	🟡	🟡

ACTION PLAN

Single Action Plan to centralise all necessary actions that emerge from the War Room Meetings to allow for easy follow up.

| 12 – ACTION PLAN | | | | Responsável: Data actualização: | Dashboard | CLIENTE LOGO |

Theme	Action	Responsible	Start Date	Due Date	Status (PDCA)
Internal Projects	xxxx	xxxx	18-Mar	20-Mar	P
Cashflow Control	xxxx	xxxx	18-Mar	19-Mar	P
Internal Projects	xxx	xxxx	18-Mar	19-Mar	P
Internal Projects	xxx	xxxxx	18-Mar	18-Mar	A
Internal Projects	xxx	xxxxxx	18-Mar	18-Mar	A

1. Crisis Management War Room

Post-Crisis

*"Rather than a flower
You must become the dirt that
Makes the flowers bloom"*

Japanese Proverb

OPERATION START UP

Sheet that allows the team to verify that the preparations and conditions necessary to restart operations are met. This includes Employees, Citizens, Suppliers, Operation and Activities.

13- POST CRISIS OPERATIONS PROCESS CONFIRMATION — Dashboard — CLIENT LOGO

Conditions	W 15	W 16	W 17	W 18	W 19	W 20	Comments
People:							
- Staff Availability	🔴	🔴	🔴	🟢	🟢	🟢	
- Definition of company rules	🔴	🔴	🔴	🟢	🟢	🟢	
- Definition of individual rules	🔴	🔴	🔴	🟢	🟢	🟢	
Suppliers:							
- Supplier 1	🔴	🔴	🟡	🟡	🟢	🟢	
- Supplier 2	🔴	🔴	🔴	🟡	🟡	🔴	
Internal Operations							
- Production	🔴	🔴	🟡	🟡	🟢	🟢	
- Logistics	🔴	🔴	🟡	🟢	🟢	🟢	
- Assembly	🔴	🔴	🔴	🟡	🟢	🟢	
Clients							
- Client 1	🔴	🔴	🟡	🟡	🟡	🟢	
- Client 2	🔴	🔴	🔴	🔴	🔴	🔴	

Restart with COVID-19 related health restrictions

Parameters and methodologies to apply for the restart of work post-confinement

OBJECTIVES

- Prepare progressive restart of the activities

- Reassure the personnel and increase their involvement

- Regain efficiency whilst integrating health & safety measures (within industry, logistic/transport platforms, after sales)

- Prioritise production
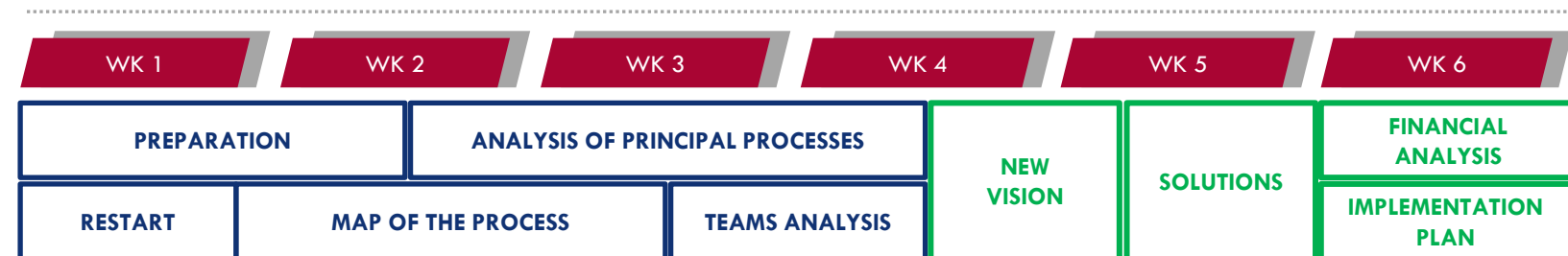
- Put in place the KAIZEN™ solutions enabling absorption of the overheads

