

Arthur D Little



Covid-19 Impact

5F Approach for Telecoms

*Keeping healthy while preparing for
recovery and future growth*

Version 1.0

Agenda

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Go through the
Crisis



02

Impact on the
TIME industries,
with focus on
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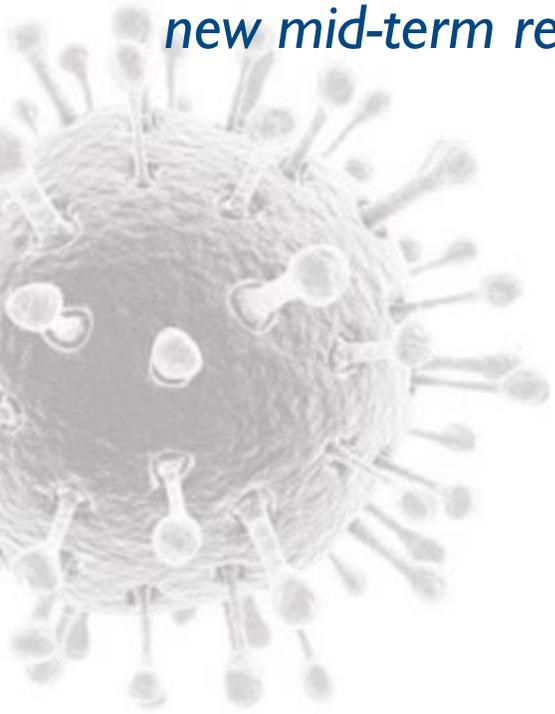


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*While most companies are addressing the urgent health & safety and cost impacts, **few companies are preparing for the recovery and new mid-term reality***



*There is no crystal ball, so companies need to **navigate across uncertainty** by taking strategic & operational options and insurances as mitigation if unforeseen scenarios unfold*



COVID-19 triggers many uncertainties

**Deconfinement
date(s)?**



Epidemiologic evolution is highly uncertain both in terms of length & spread

**Economic rebound
date(s) and speed?**



Government support to local economy is highly variable by market

**Shape of
ecosystem?**



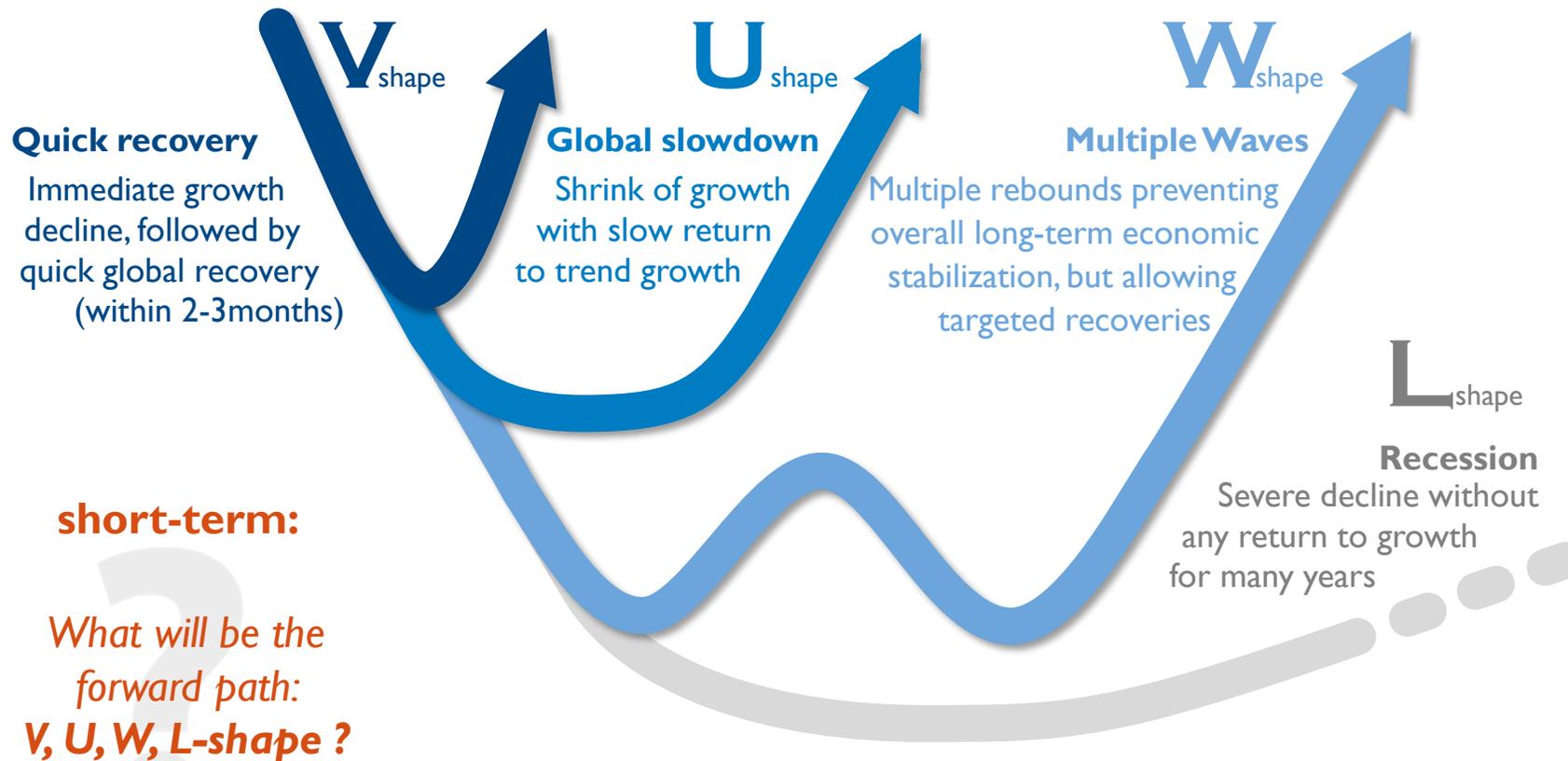
Companies' ecosystem resilience to crisis varies significantly by industry & player

**The
New Normal?**



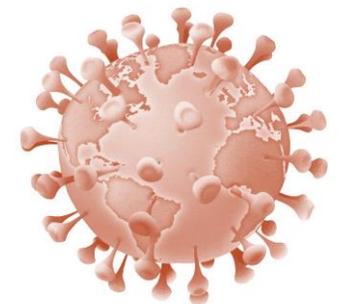
Structural changes to behaviors, society and business models will reshape companies' playing field

The **known unknowns** on different time horizons – Short-term: The **forward path**. Mid-to long-term: the **New Normal**



mid- to long-term

*What will be the **New Normal** (post-COVID-19)*



CEOs from Asia¹⁾ and Italy are putting in several measures in parallel to survive the short term, maintain vigour in the mid term, and to thrive long term

Short term actions: Fast Adaptation

- Establish a **contingency mgmt. team**
- **Ensuring employees' health and safety**, including
 1. Implementing work-from-home/ smart working as far as possible
 2. Limiting operations to safety-critical/ essential for business continuity
 3. Separate teams, increased cleaning, temperature screening, etc.
- **Securing liquidity** by reviewing cost structure and scenario planning
- **Assess and adapt** your immediate **supply**
- **Engage with customers** to jointly define priorities and pragmatic solutions

Mid term actions: Fast Recovery

- **Design your recovery plan** (scenario based)
- **Fortify the collaborative relationships with key customers** (specific action, tools, financing means ...)
- **Ensure business continuity** in key areas to be able to scale up quickly when the crisis has past
- **Diversify sources of supply** (local vs regional vs global)
- **Develop new services** (need based, identify evolving customer buying trends in the “new normal”)

Long term action: Fast Forward Looking

- **“Ride the tide”** for transformation and investing in digitalisation
- Rethink your organization: balanced **“productivity”** vs **“creativity”** => ambidextrous
- Mobilise teams to **reinvent your business model**
- Accelerate **investments** building a **resilient position**
- Establish **your shopping list – M&A**
 - **Peers** (drive market consolidation)
 - **Clients** (vertical integration)
 - **Suppliers** (vertical integration)
 - **Capabilities** (acquire skills)

CEOs from Asia¹⁾ and Italy are putting in several measures in parallel to survive the short term, maintain vigour in the mid term, and to thrive long term

Short term actions: Fast Adaptation

Mid term actions: Fast Recovery

Long term action: Fast Forward Looking

“Our first priority is always our employees’ health and safety”
CEO, Telco / Hong Kong

“Having a group of people dedicated to thinking about next steps has been very useful”
CEO, Utility / Singapore

