

A top-down view of a white desk. In the top left, there is a clear glass jar with a silver lid, filled with copper paper clips. Next to it is another smaller jar, also with copper paper clips. A white tablet with a black screen is in the top right. In the bottom left, there is a copper pen and a white pen. In the bottom right, there is a white notebook with a marble pattern and the word 'JOURNAL' written on it. The background is a plain white surface.

THE NEW NORMAL

A POST-COVID PRIMER FOR BUSINESS

Joseph B.B. Cox



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CARICOM EDITION

THE NEW NORMAL

A POST-COVID PRIMER FOR BUSINESS



Joseph B.B. Cox

ACKNOWLEDGEMENTS

The incidence of the COVID-19 pandemic has occasioned a period of extreme sadness, dislocation and stress but has also heralded a period of tremendous opportunity. Taking cognizance of the vagaries of the time makes the contributions of the various persons and groupings to the preparation of *The New Normal – A Post-COVID Primer for Business* even more pronounced and amplifies my gratitude.

Regrettably, it is not possible to name all persons who assisted. Nevertheless, special recognition must be given to the members of the Ministerial Council of the 51st Meeting of the CARICOM Council for Trade and Economic Development which provided their unequivocal endorsement to this offering ably supported by their Senior Officials. Special mention must also be made of the CARICOM Private Sector Organization for their support.

I would also like to recognise the valuable feedback and support from Ambassador Colin Granderson, Ambassador Dr Clarence Henry, Ambassador Lawrence Sylvester, Dr Patrick Antoine, Dr Matthan Walter David Prendergast, Joan Thomas-Edwards, and Marcia Ormsby.

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MESSAGES

COOPERATIVE REPUBLIC OF GUYANA



Guyanese businesses have been significantly affected by the global pandemic, COVID-19. The effects of the pandemic are evidenced by lower sales volumes, reduced working hours and customer base, as well as supply chain disruptions. Some businesses were better positioned to quickly respond, due to scale advantages, while others require support over the medium to long-term.

In response, the Government of Guyana, provided support through fiscal policy measures to businesses by way of COVID-19 Business Relief Grants, through the Small Business Bureau. Moratoria with the banking sector were also negotiated, which allowed for extensions on loan payments and concessional reductions of interest rates. Further, an agreement was reached with commercial banks to support the short-term capital needs of businesses. Cash grants distributed to all households proved to be a key stimulus for many businesses given accelerated consumer spending. Additionally, VAT was removed from domestic travel, providing a fillip for the travel sector, already hard-hit by the pandemic.

It is imperative that businesses quickly adapt to the ‘new normal’ imposed upon us if businesses are to ensure their long-term viability. This ‘new normal’ speaks to the pace of implementation of digital transformation, forcing businesses to re-orient their operations.

Already customer preferences are transitioning from face-to-face interactions to virtual transactions. In fact ICT has become *obligatory* in the execution of business activities. Concurrently, businesses must ensure that safety protocols are implemented and adhered to.

These developments present both opportunities and challenges for businesses. The challenges will encompass re-orienting operations to ensure survival in a COVID-19 environment. Conversely, there are opportunities for wider market access through creative marketing and distribution and enhancing organizational efficiency.

For MSME’s greater support may be required to minimize the challenges while capitalizing on the opportunities. In this regard, the Government is moving ahead quickly with the E-Commerce and Electronic Transactions Bill to facilitate the necessary legislative landscape. Further, plans are advanced to introduce a National E-Commerce Strategy. The Strategy is aimed at mobilizing the nation to develop technical and commercial capacity in Electronic Commerce and to adopt E-commerce in trading of goods and services. These are all essential to the new norm of doing business.

The New Normal - A Post-COVID Primer for Business outlines corporate strategies and the intervention framework required to facilitate a transformation of business activities. These strategies encompass continuity, digital transformation, and communication strategies to optimize messaging to various stakeholders. I encourage businesses to take full advantage of the recommendations and the consultation exercises that will be undertaken to disseminate the contents of the publication.

Hon. Oneidge Walrond, M.P

Minister of Tourism, Industry and Commerce
and

Chair

51st Council for Trade & Economic Development

Caribbean Community (CARICOM)

ANTIGUA & BARBUDA



A defining metric that governs our lives, is that we are the sum of our choices. It is therefore within that contextual framework that we approach the post-COVID environment in Antigua and Barbuda. The country has been buffeted by the economic and social dislocations that have been occasioned by external pandemic mitigating measures including lockdowns, travel restrictions and supply chain disruptions.