RESPONSE EXEMPLES

AREA

Administrative and Industrial

After sales contact with customers

Public areas
Commerce, Supermarkets, Restaurants

KAIZEN™ METHODOLOGY

1
Revision of layouts

2
Standards and organisation of work places

3
Equipment and PPE Rules

4
Circulation maps - Logistics

5
Signs and Visual Aids
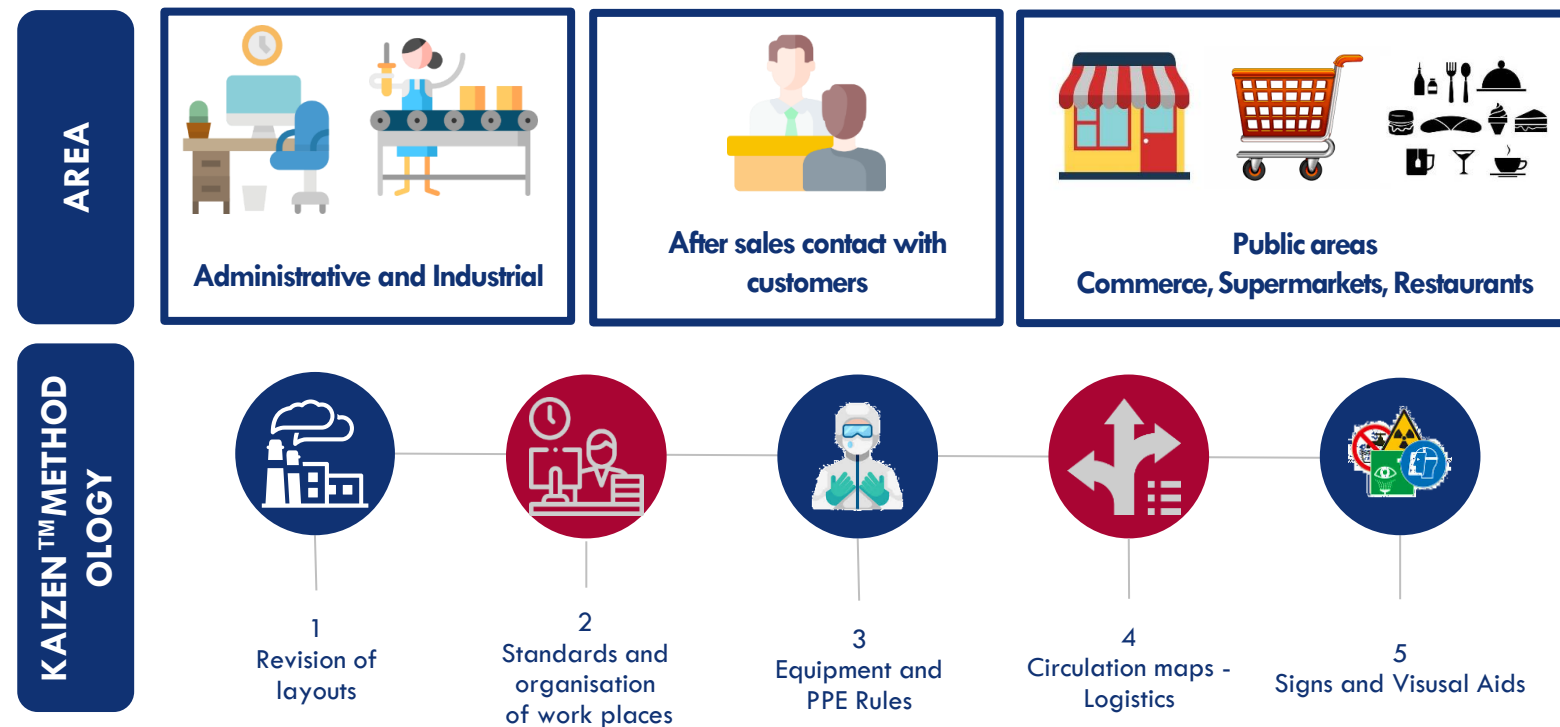
MAP OF ADMINISTRATIVE PROCESS (Presently Home-working)

OBJECTIVES

- Prepare the progressive restart of activities

- Reassure personnel and increase their engagement

- Put in place the KAIZEN™ solutions enabling absorption of overheads

RESPONSE EXEMPLES

WK 1	WK 2	WK 3	WK 4	WK 5	WK 6

| PREPARATION | ANALYSIS OF PRINCIPAL PROCESSES | | NEW VISION | SOLUTIONS | FINANCIAL ANALYSIS |
| RESTART | MAP OF THE PROCESS | TEAMS ANALYSIS | | | IMPLEMENTATION PLAN |

- ❖ Are Teams Working Efficiently?
- ❖ How are Tasks being Broken Down?
- ❖ How can the Level of Service be Improved?
- ❖ Is the organisation optimised?

- ❖ Should Secondary Tasks be Outsourced?
- ❖ How can company culture be maintaied whilst remote working?
- ❖ Which Offices/ Production Areas can be freed-up?
- ❖ How can Remote-Working Efficiency be improved?