“Perfection is the enemy of good”
CEO, Telco / Hong Kong

“This crisis will be unique, customer preferences will change, the customer of tomorrow will be different. There is a desire to restructure the value chain”
CEO, Manufacturing / Italy

“We have helped our contractors and suppliers with contingency planning”
CEO, Aviation / Hong Kong

Cutting costs now will put suppliers at risk, with consequent risks to longer term continuity”
CEO, Transportation / Italy

“We are making magic happen by opening up to networking in unprecedented ways”
CEO, Transportation / Italy

“Executives must think ahead, prepare, act... creativity and resourcefulness must be encouraged, it not incentivized”
CEO, ICT Hong Kong

“We split all teams into two and segregate them”
CEO, Utility / Singapore

“We are using the crisis to implement revolutionary methods”
Chairman, Transportation / Italy

“It is a matter of changing scheme and adapting (...) survivors will be those who can invent something new to get through the crisis”
CEO, Media / Italy

“There will be many interesting M&A opportunities in the wake of the crisis”
CEO, Telco / Hong Kong

Source: Arthur D. Little interviews with 25 CEOs during the Covid-19 crisis (March 2020) across 3 industries: Telco, Transportation and Utilities

1) Hong Kong and Singapore

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Although each of the 5 TIME sub-sectors will be impacted, Telecom players would only be moderately hit



Source: Arthur D. Little analysis

Note: overall forecasted sub-sector impact is not the average of the detailed impact by categories.

Impact on telcos is visible on both operators' financials and operations



Financials

- 2%-4% YoY revenue decline expected
- Significant impact on B2B revenues due to business closures, unemployment and reduced activity
- Consumer revenues more resilient, and churn declining however bad-debt increasing, gross-adds reducing, revenues from sports content, advertising and roaming declining



Network

- Skyrocketing growth in data and voice traffic, driven by video and gaming, as countries adopt restricted movements (e.g. *fixed average traffic increased by 70% in Italy and 40% in Spain*)
- Network robustness tested as spikes experienced in connection drop rates, lower audio quality



Customer Service

- Physical retail closures
- Call-center disruptions, in parallel to increase in call volume
- Shift towards digital channels (e.g. *My T-Mobile app downloads in Czech increased by 89% in March vs. Feb*)

The global mobile communications services market is expected to decline 2-4% y-o-y in 2020, with Europe being the worst hit and Asia & Oceania being the least hit regions

Global -2 to -4%

- The International Monetary Fund (IMF) expects global economy to contract by 3% in 2020
- Worldwide mobile communications services market revenue will be ~USD 750 billion in 2020, 6% down from prior forecast of USD 800 billion¹
- Compared to ~USD 782 billion for 2019, the 2020 decline amounts to ~4.1%¹

Americas -2 to -4%

- Mobile service revenue set to decline by 3.7% to USD 237 billion in 2020¹

Europe -2 to -9%

- Mobile service revenue set to fall 9.1% to USD 131 bn, a downgrade of 9.3% compared to previous forecast¹
- European telecoms' overall revenues likely to fall on average by a low-single-digit percentage in 2020³

Middle East & Africa ~ -4%

- Expected to see 3.9% decline in mobile service revenues to USD 84 bn, downgrade of 8.4% from previous forecast¹

Asia & Oceania ~ -2%

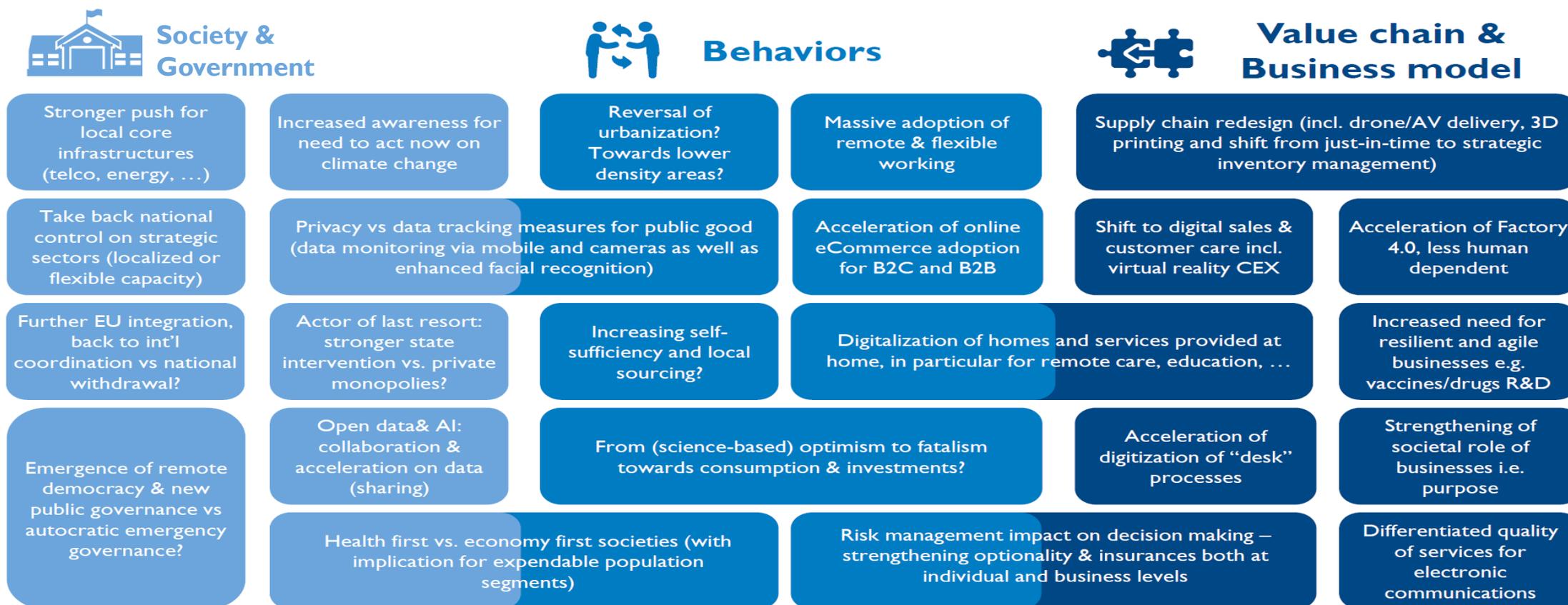
- Expected to demonstrate the least impact of ~2% decline in mobile service revenues¹

Developed markets (global)

- Expected y-o-y decline in telecoms revenue of 3.4% in 2020 across developed markets, in contrast to a pre-COVID increase of 0.7%²

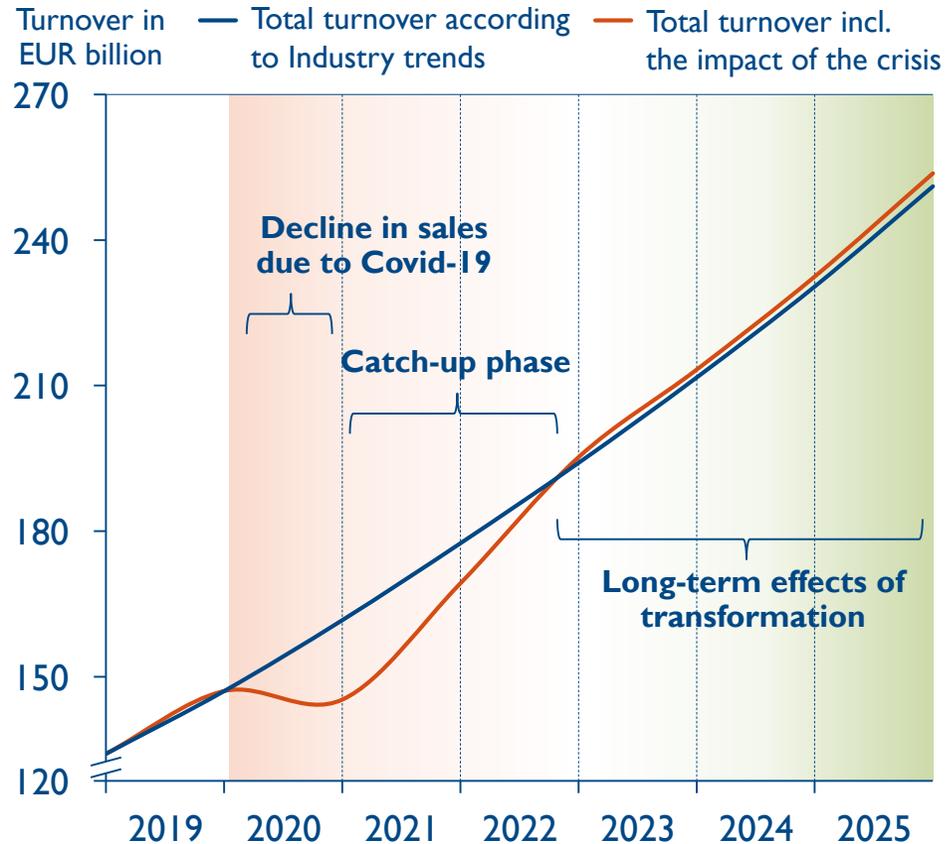
Source: (1) Omdia, (2) Analysys Mason, (3) Moody's, IMF, Arthur D. Little analysis