At the same time, budgetary resources had to be reallocated to combat the virus locally. In fact, the economic costs in terms of lost value-added, increased exponentially for the duration of the lockdown.

Nonetheless, despite the challenges visited upon us, we must guard against a state of vaccine paralysis - waiting for full access to a vaccine before focussing on the twin ideals of growth and development - and recognise that COVID will be with us for some time. While we adapt to that reality, every effort must be made at this time to strengthen our economic base.

Hence, at this juncture, it is opportune to focus on the post-COVID environment so that the process of rejuvenating flagging and fledgling economic sectors can be accelerated with a renewed purpose. It is therefore critical, that our business and the wider entrepreneurial community in Antigua and Barbuda, strategically position themselves to capitalise on the opportunities that will arise post -COVID.

However, we are also transitioning into an environment where there will be heightened competition and thin margins, where emphasis must be placed on re-engineering our business models for success.

COVID-19 has not been a market disruptor per se, but an accelerant for change while cognizance must be taken of the fact that the global market dynamics have drastically changed, and survival demands innovation, agility, and increased responsiveness to the needs of customers. New industries will emerge and some may be phased out over time, but there are also likely to be tremendous opportunities for reskilling and upskilling within the public and private sectors. That is why the Gaston Brown Administration and stakeholders have developed a plan entitled, "Repositioning Antigua and Barbuda for Dynamic, Sustainable and Resilient Growth", which will serve as a road map leading to economic growth and transformation post-COVID. As such, greater emphasis must be placed on the digital transformation of our industries, customer engagement, effective communications and human resource management.

The 'New Normal' which confronts us will also require transformation at the State level with greater emphasis being placed on efficient service delivery, research and development, innovation, and the facilitation of business activities. In that vein, emphasis must be placed on confronting, circumventing market challenges and institutional rigidities including supply chain disruptions where appropriate.

ANTIGUA & BARBUDA



This publication "The New Normal - A Post-COVID Primer for Business," is a useful intervention which not only guides businesses and entrepreneurs along a continuum for adaptation and success in a post-COVID operating environment, but provides useful insights in terms of emerging industries and the business of the State.

Clearly the issues of small island developing states become critically important given resource limitation and consequential impact on their economies. Therefore, Antigua and Barbuda congratulates the author for the hard work involved in a successful publication.

Hon. E. P. Chet Greene

Minister of Foreign Affairs, Immigration & Trade



Antigua and Barbuda recently completed a \$30m Oasis-class cruise berth at St John's

CARIBBEAN EXPORT DEVELOPMENT AGENCY



COVID-19 has laid bare the vulnerabilities of our Region and placed our economies and societies under immense stress. We are now faced with a choice. As the world opens back up to a new normal, it can be business as usual with a few adjustments, or we in the Caribbean can take the opportunity to press the reset button on our development agenda.

At Caribbean Export, following the World Health Organisations declaration of the global pandemic in March 2020, we first listened to the needs of our constituents. In collaboration with the Caribbean Development Bank, we conducted two surveys which targeted both Micro, Small and Medium Enterprises and Business Support Organisations to understand the initial impact of COVID-19, as well as to identify the short, medium and long-term needs of the respondent CARIFORUM private sector in order to inform our programming during these unprecedented times.

The main findings identified that approximately 77% of those businesses surveyed were negatively impacted by COVID-19, with 79% experiencing severe cash flow issues; 73% reduced sales; 49% having to close physical locations; 45% halted production of goods/offering of services and 47% temporarily ceased operations altogether. In addition, 88% of business owners also had no contingency plans. These findings, whilst gathered in the early stages of the pandemic, reflecting a scenario even before full economic impact has been felt, highlight a clear need for our Region's private sector to re-assess, re-tool, and re-build with transformation in the forefront.

In response, Caribbean Export in cooperation with development partners, the European Union, has not only provided much needed funds directly to CARIFORUM businesses via the new Direct Support Grant Programme; we have also responded to the apparent capacity building needs of the private sector, particularly in the areas of digital transformation and e-commerce. Caribbean Export, like many of our beneficiaries, has had to adapt to the new norm and has been providing a suite of training and resources virtually for our private sector. *'The New Normal - A Post COVID Primer for Business'* emphasises the importance of being agile and provides practical guidelines to navigating these new times.