EFFICIENCY

MOTIVATION

OCCUPIED AREA

Example of a Restart Management Model
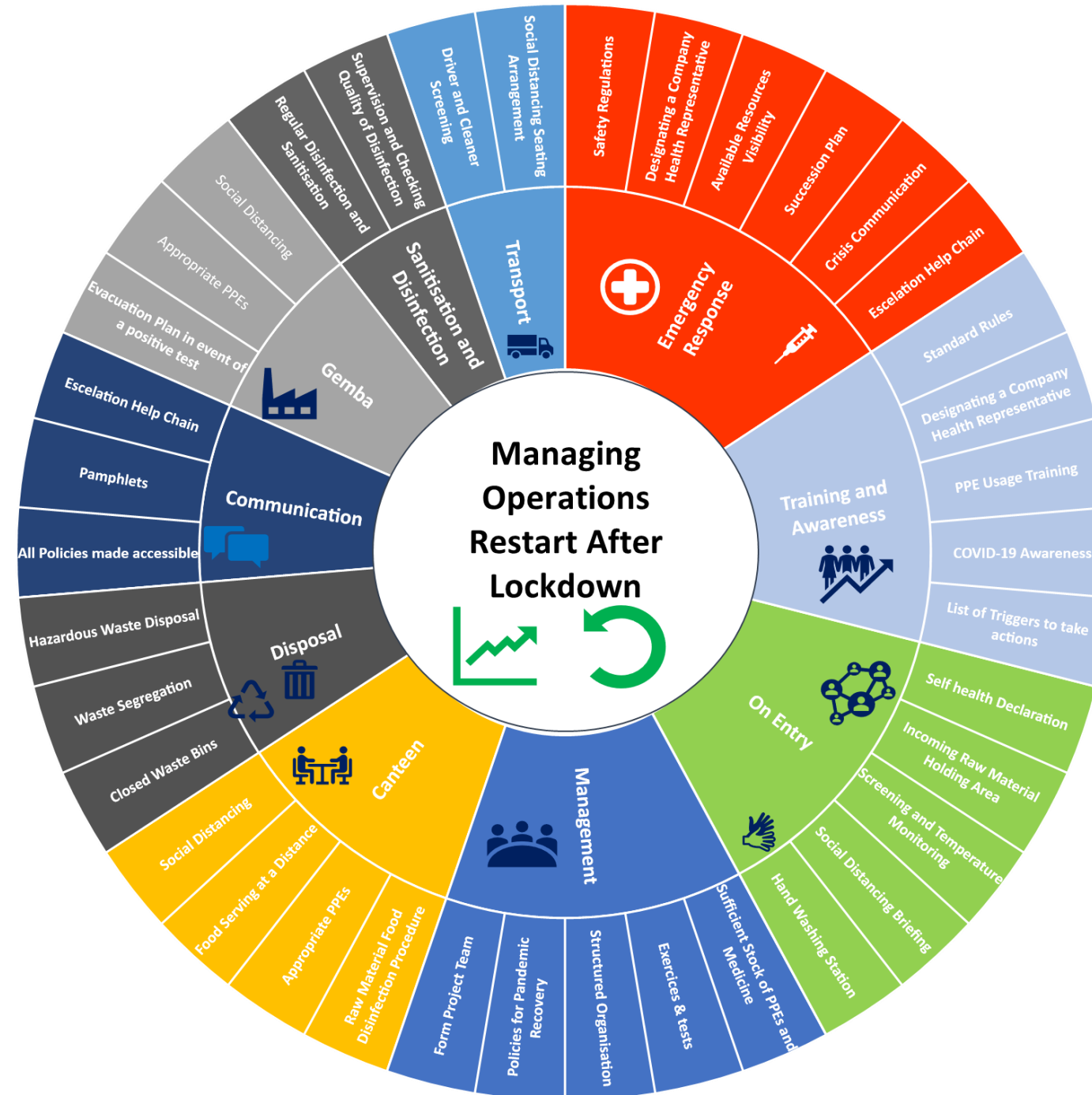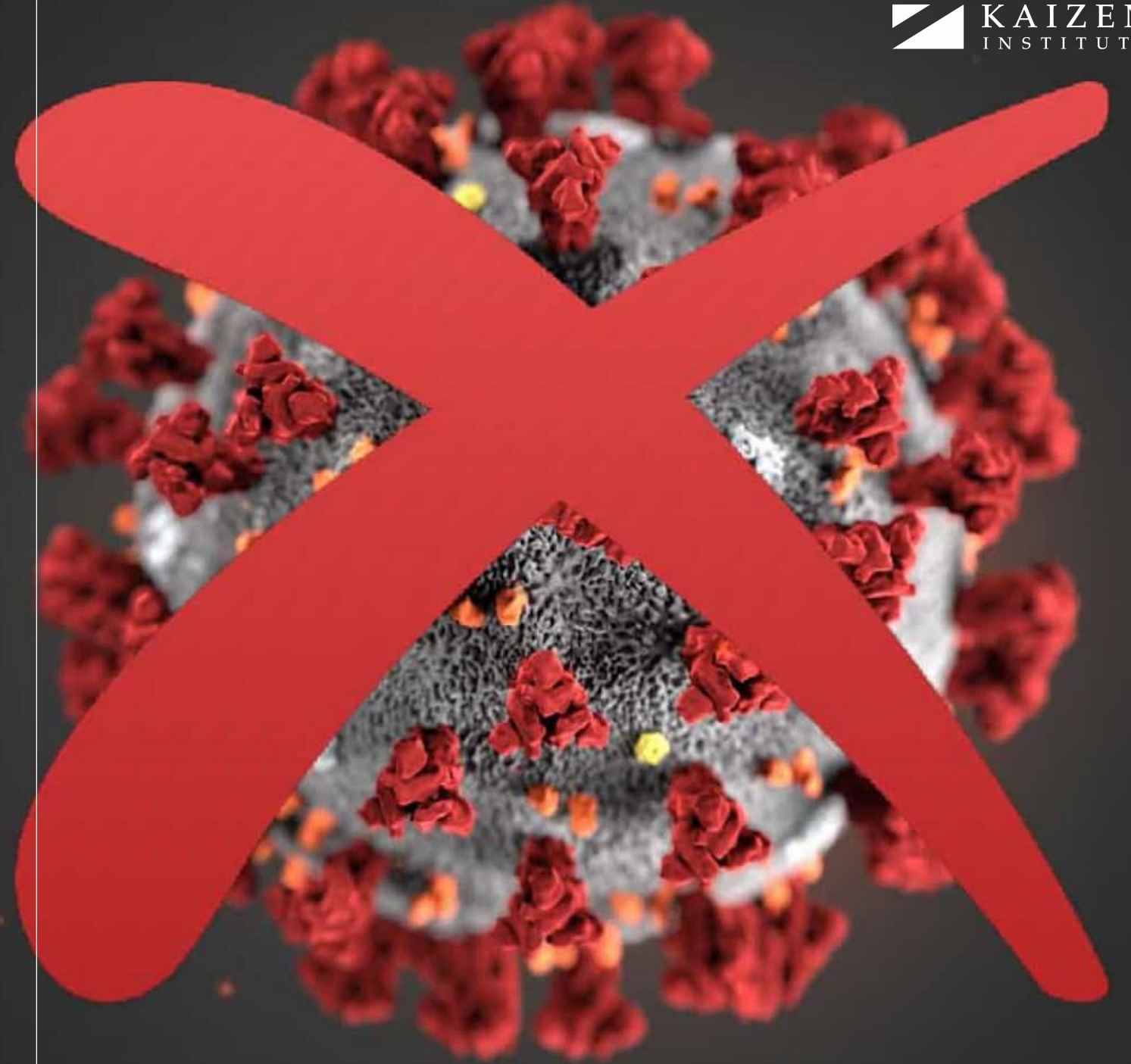
Taking Advantage of the Crisis through Continuous Improvement activities.