Beyond the immediate impact, COVID-19 will accelerate trends impacting society, behaviors and business dynamics in the TIME sector



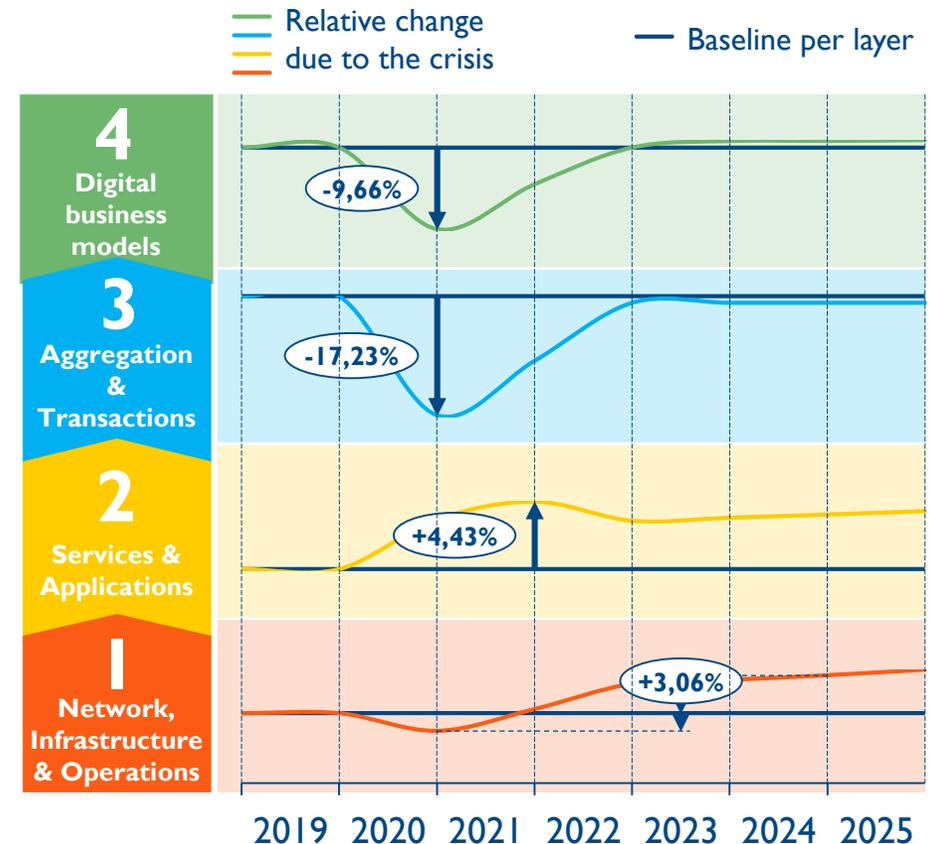
These effects impact the segments of the broader TIME sector differently, as our assessment of the short- and long-term outlook in Germany show

Overall impact of Corona crisis on the Internet industry in Germany



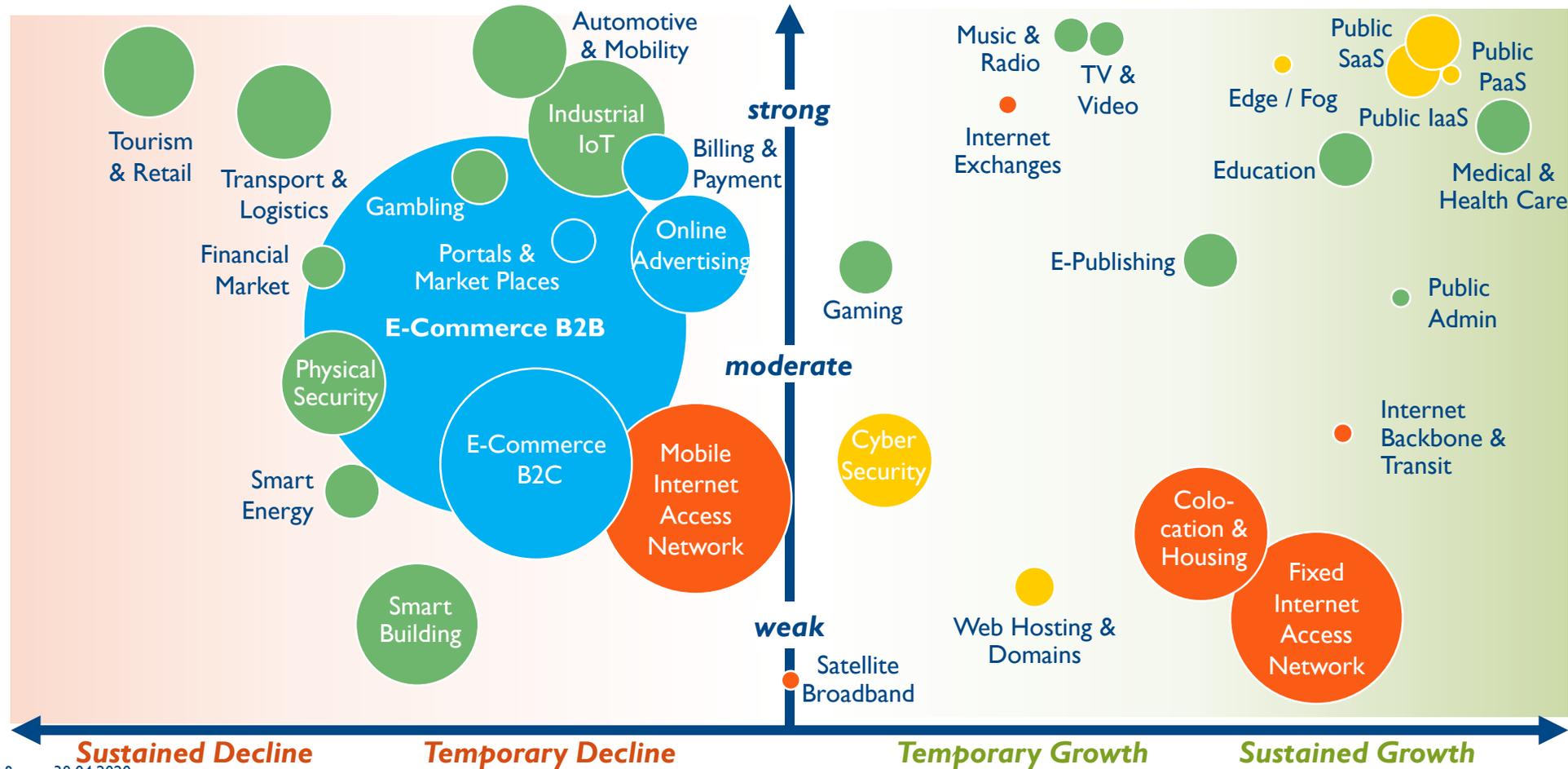
Source: Arthur D. Little & eco, 30.04.2020.

Impact of Corona crisis on the layers of the Internet industry



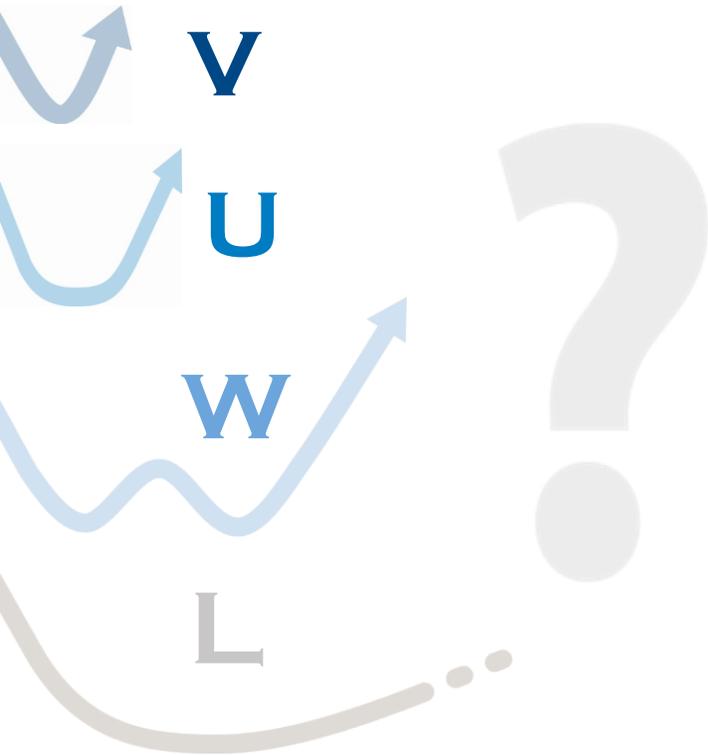
We find strong temporary positive and negative influences due to the crisis – despite the shock, long-term positive effects prevail

Impact of the crisis on the Internet industry in Germany



Source: Arthur D. Little & eco, 30.04.2020.