From my standpoint, we must recognise, accept and support the central role of the private sector in advancing transformation and building resilience in our Region. Business will be the engine for jobs, growth and prosperity of our people. There is no other option given the stark global, regional and national financing realities. Given this reality, I welcome this timely and valuable publication, *'The New Normal - A Post-COVID Primer for Business'* which presents a suite of practical guidance and strategies for businesses to transform into the new reality in which we all live. I commend Assistant Secretary-General Joseph Cox for this valuable piece in providing guidance to navigating these times and helping to set the agenda going forward.

Deodat Maharaj
Executive Director
Caribbean Export Development Agency

CARICOM PRIVATE SECTOR ORGANIZATION (CPSO)



Undoubtedly, the advent of COVID-19 has severely impacted the prospects for the regional private sector's growth and development in the next several years. The newly formed CARICOM Private Sector Organization (CPSO), at the behest of its Members, made an early contribution via Document titled, "A Framework for Risk Assessment, Management and Communication in the Time of COVID-19" which aimed to provide some direction to Governments seeking to assist the private firms and entities in successfully 'stepping down' from COVID-induced restrictions, and engaging the recovery phase, so critical to the growth and development of CARICOM economies.

In adjusting to the "new normal", private sector firms and entities are at this time engaged in adjustment, recovery, and the setting of their sights on growth opportunities arising from this pandemic.

In this recovery phase, the regional private sector stands at the forefront of the Region's aspirations to reduce poverty, stimulate growth and investment, and enlarge its participation in regional and global value chains and networks.

The 'new normal' brought about by COVID-19 has also highlighted the centrality of connectivity in all its various dimensions, including connectivity among and between the private sector at all levels - micro, small, medium, and large firms; information and communication technology (ICT); digitalization; logistics; and trade connectivity within the CSME and with Third Countries.

In the context of the overall positioning of the CARICOM private sector, the Publication, "*The New Normal - A Post-COVID Primer for Business*" presents an interesting contribution to the trade and development discourse, and the imperatives for direction by the CARICOM business community at this time. The ideas contained in the Publication will no doubt find expression in the approaches by the private sector as it grapples with the diverse elements which need to be incorporated into business strategy at this critical juncture.

The publication of this work on "*The New Normal - A Post-COVID Primer for Business*" also forms an important contribution to the Region's resolve to emerge from the crisis more resilient, and better positioned than it was prior to COVID-19. For Micro, Small and Medium Sized Enterprises (MSMEs), embracing the direction provided by this Publication confirms the Region's vision of exceeding its historic 'highs', as it strikes out into an era of increased uncertainty, but with positive expectations for even greater development dividends.



Dr. Patrick Antoine
Principal Consultant / Interim Head
CPSO Secretariat

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INTRODUCTION



The major challenge facing the business community in the post-COVID era is how to traverse the market disruptions as they enter a prolonged period of economic pressure, while taking cognizance of the fact that their actions in the ensuing months will set their performance trajectory for the years ahead. Operationally, this translates into the need to reorient business models to facilitate optimal levels of productivity and wealth, through a process of transformation. One manifestation of this is that digital engagement levels have climbed.

Indeed, the business architecture has already been sufficiently transformed, where ICT is no longer deemed a mere support service but a principal driver in the Post-COVID operating environment. In that light, businesses that will survive the period of transition to the new normal are those that exhibit bold vision, a willingness to innovate, practice disciplined execution and adapt with agility. This requires optimisation of the labour force and, in that regard, up-skilling and re-skilling are integral accelerators for the future growth of businesses.