Emerging from the Crisis with a Competitive Advantage

KAI

CHANGE

+

ZEN

PERFECTION

=

KAIZEN™

CONTINUOUS IMPROVEMENT

- USE THE CRISIS TO DEVELOP PEOPLE AND PROCESSES

- PRACTICE INNOVATION AND IMPROVEMENT IN A REMOTE WORKING ENVIRONMENT

- DEVELOPING A VERTICAL START-UP AND A TOP-DOWN STRATEGIC RESPONSE TO TOMORROW'S "NEW NORMAL"

Confront and take advantage of COVID-19 through Preparation and Improvement Actions

What Improvents can be made during the Crisis?

What are the best options to emerge from the Crisis stronger?

How can organisations use this Opportunity to gain a Competitive Advantage Post-Crisis?

KAIZEN IN INNOVATION AND SALES

Take advantage of newfound available time to analyze Marketing, Sales and Innovation Improvement Opportunities

Train Employees, Develop New Methods and Improve Processes in order to act faster following the Crisis

- Reinforcing Digital Marketing
- Accelerating New Product Development
- Improving Capacity for Sales
- Improving Client Experience
- Reviewing Pricing Strategy
- Reinventing the Company's Innovation Strategy

KAIZEN IN STRATEGY AND ORGANISATION

Seize the Opportunity to Digitalize Processes, Move to Remote Work and Change Paradigms Post-Crisis

Implement Daily and Project Kaizen in Digital Remote Working Environments, Improve Employee Motivation and Efficiency, Ensure Post-Crisis "New Normal" Assessment

- Improving Project Management in Remote Working Teams
- Improving Daily Kaizen in Remote Working Teams
- Implementing Kaizen Energy in Remote Working Teams
- Increasing Employee Versatility
- Reviewing Business Strategy

KAIZEN IN OPERATIONS

Make the most of available time to prepare for Operations' Restart and Reconstruction with Maximum Efficiency and Minimal Disruption

Improve Standards to ensure greater Capacity and Effectiveness. Explore new Operational Excellence Paradigms in Production, Logistics and Service

- Ensuring Efficiency in Post-Crisis Start-Up
- Improving Equipment Maintenance
- Supply Chain Redimensioning
- Improving Service Operations and Support
- Improving Sourcing and Suppliers
- Improving Emergency Operations

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Innovation and Sales (1/2)