Telecom leaders face the same **key questions** across operators



*How to secure the cash position – **Free Cash***

*How to react quickly – **Fast Adaptation***

*How to get back on track – **Fast Recovery***

*How to become citizen of the “new world” – **Forward Looking***

*How to ensure the stamina of the organization –
Forward Organization & Communication*

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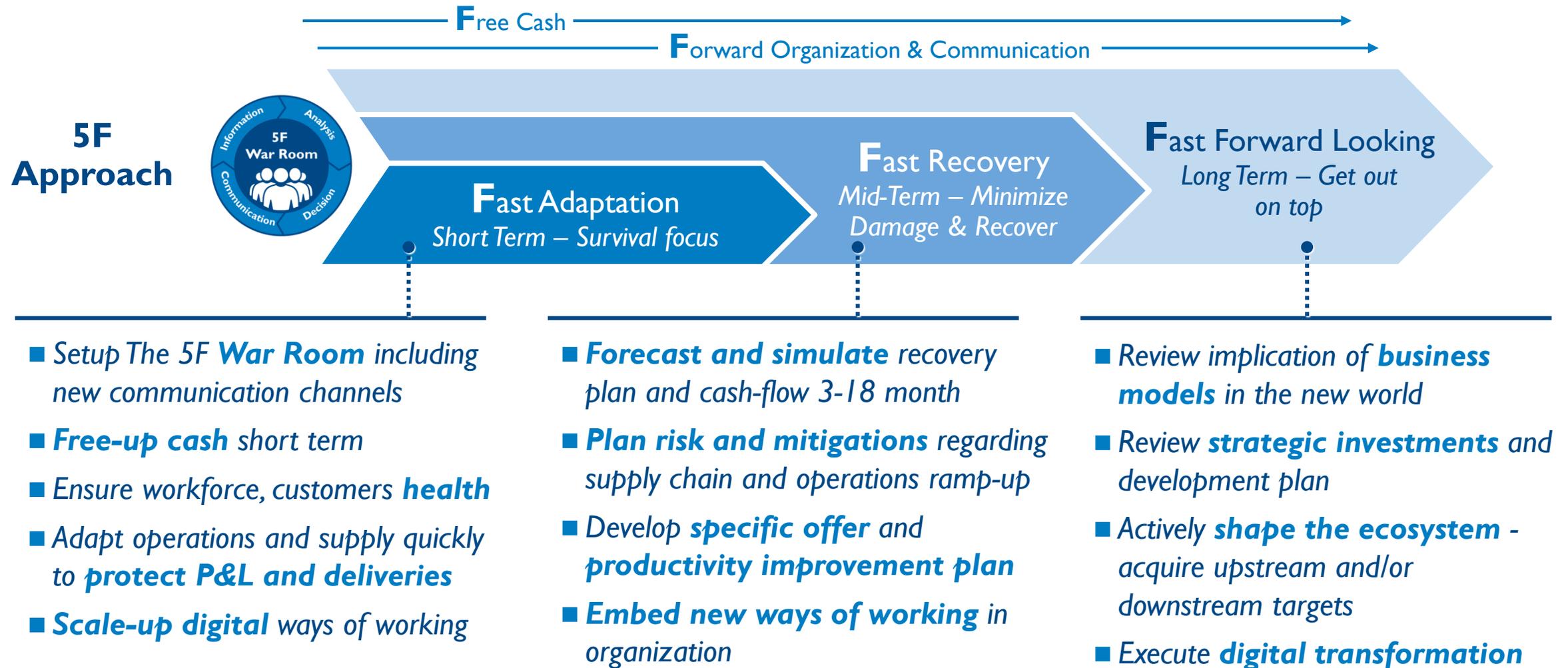


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We advise to address the current situation by a **5F-approach**



Fast Adaptation: Operators are adapting fast in response to the situation



Value Proposition / Offering

- Addressing customer financial hardship
- Responding to needs of locked-down customers, instilling new habits

See next slide for details..



Network

- Increasing network capacity to aid remote working, e-learning, entertainment etc.
- Optimizing traffic
 - Throttling applications or intermittently reducing video resolution as needed
 - Improving QoS to critical infrastructure customers
 - Increasing streaming provider caches and peering & transit interconnection capacity



Customer Service

- Scaling up digital ways-of-working
 - Directing customers to self-service/digital channels
 - Pushing self-install/repair
 - Moving to e-commerce model, with home delivery of services
 - Implementing remote and virtual agents
- Re-assigning retail staff to customer service/telesales



Other internal operations

- Ensuring employees' health and safety, including
 - Implementing work-from-home
 - Visits to customers' premises reduced
 - Separate teams, increased cleaning, temperature screening, etc.
- Securing liquidity by reviewing costs and scenario planning
- Reviewing supply chain

Fast Adaptation: Operators are enhancing their offerings to address customers' hardships and to support their needs and behavior shift to a digital lifestyle



Value Proposition / Offering

Addressing customer hardship

- Continued service to residential and small business customers unable to pay their bills, waiving late fees (e.g. in US)
- Opening of WiFi hotspots to anyone who needs them
- Temporary low-cost packages (e.g. Vodafone Australia)
- Billing credits for recently unemployed (e.g. Telstra)
- Dropped prices (e.g. Vodacom)
- Waiver of roaming fee for customers stuck abroad (e.g. VEON Opcos)

Responding to the needs of locked-down customers

- Free speed upgrades, data cap suspension, additional data allowance / mins for free to encourage stay-at-home (e.g. TIM, Du)
- Free gaming for limited duration (e.g. O2 UK)
- Zero-rated access to essential service apps, such as health, news etc.
- Free international calls to affected countries (e.g. Sprint, MásMóvil Spain)
- Free calls for elderly customers (e.g. Turkcell)
- Fixed-line voice bill caps (e.g. BT)
- Free content such as Amazon Prime, live TV streaming, kids apps (e.g. Du, Kyivstar, Beeline, TIM)
- Access to applications and services, such as educational content and online learning platforms (e.g. Verizon, T-Mobile, TIM)
- Package for SMBs including fixed/mobile internet, Norton Security, MS Teams and WebEx for free to help businesses quickly connect their remote employees with minimal cost (e.g. Telekom Romania)
- Subsidized data and calls for health centres and remote patients diagnostics
- Healthcare awareness messages (VEON Opcos)

Fast Recovery: Companies need to take imminent steps to enable a fast recovery, while minimizing damage



Planning

Forecast and simulate recovery plan and cash-flow 3-18 month
Anticipate payment default risks
Refresh business continuity plans



Offering

Commercial Offering Revamp (Workplace-as-a-Service, e-learning, cloud services, cybersecurity, more content etc)



Supply chain

Plan risk and mitigations regarding supply chain disruptions and operations ramp-up



Health and safety

Prepare the work-place for after de-confinement



Network

Analyze and invest in network capacity, robustness and resilience
Enhance cybersecurity



Operations

Prepare for re-start, with a digital and agile mindset in operations



People and organization

Define flexible way to organize the work (remote-working etc)



Customer service

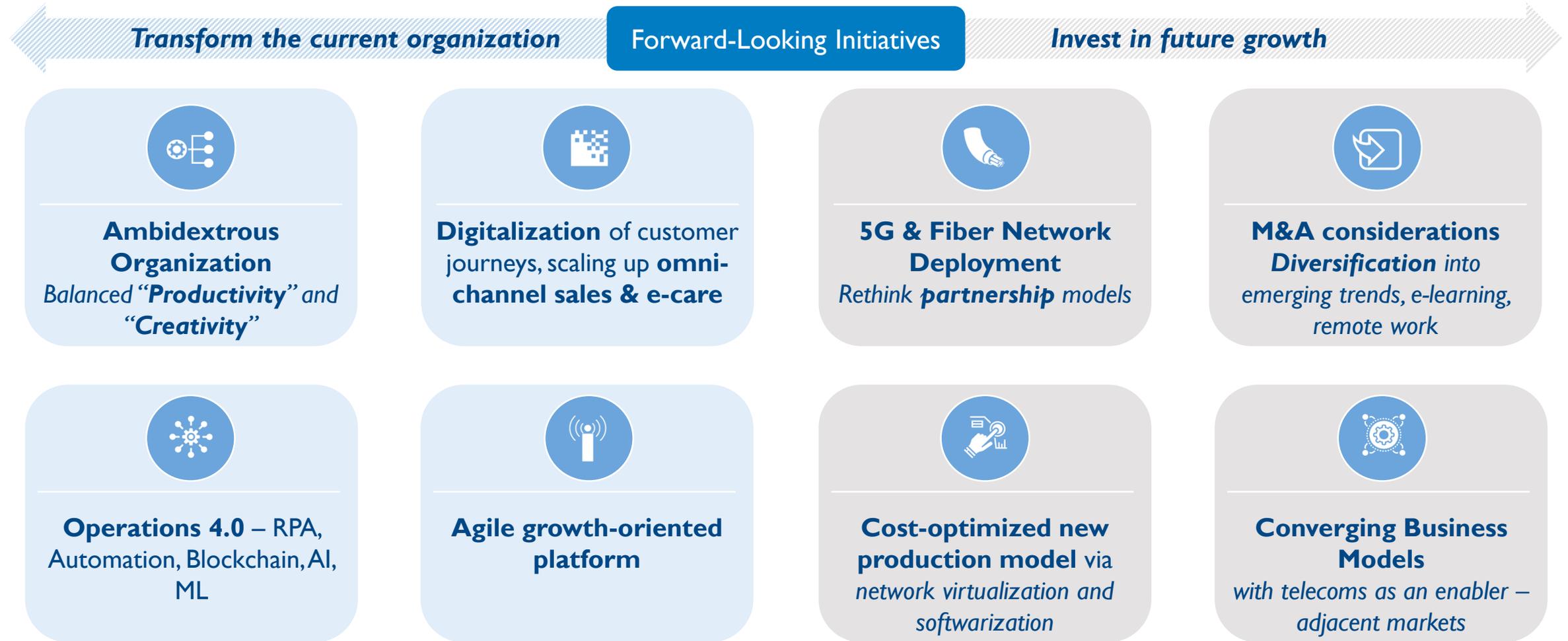
Reinforce remote, digital channels to reach and engage with customers



Regulation

Lobby for additional spectrum and favourable regulation (easier access to rights of way and private infrastructure, innovative financing solutions, ...)

Fast-Forward Looking: Telcos should prepare for the new-world order with a focus on topics necessary for future growth



Source: Arthur D. Little

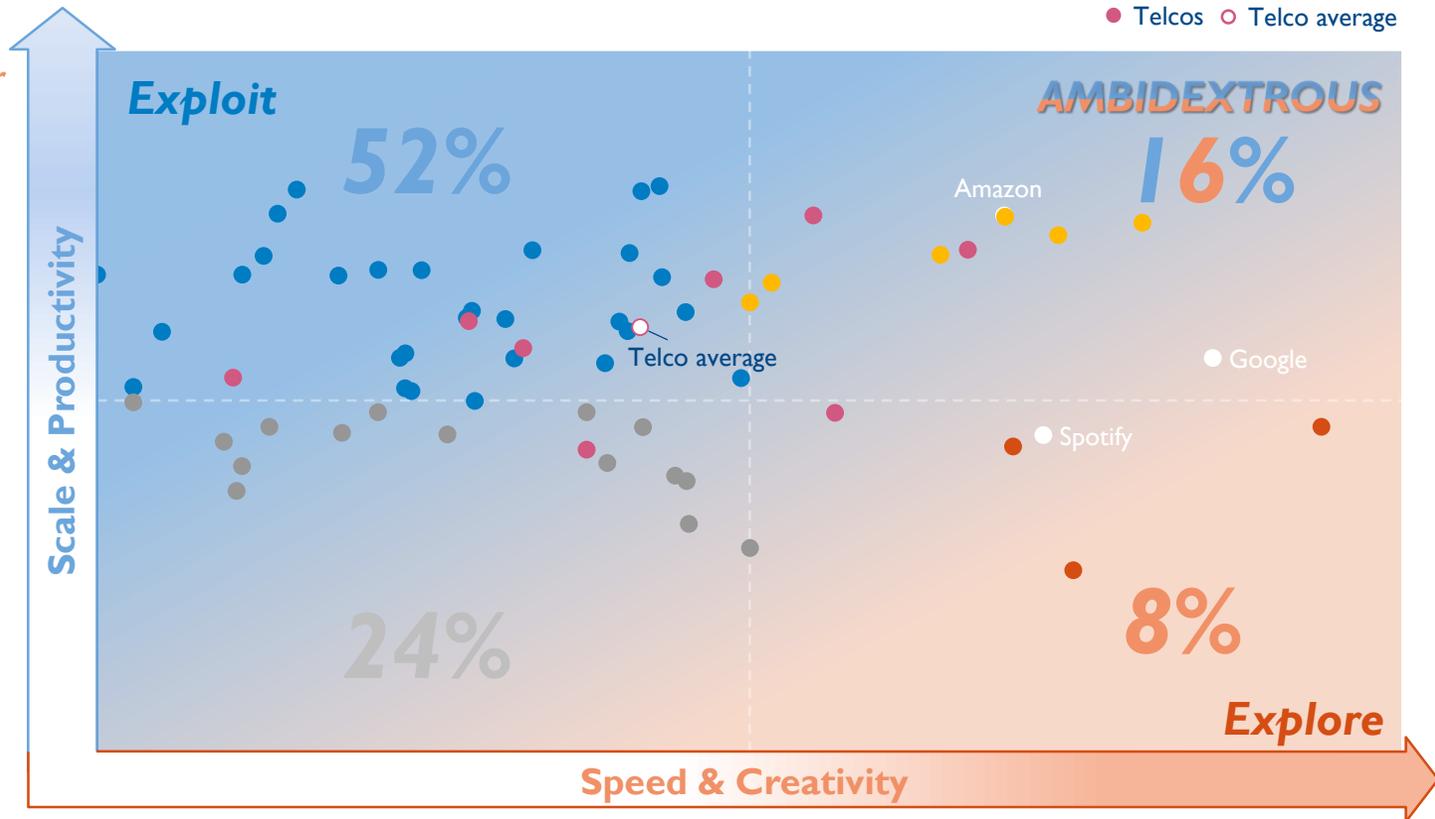
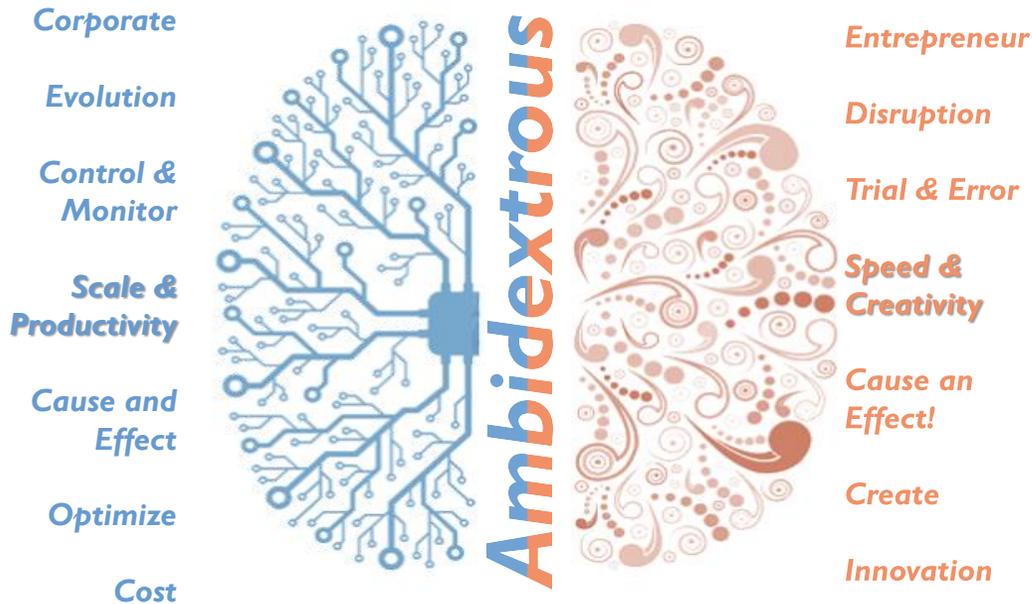
Transformation initiatives

Growth Investments

Telco organizations need to become “**Ambidextrous**”¹⁾, blending **Scale & Productivity** capabilities with **Speed & Creativity** into balanced capability patterns