ACTIONS	GOALS	WHY	HOW
Reinforcing Digital Marketing in Times of Crisis	• Generate leads through digital channels • Increase the achievement of Marketing campaigns	• Reach out and establish contact with potential customers • Reach potential customers through the promotion channels that are available in times of crisis • Maintain contact with existing clients	• Map Marketing initiatives and define goals for the different phases of the crisis • Design the Digital Marketing strategy and the Customer Journey in the different channels • Establish a digital lead qualification process • Determine the marketing mix: Owned, Paid and Earned media • Configure processes, build digital assets and Implement Marketing Automation tools • Develop dashboards to monitor and optimize the results
Accelerate New Product Development	• Reduce the product development cycle time • Manage projects efficiently and effectively	• Introduce new products promptly, efficiently and effectively using a series of phases to achieve a profitable sales growth post-crisis • Develop knowledge that can be incorporated into new products and processes in the future	• Project Kaizen Virtual Boards • Transfer all the Elements and Processes of Project Management to Digital Media • Implement the necessary research processes to solve Technical Trade-Off Problems • Develop learning cycles and integration events

New Methodologies to Improve Selling Capacity	• Maintain and increase sales rates
	• Improve the Effectiveness of Sales Meetings in the context of the Crisis and Post-Crisis
	• Shorten the business cycle
		• Track sales leads using visual management
		• Develop sales arguments adapted to the new needs of customers
		• Train the sales team to increase their skills and motivation
		• Transfer activities to other areas of the organisation in order to maximize time available for sales
			• Building Sales Funnel
			• Value Selling:
			  • Characteristic – Benefit Analysis
			  • Differentiation Points
			  • Benefits Tracking
			  • Key issues and needs of analysis
			  • Arguments for Objections
			• Analysis of time and territory and evaluation of salespeople profile
			• Sales team organisation
			• Development of Sales Standards and support

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Innovation and Sales (2/2)

ACTIONS	GOALS	WHY	HOW
Improve Customer Experience	• Improve the customer experience • Increase customer satisfaction and brand loyalty	• Eliminate *pain points* associated with the service provided during the crisis • Ensure consistency in the customer experience between the various channels and throughout different phases of the crisis • Satisfy customers' functional and emotional needs	• Voice of Customer (VOC) collection methods • VOC application and compilation of other data such as reviews and statistics • Customer experience mapping • Pain points identification • Improvement Action Plan
Review Pricing Strategy	• Adjust pricing strategy • Improve margins	• Increase results by eliminating price losses (price leakages) • Compare the benefit and price with the leading players in the market • Define the post-crisis state of the market	• Analysis of product price positioning • Main attributes desired by customers • Commercial performance vs. competitors • Price loss identification / mapping • Decision rules / feedback • Definition of alternatives to restructure discounts, terms and conditions
Reinventing the Innovation Strategy	• Generate a flow of Disruptive Ideas for Innovation • Implement an Idealisation Management Funnel • Capture Strategic Insights and specify Winning Value Proposals	• Create new ideas and processes to explore post-crisis that can generate more profit • Extend the scope of innovation to various features: product, processes, organisation and technology	• Innovation strategy definition • Creation of an innovation team • Development and integration of insights • "Idea generation" techniques • Classification and prioritisation of ideas • Rapid prototyping with customer feedback

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Organisation and Strategy (1/2)

ACTIONS	GOALS	WHY	HOW
Improve Project Management in Working from home	• Increase the Efficiency of Project Management in Relocated Teams • Build Virtual Project Management Rooms according to Kaizen's *Obeya* Room Method	• Maintain Cohesion and Work-Load for the Teams Working Remotely • Improve and make Project Management Processes more effective during the Crisis	• Kaizen Project Virtual Boards • Transfer all the Elements and Processes of Project Management to Digital Media • Implement Lean Project Management Standards in Remote Working Environments
Implement Kaizen Energy in Working from home	• Increase Energy and Motivation levels of the Employees Working from home	• Create conditions for working more efficiently from home • Improve Work-Life Balance	• Norms of Motivation and Personal Energy in 4 Pillars: Physical, Emotional, Intellectual and Life Mission
Increase employee versatility Development and Training	• Increase Employee Capacity and Versatility • Prepare for a Fast and Efficient Post-Crisis Start-up	• Take advantage of Employee availability during the Crisis to eliminate existing gaps in knowledge and skills	• Elaboration of a Skill Matrix for each team • Elaboration and Execution of a Training Plan for the Acquisition of New Capabilities

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Organisation and Strategy (2/2)

ACTIONS	GOALS	WHY	HOW
Improve Daily Kaizen in Remote Working Teams Implement dynamic remote supervision and increase the efficiency of Daily Management procedures	• Increase Efficiency of Teamwork • Improve Daily Kaizen Dynamics for Remote Working Teams	• Maintain Team Cohesion and Effort in Remote Working Environments • Practice Daily Kaizen in Remote Working Teams to see improvement in Team Management Efficiency	• Virtual Daily Kaizen Boards • Virtual Meetings Rules • Remote Working Tools Practice • Implement a *"Team of Teams"* Dynamic
Review the Business Strategy Consider new *"Change Drivers"* leveraged by the Crisis	• Check if the Business Growth Strategy is still valid or should be readjusted	• Adapt the Business Strategy to the Trends and Changes on the horizon • Explore New Opportunities for Business Models (markets, customer value and digital efficiency)	• *Hansei* (Reflection) of the Current Strategy • Change Drivers Analysis • "What Winner Looks Like" Analysis • *Hoshin* Strategy Operation Matrix