Ambidextrous capabilities

Telcos have been optimized towards a **scale & productivity** pattern focused to exploit today's core



Source: Arthur D. Little; 1) ambidextrous: ability to use the right and left hands equally well

Digitalization: Telcos need to reset their current set-up and leverage digitalization to enhance efficiency and to diversify

Telco assets & capabilities		Current set-up	Digital set-up	Diversification opportunity
Market & Product	Customer relations	Relations & records	Relations & real-time data	BI and analytics services
	Sales channel	Shops and website	Consistent x-channel, virtual-physical store, leverage of 3 rd party platforms	Digital x-channel customer excellence
	Customer care	Call center	Chat bots & AI	AI and robotics for advanced customer care
Enabling	CPE	Vendors and OTT	Open source	Universal CPE
	Billing system	Paper & digital invoices	Universal platforms	Billing platforms for other industries (e.g. with Blockchain)
	Operating System	Physical assets	Software defined	Orchestration services
Network	Data center	Private cloud	Public cloud	Infrastructure as a service
	Core network	Physical assets	Virtualization	Network sharing services
	Access	Person-to-Person	Connected things (IoT)	B2B2X provider
	Spectrum	Spectrum	Spectrum	-

Source: Arthur D. Little

Operations 4.0 - Telcos should further accelerate the adoption of emerging technologies (RPA, Blockchain etc) across their operations

Future of Operations Building Blocks

Cognitive	Connected	Virtual	Human centered	Value add
<p>Big data / advanced analytics</p> <p><i>Telefonica</i> Personalized marketing, (cross-selling) offers</p> <hr/> <p><i>T-Mobile</i> Real-time network fault detection and prediction</p>	<p>Connected things</p> <p>Sensors delivering environm. & technical health information for network nodes & cabling</p> <hr/> <p><i>GE</i> Real time and online monitoring of machines</p>	<p>Augmented reality</p> <p><i>tw telecom</i> AR for customer experience in stores</p> <hr/> <p>AR in network maintenance & warehousing</p>	<p>Collective intelligence / crowd sourcing</p> <p><i>telenor group</i> Open innovation portal for product innovation</p> <hr/> <p><i>T-Mobile</i> Crowdsourced product development</p>	<p>Blockchain</p> <p><i>du</i> Distributed Ledger System</p>
<p>Cognitive, self-learning systems / bots</p> <p><i>sky</i> Automated security threat detection and resolution</p> <hr/> <p><i>SaskTel</i> Automated measures for detected network irregularities to avoid faults</p>	<p>Collaborative, smart machines and robots</p> <p><i>amazon</i> Robot aided movement of inventory racks</p> <hr/> <p><i>SoftBank</i> Robots staffed store</p>	<p>Cyber physical systems / virtualized networks</p> <p>Software defined networking, network functions virtualization</p> <hr/> <p><i>BT</i> Cloud platform to enhance internal IT operations' efficiency</p>	<p>Virtual workplace / workplace 4.0</p> <p><i>orange</i> Online platform for remote product & material testing</p> <hr/> <p><i>Alcatel-Lucent</i> Mixed reality solutions for video conversations</p>	<p>Integrated eco-systems / decentral (mobile) value add</p> <p><i>vodafone</i> Omnichannel Platform for buying experience</p> <hr/> <p><i>du</i> Smart City Platform serving multiple verticals</p>
<p>Autonomous transport</p> <p>Autonomous material supply for network rollouts & maintenance</p> <hr/> <p><i>amazon</i> Delivery of packages with drones</p>	<p>Smart energy systems</p> <p><i>Apple</i> Solar farm to provide corporate facilities with green energy</p> <hr/> <p><i>SONY</i> Increasing use of green power certification system</p>	<p>Virtual modeling / simulation</p> <p><i>Telefonica</i> Networks simulation to optimize network build & maintenance</p> <hr/> <p><i>Alcatel-Lucent</i> Consumer choice simulation to identify rollout technologies</p>	<p>eLearning / MooC!</p> <p><i>Apple</i> Platform for educational audio and video content</p> <hr/> <p><i>SIEMENS</i> Virtual reality training simulator</p>	<p><i>ERICSSON</i> Smart city platform to scale Smart City business and exploit opportunities</p>

Leading players are holding on to their ambitions for FTTH and 5G roll-out, despite Covid 19 and are using the momentum to market their ambitions in a head to head race

proximus rethinking its Fiber rollout Strategy

- Acceleration of FTTH rollout to reach 50% Homes Passed by 2025 (instead of 2030), leveraging façade mounting in cities
- Set-up of formal Network Business Unit to operate as InfraCo
 - providing an open reference network
 - based on co-investment and partnerships
 - with copper phase-out 5 years after FTTH deployment
- Financing via increased debt (NetDebt/EBITDA from 1.7 to 2.0), 700M€ asset disposal, reduced dividend by 20%

Our vision of Network for Belgium...



Source: Proximus Capital Market Days March 31st 2020

head to head race of german CEO's



Head to head race

5G to 10 million people in 2020



5G to 40 million people in 2020

Other key messages

- “We are fast tracking the roll-out”
- “We’re planning to further bolster our leadership position in 5G coverage, both in the city and across the countryside”
- “The real-life importance of a high-quality mobile signal and of a speedy internet connection is becoming crystal clear as we struggle through the current Corona crisis”

Transactions - In the near term, the crisis will dampen, but not eliminate, investment activity; however with adjusted valuations, well-capitalized strategic buyers will find significant opportunities

- Share prices and valuations have declined through Q1 and into Q2 2020
- M&A activity in the technology, media and telecommunications (TMT) sector has also slowed significantly...there has been a 26% reduction in deals in Q1 2020 vs Q1 2019¹ with many deals have been delayed or are being restructured
- However, with the global private equity business sitting on record US\$2.5 trillion in available cash and many well-capitalized strategic buyers...
- These lowered valuations will present investors with attractive acquisition targets, especially those experiencing cash flow difficulties but with otherwise strong operations²

Facebook Invests \$5.7 Billion in India's Jio Platforms

April 21, 2020
By David Fischer, Chief Revenue Officer, and Ajit Mohan, VP and Managing Director, India

Silver Lake to invest \$747M in India's Jio Platforms

Manish Singh @refsrc / 11:17 pm EDT • May 3, 2020

Cincinnati Bell to be acquired by Macquarie Infrastructure in all-cash deal valued at \$2.9 billion

Published: March 13, 2020 at 9:40 a.m. ET

Prospect of \$35 billion telecom deal shows M&A not entirely sidelined by coronavirus pandemic

Published: May 4, 2020 at 11:55 a.m. ET

By Lina Saigol

A merger valued at £28 billion between Madrid-based Telefónica's O2 and Virgin Media, owned by U.S.-based Liberty Global, would radically reshape Britain's telecom landscape

Convergence: Operators are leveraging their unique capabilities to provide new offerings, in other industries to diversify its revenue streams announced during the peak of the crisis

Telia Sweden – Healthcare Offering

Telia has launched a POC of voice/video solution for assessing COVID patients remotely

Benefits -



- Healthcare personnel may remotely conduct patient **check-ins, assess patient statuses**, and perform **interviews** on patient history.
- For COVID-19 patients, less time for equipping protective gear may be spent, and the use of and **valuable disposable materials** can be **minimized**.



Orange Spain – Insurance Offering

Orange entered into a strategic alliance with Zurich Seguros in April 2020 to launch a differentiated digital-led insurance proposition



*“..it’s part of a wider strategic game plan that seeks to **expand and diversify the Orange services portfolio**, increasing our value to our clients working jointly with Zurich..”*

Laurent Paillassot
CEO of Orange Spain

*“Zurich is focused on **growth through digital**. Faced with uncertainty around Covid-19, the **sale of much needed insurance offerings is a challenge and an opportunity**. Thanks to this agreement, we will have the capability and strength to do so.”*

Vicente Cancio
CEO of Zurich Seguros

In late 2019, Orange ES also launched Orange Bank, an innovative 100% mobile bank

Network Virtualization: As network demand and customer requirements expand rapidly, SDN/NFV would be the way forward for telcos to meet these demands

Covid-19 NW Trends

- **35-40%** growth in backbone traffic in early days of lockdown (such growth is typical over a year)
- **45%** growth in CDN traffic
- **700%** growth in demand for VPN services in certain markets
- **300%** growth in demand for tele-conferencing services

How do SDN/NFV deployments support telcos during and after the crisis?

- Flexibility to the service provider to increase or decrease capacity based on traffic demand
- Ability to maintain network operations remotely in situations such as lockdown
- Ease for customers to dynamically manage their bandwidth needs
- Capability to provide intelligence on customer's data flow patterns to assist them in managing their network better
- Faster time-to-market for new services or service delivery
- Relatively immune to supply chain constraints for network capacity expansion (compared to traditional networks)

*"You don't design a network for a pandemic. But it turns out that building your network on software and open hardware specifications can make it **ready for just about anything**" – AT&T*

*"The **future of telecom**, and I think you're seeing it right now, is the ability to drive more capabilities **through software than physical hardware**" – Colt Technology Services*

*"Customers who have gone with us into cloud enablement via SDN had more **flexibility and agility** to quickly adapt to new situation... **Very dynamic**" – Orange Business Services*

*"Now, in a **matter of a few hours**, we're able to bring the capacity up and get everybody the kind of critical service they require" – Verizon*

*"If a customer needs more capacity, we can typically **triple it within a short time horizon**. We're inspired by the challenges our customers provide." – CenturyLink*

*"Businesses want a flexible, self-learning foundation that allows them to move, add, change, delete **network services on-demand**. SDN/NFV based network offers all these characteristics." – CenturyLink*

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Where **Arthur D. Little** can help you **NOW** to make first steps



Conduct **Executives Workshop(s)**

- Build external and internal scenarios
- Kick Start recovery action plan design



Set-up **the 5F War Room**

- Establish virtual war room
- Assign key roles and reporting lines
- Kick-start war room actions



Scale-up **digital ways of working**

- Embed digital collaboration tools
- Re-define operating model to push digital



Model **Scenarios**

- Establish analysis framework
- Simulate company's risk exposure
- Conduct stress tests of critical areas



Develop **Future-Proof Productivity Plan**

- „Brutal Truth Assessment“
- Target Picture
- Transformation Plan
- „Lighthouse“ Implementation



De-Risk **the Path to Recovery**

- Retain critical resources & customers
- Mitigate disruptions, e.g. supply chain
- Prepare for re-start



Capture **Opportunities**

- M&A horizontal or vertical consolidation of distressed actors
- Take-over customers / new offerings



Prepare **for the “New Normal”**

- Anticipate customer demand change
- Redefine new company purpose
- Outline new offerings / strategy
- Define new operating model

Selective view of 3 of 12 industrial clusters

Free Cash

Fast Adaptation

Fast Recovery

Fast Forward Looking

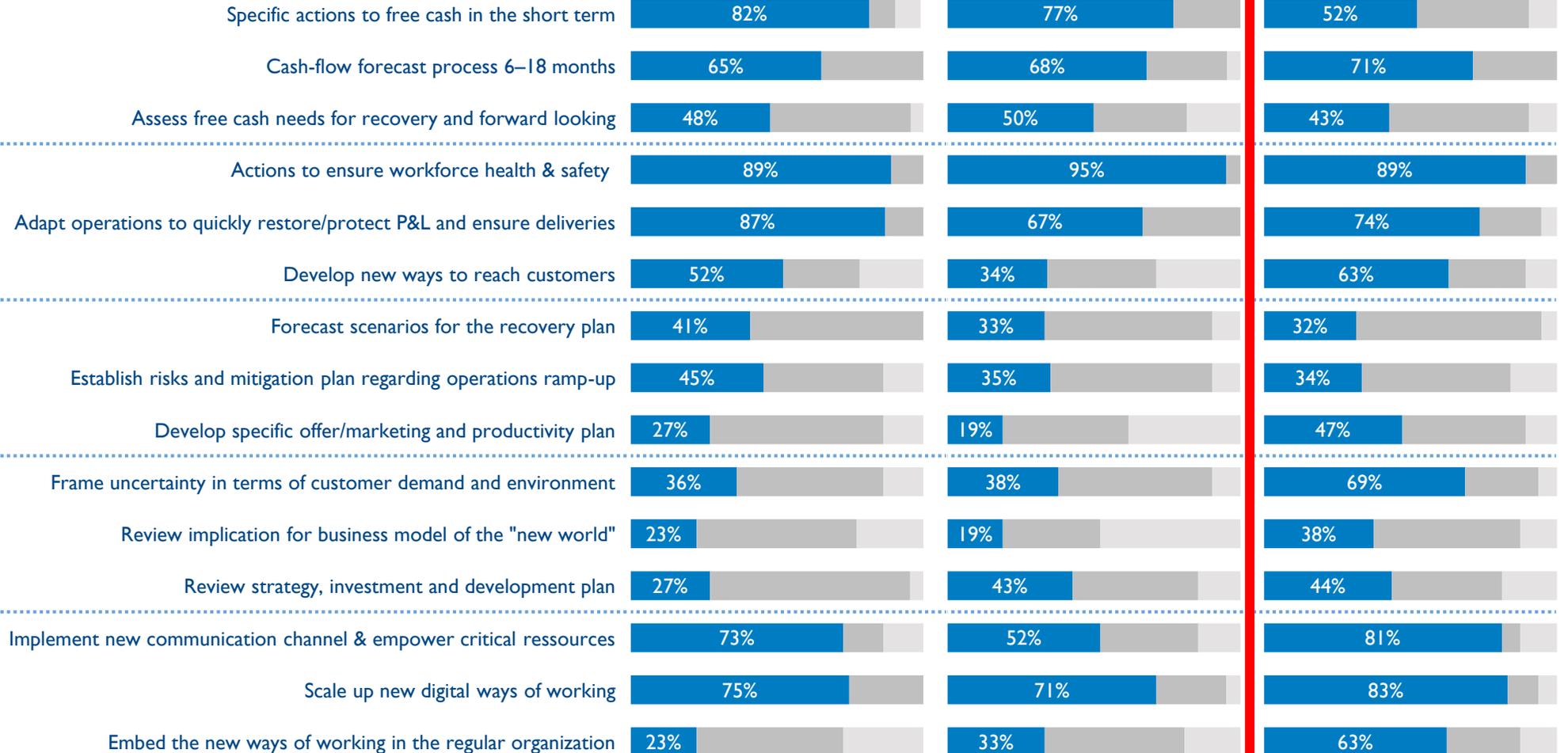
Forward Organization & Communication

Responses according to industry

Travel & Transportation

Energy & Utilities

Telecommunication



done planned not considered (yet)

Major observations for CEO logbook April 30th

F_{ree Cash}

▶ *The cash needed for recovery and succeeding in the “next” world is becoming a major topic ... but still needs to be assessed for 1/3 companies*

F_{ast Adaptation}

▶ *Still a way to go to fully adapt to the crisis. Especially reaching customers through new ways is still unsolved for 1/3 of companies*

F_{ast Recovery}

▶ *Planning for recovery is key priority but still more than 40% of companies have not solved it. Top unsolved priority in this respect is developing productivity plan and specific offers/marketing*