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Operations (1/2)

ACTIONS	GOALS	WHY	HOW
Ensure Efficiency in Post-Crisis Start-Up achieve pre-crisis turnover promptly	• Shorten the deadline to reach pre-crisis production / sales levels • Redesign operations to ensure a profitable, fast and efficient start-up • Ensure Availability of suppliers in terms of material and service • Ensure employee safety conditions • Maximize turnover in the current year	• Quickly increase the productivity in the start-up • Getting all details in hand to minimize lead time and waiting time in Production and Sales • Understand and adapt to the new market needs • Quickly adapt to customer needs	• Definition of new market demand scenarios • Redesign of operations in accordance with current regulations and contingency plans (definition of capacity and new working methods) • Quick setup checklists • Daily monitoring of operations
Improve Equipment Maintenance use downtime to optimise equipment	• Use available time to increase the efficiency of facilities and equipment • Prepare everything to achieve high levels of *Overall Equipment Efficiency* (OEE) at start-up • Restore the installations to a fully functioning state • Use available resources for planned tasks and interventions	• Maximize the availability and reliability of equipment and processes at the lowest possible cost • Take advantage of forced shutdown to plan maintenance interventions in advance • Preserve the start-up without any stops and breakdowns (contribution to vertical start-up)	• Planning and prioritisation of interventions (schedule and resource allocation) • Implementation of maintenance plans (repairs and replacements) • Maintenance management system improvement • Training of teams in techniques and working methods
Resize the Supply Chain	• Resize internal operations and the supply chain • Adapt production to the new product paradigm • Adapt the operation to the new rules of the organisation/industry	• Adapt to customer needs • Adapt to new internal rules due to COVID-19 • Reduce loss • Adapt the product / service to the market needs	• Production flow improvement • Internal logistics improvement • External logistics improvement

Face and take advantage of COVID-19 with Improvement Actions

Kaizen in Operations (2/2)

ACTIONS	GOALS	WHY	HOW
Improve Service / Support Operations increase efficiency and reduce costs in Service / Support Operations	• Increase team productivity • Increase motivation levels • Increase customer satisfaction • Minimising unnecessary space (selling excess office/ retail/ production space) • Reduce the carbon footprint and safeguard the environment	• Implement a delivery-oriented culture rather than working hours culture • Improve work / life balance • Have access to a wide range of flexible work options • Increase the productivity and flexibility of the work fulfilled	• Review of Organisation and Hierarchy in Work • Redesign of processes to improve digitisation • Standardisation of tasks and digital media • Design the "organisation of the future" (post COVID-19)
Improve Sourcing and Suppliers	• Maintain and improve the suppliers service level • Search for supply alternatives • Minimize the crisis' effects on the supply chain	• Reduce the dependency on suppliers for vital goods and services • Minimize the supply risk that could arise as a result of the crisis • Take advantage of the current context to investigate new sources and build new business relationships	• *Assessment to existing suppliers* • *Approach to alternative suppliers* • *Insourcing vs. outsourcing Analysis* • *Key supplier development plans*

Crisis Phases and Improvement Roadmap Kaizen for COVID-19

Suggested Improvement Actions.

	PHASE I: DENIAL	PHASE II: DISRUPTION	PHASE III: RESOLUTION	PHASE IV: RECONSTRUCTION	PHASE V: RE-INVENTION
Start and End of each Phase	• 1st Case Detected until … • Declared State of Emergency (Lockdown)	• Declared State of Emergency (Lockdown) until… • 1 Week of Abrupt Fall in New Daily Cases	• 1 Week of Abrupt Fall in New Daily Cases until… • State of Emergency Officially Terminated	• State of Emergency Officially Terminated until… • 50% of Pre-Crisis Business Recovered	• 50% of Pre-Crisis Business Recovered until… • 100% of Pre-Crisis Business Recovered
Dates and Duration Forecast	• Start: 7th March • Real Duration: 2 weeks	• Start: 22nd March • End: estimated 18th April (lasts 4 weeks)	• Start: estimated 19th April • End: estimated 17th May (lasts 4 weeks)	• Start: estimated 18th May • End: estimated 30th August (lasts 3 months)	• Start: estimated 31st August • End: estimated 30th December (lasts 4 months)
Start Potential Improvement Actions and Preparation	• Implement Crisis War Room • Improve Emergency Operations • Improving Project Management in Remote Working Environments • Reinforcing Digital Marketing	• Improve Daily Kaizen in Remote Working Teams • Implement Kaizen Energy in Remote Working Teams • Review Pricing Strategy • Improve Equipment Maintenance	• Increase employee versatility • Ensure Efficiency in Post-Crisis • Resize the Supply Chain • Improve Sourcing and Suppliers	• Improve Customer Experience • Improve Selling Capacity • Improve Service and Support Operations (Agile Organisation) • Accelerate New Product Development	• Review Business Strategy • Reinvent Innovation Strategy

Examples of Kaizen Actions in Improving Emergency Operations
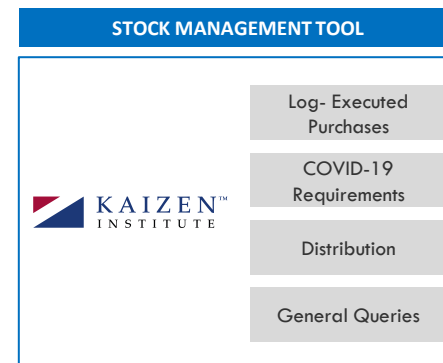
Maintain Business

Create New Operations Quickly
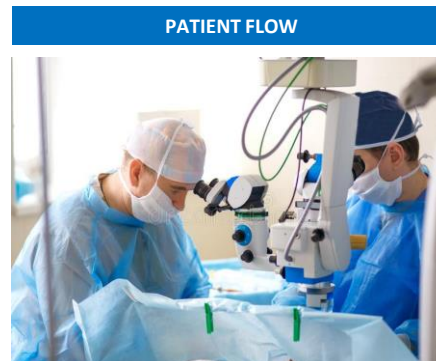
Increase Screening and Testing Capacity

Improve Stock Management in Critical Areas

DRIVE THRU TEST FOR COVID-19	STOCK MANAGEMENT TOOL

STOCK MANAGEMENT TOOL

- Log- Executed Purchases
- COVID-19 Requirements
- Distribution
- General Queries

PATIENT FLOW	TEMPORARY FIELD HOSPITAL

OBJECTIVES

- Improving performance of all Emergency Activities
- Designing viable solutions to cater for Cost, Quality and Service Level
- Minimising Total Process Time for the Customer

WHY

- To ensure Compliance with Hygiene and Safety Standards
- Gearing Operations towards the Current Reality and Primary Needs
- Contribution towards the Common Goal of accelerating the fight against the Pandemic and preserving Public Health
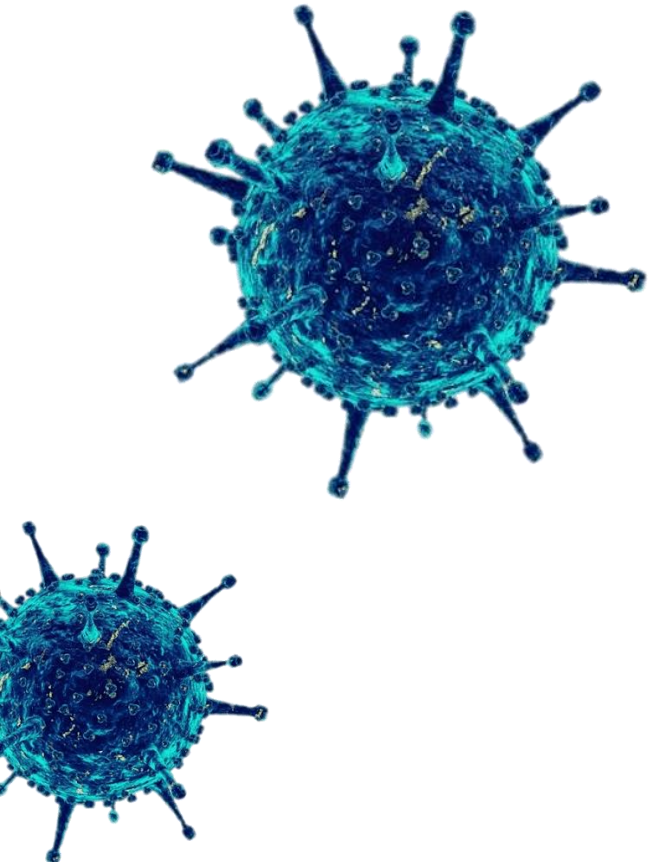
HOW and WHO

- Identification of the main Emergency Operations Required
- Designing the optimal layout for the Emergency Operations
- Standardization of tasks
- Training Employees
- Stock Management and Supply Chain Logistics