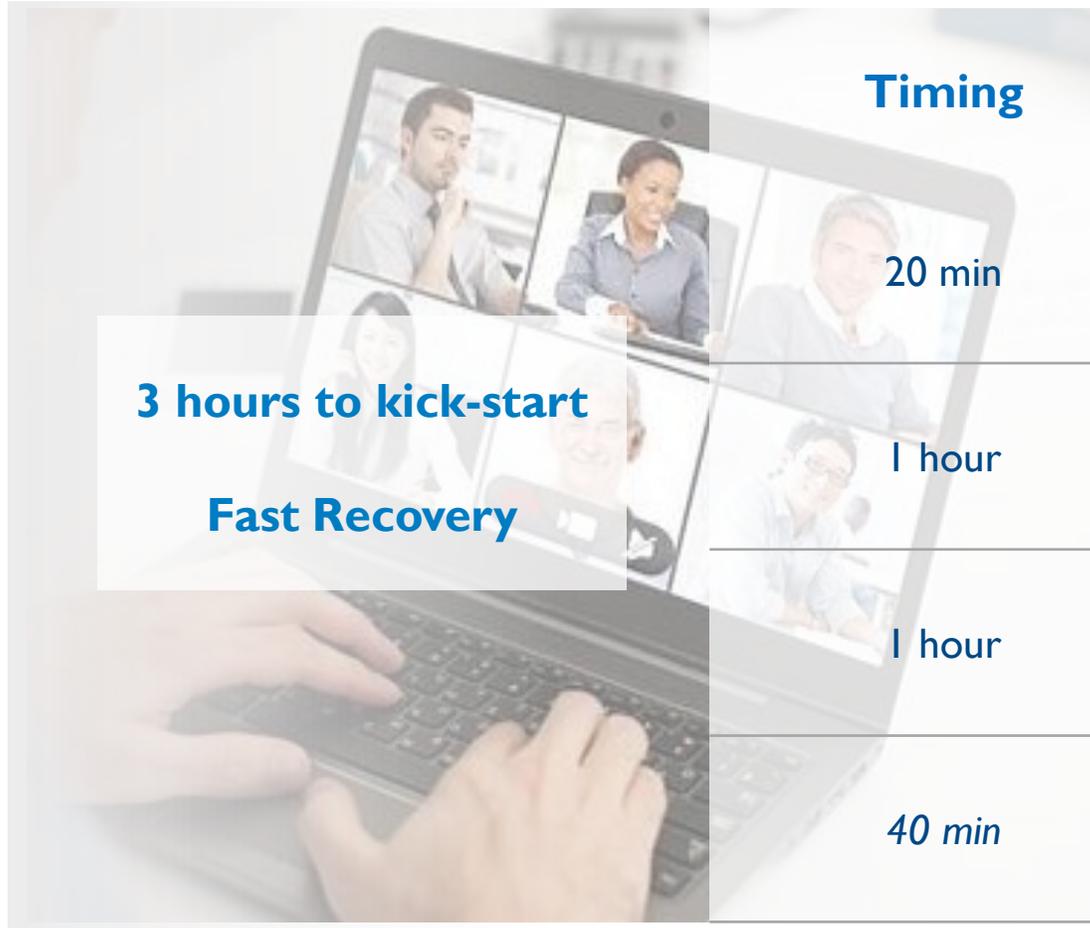
F_{ast Forward Looking}

▶ *Major unsolved priorities are the review of implication for business model of the “new world” and the review of the strategy, investment and development plan*

F_{orward Organization & Communication}

▶ *More than 80% of companies have or will embed new ways of working in future organization set-up*

Let's get started: Executives workshop for Fast Recovery



**3 hours to kick-start
Fast Recovery**

Timing

20 min

1 hour

1 hour

40 min

Agenda

Environment scenarios :

Pandemic, Deconfinement and Economic Growth scenarios presentation

Market scenarios building :

Consumer expected behavior, competition reaction, stakeholders & resources availabilities

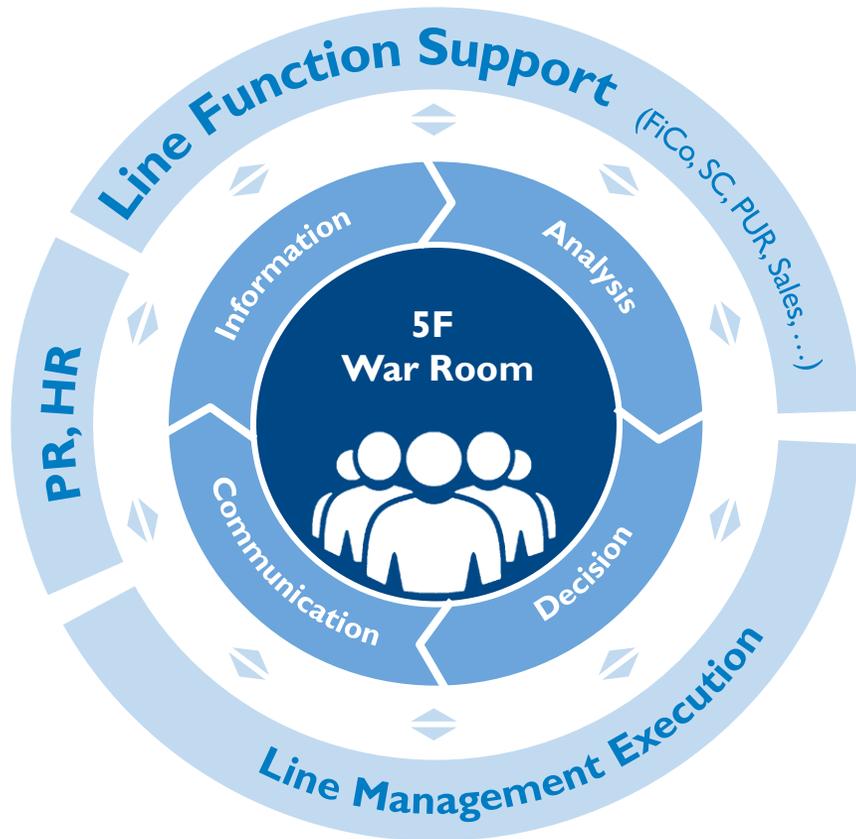
Company Strategy design by Scenario :

Key implications identification by functions, best recovery strategy definition

Recovery Plan Design :

Take-aways, immediate actions, strategic levers and organization set up

Setting up **The 5F War Room**: 5+x leaders in a virtual meeting room



- **Five leaders** – one person dedicated to each F
- Supported by a matrix organization where key functions contribute differently in the workstreams
- Applying **agile** ways of working to account for uncertainties and unfolding of new scenarios
- A **virtual meeting room** needs to be set up using leading-edge digitalization technologies

Key tasks of War Room team members and supporting functions

	Finance	Production	Supply Chain	Strategy / Biz-Dev.	HR	R&D / Developm.	Sales & Marketing	IT
Free Cash	<ul style="list-style-type: none"> Weekly CF update Bank covenant Daily hedging position Subsidy collection 	<ul style="list-style-type: none"> Develop cost model (fixed, variable) that can be updated shortly 	<ul style="list-style-type: none"> Review and update all working capital position and assumption 	<ul style="list-style-type: none"> Build the forward scenarios 	<ul style="list-style-type: none"> Workforce adjustment Define employee needs 	<ul style="list-style-type: none"> Review all R&D portfolio in the light of the new scenarios 	<ul style="list-style-type: none"> Review customers position 	<ul style="list-style-type: none"> Review the needs & related cost w/ increased work at home & local health policies
Fast Adaptation	<ul style="list-style-type: none"> Challenge and review all sources of cost 	<ul style="list-style-type: none"> Anticipate issues Secure integrity of mothballed assets Observe competitors 	<ul style="list-style-type: none"> Negotiate w/ supplier Preserve the relationship 	<ul style="list-style-type: none"> Review decision taken in the light of what would happen in the future 	<ul style="list-style-type: none"> Organize home work Organize site workforce Succession planning 	<ul style="list-style-type: none"> Identify all sources of cost to cut without jeopardizing the future 	<ul style="list-style-type: none"> Ensure all customers are properly treated 	<ul style="list-style-type: none"> Solve in real time all “small” issues arising Ensure systems integrity
Fast Recovery	<ul style="list-style-type: none"> Ensure cost control 	<ul style="list-style-type: none"> Define ramp-up KPIs Adjust workforce with a flexible mindset 	<ul style="list-style-type: none"> Monitor SC stakeh. Ensure critical components availability 	<ul style="list-style-type: none"> Identify and monitor advanced KPIs 	<ul style="list-style-type: none"> Identify key resources required Secure talents 	<ul style="list-style-type: none"> Review R&D portfolio in the light of short term needs 	<ul style="list-style-type: none"> Ensure customers are served satisfactory Competitor watch 	<ul style="list-style-type: none"> Ensure system are ready and up and running
Forward Looking	<ul style="list-style-type: none"> Support funding 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Identify pot. acquisition targets (upstream; downstream) 	<ul style="list-style-type: none"> Define the frame of opportunities 	<ul style="list-style-type: none"> Assess potential resources need 	<ul style="list-style-type: none"> Review R&D portfolio 	<ul style="list-style-type: none"> Identify unsatisfied demand or “adjacent” market 	<ul style="list-style-type: none"> Support
Forward Org. & Communication	<ul style="list-style-type: none"> Summarize key financial element 	<ul style="list-style-type: none"> Define/review messages by workforce cluster (plants, geography) 	<ul style="list-style-type: none"> Define/review appropriate communication by supplier cluster 	<ul style="list-style-type: none"> Ensure consistent Information across people cluster 	<ul style="list-style-type: none"> Define employee needs Adapt policies (H&S; travel) 	<ul style="list-style-type: none"> Define message about the future (“light at the end of the tunnel”) 	<ul style="list-style-type: none"> Define/review communication by customer cluster 	<ul style="list-style-type: none"> Train and develop system in new « work from home »

Source: Arthur D. Little



War Room Team Member (Core Team)

Essential Contribution to Workstream

Supporting Role

Arthur D Little

Arthur D. Little has been at the forefront of innovation since 1886. We are an acknowledged thought leader in linking strategy, innovation and transformation in technology-intensive and converging industries. We navigate our clients through changing business ecosystems to uncover new growth opportunities. We enable our clients to build innovation capabilities and transform their organizations.

Our consultants have strong practical industry experience combined with excellent knowledge of key trends and dynamics. ADL is present in the most important business centers around the world. We are proud to serve most of the Fortune 1000 companies, in addition to other leading firms and public sector organizations.

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