Production Logistics Quality
(Directors, Managers & Teams)
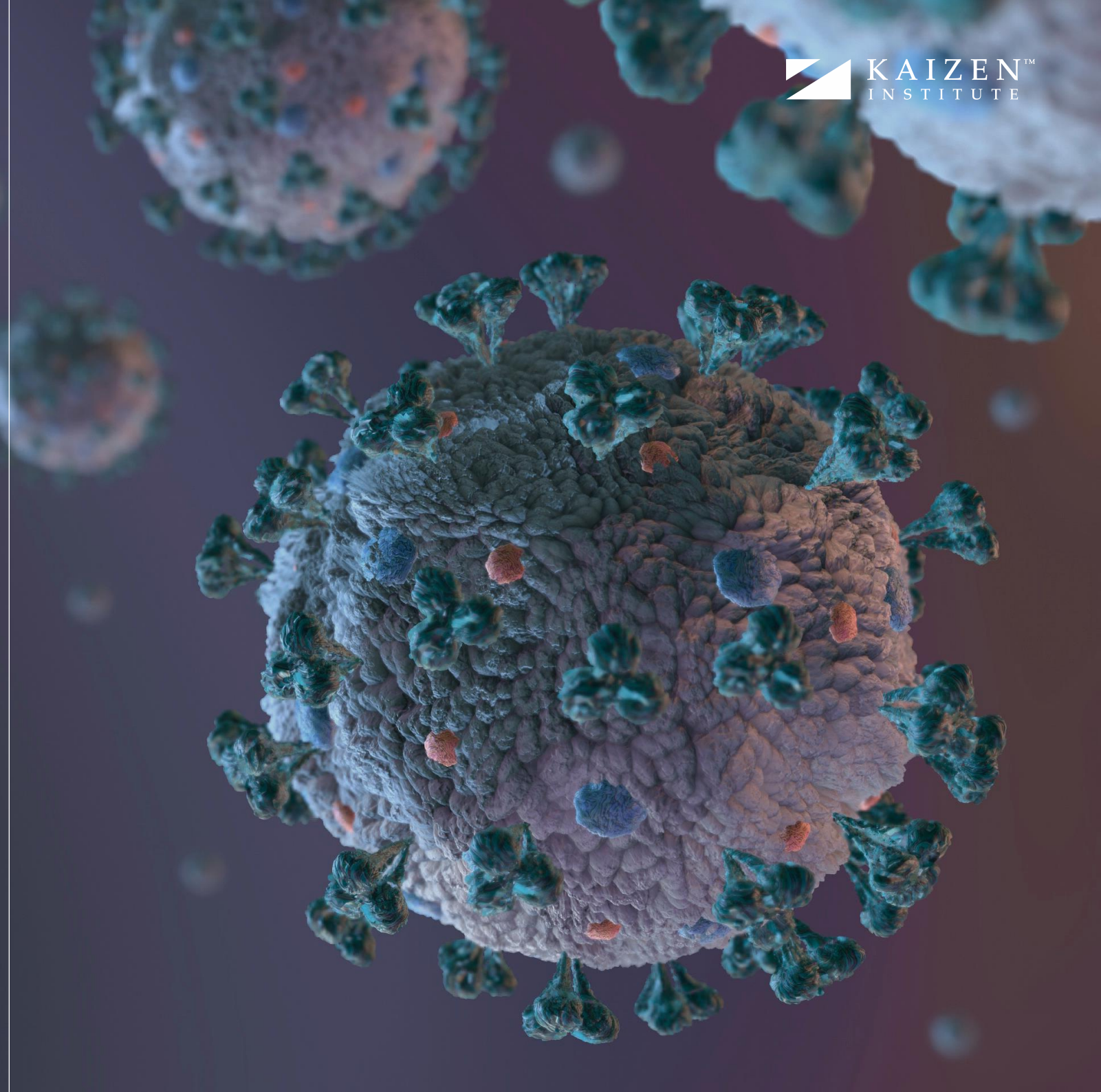
Conclusions

Conclusions

EVOLUTION OF THE **PANDEMIC**

- As of 21 April, Malta is close to entering the **Resolution Phase,** whereby the number of daily new cases has remained relatively constant and shows signs of an impending **decline.**

- **Confidence in returning** to normal is growing and this will most likely culminate in the end of the state of emergency by mid-May.

ECONOMIC DEVELOPMENTS

- The timelines for **the recovery of the economy** will differ between sectors, and will depend on the recovery of Malta's closest commercial partners.

- The most likely scenario for a **complete recovery** points to the **end of this year,** notwithstanding differences between sectors.

IMPROVEMENT STRATEGY

- With strong incentives to support the recovery of the economy, and with adequate control of the pandemic, conditions could be cultivated for 2021 to be a year of great growth.

- Competitiveness should be cultivated by exploiting opportunites that arise during the crisis in order to be able to return to normal operations stronger.

CRISIS **WAR ROOM**

- **2020** will go down in history for **the detrimental effect of the COVID-19 Pandemic.**

- **The status-quo is experincing rapid change** due to the crisis and companies will need to respond **quickly and effectively to be successful in the future.**

A **MESSAGE** OF **HOPE**

- "Rather than a flower You must become the dirt that Makes the flowers bloom"