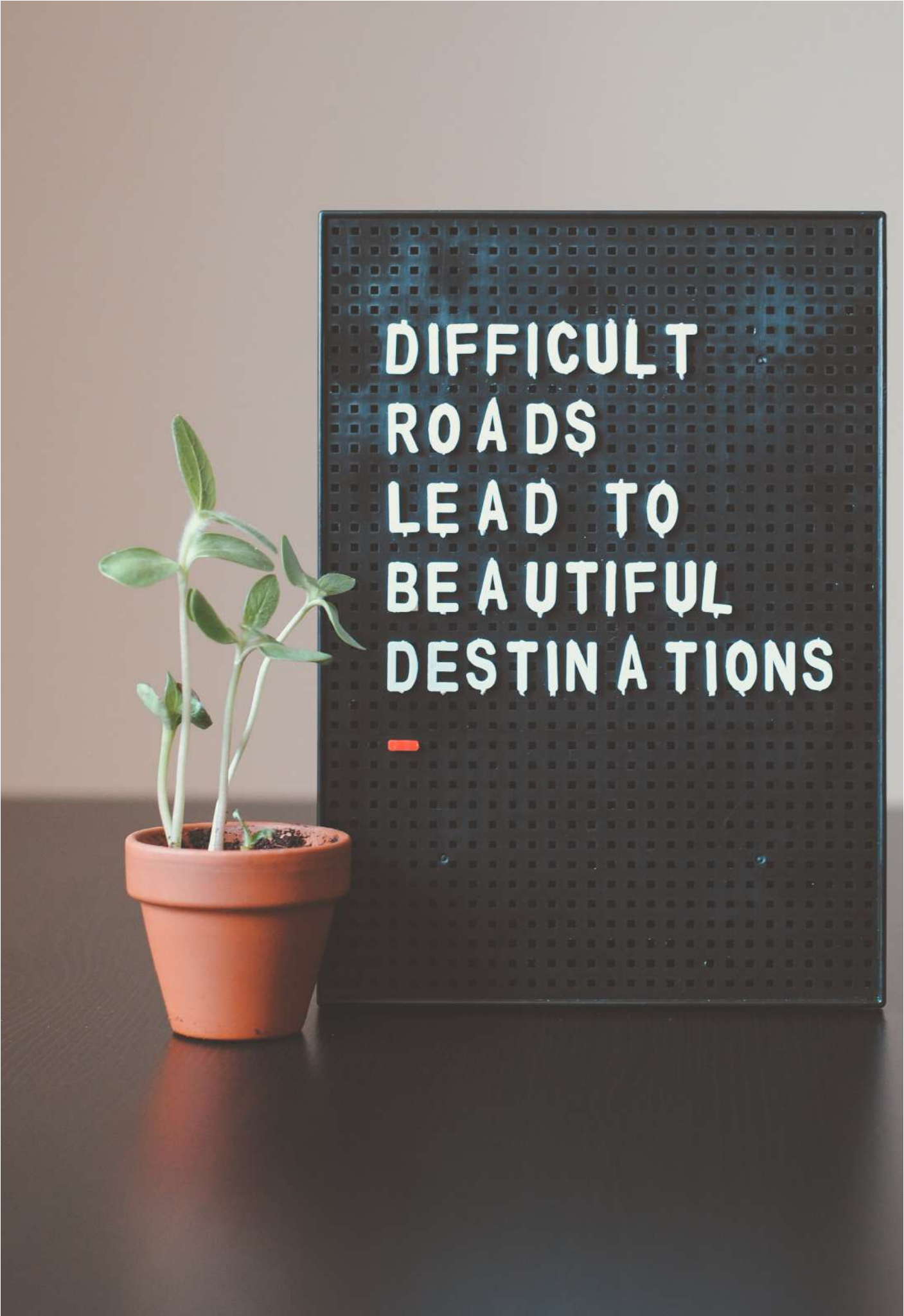
Critical issues that could challenge business fundamentals include the shift in customers' and workers' behaviour, and the high probability of retention of learned behaviour in the post-COVID period. Indeed, working remotely - previously an occasional benefit - is now an imperative for many. Similarly, for a significant number of persons conducting business virtually, it is far most cost effective and efficient. This behavioural change has manifested itself in an exponential increase in online commerce in the Region, ranging from grocery shopping to banking and entertainment.

Whereas, over time, some businesses will seek to revert to business practices that obtained prior to the pandemic, this will not be the norm, as already the shifts in demand and the shrinking of profit margins will create greater impetus for the efficiencies that arise from embracing a more technologically driven future. Emphasis will also be placed on the creation of value-added experiences for both customers and potential customers. However, this must be effected in an atmosphere of strategic communication and data-driven and targeted marketing.

The post-COVID period has also heralded a period of increased market concentration, occasioned by mergers and acquisitions, coupled with business failures; hence supply chain management and transformed business continuity frameworks become critical aspects as business traverse the new normal.

This publication is cast against the backdrop that the traditional dogmas must now be retired, and in an environment where the role of the State is confirmed to be facilitatory, businesses are required to rise to the challenge of being the engine of growth. *"The New Normal - A Post-COVID Primer for Business"* is a vehicle seeking to equip businesses caught in this period of transformation, with guidelines regarding how to navigate the evolving business environment where survival will be driven by data mining and effective strategy.

Joseph B. B. Cox

A photograph featuring a small green plant with several leaves growing out of a terracotta pot on the left. To the right of the pot is a black rectangular sign with a grid of small white squares. The sign contains the text "DIFFICULT ROADS LEAD TO BEAUTIFUL DESTINATIONS" in white, bold, uppercase letters. A small red horizontal line is positioned below the text on the sign. The entire scene is set against a plain, light-colored background.

DIFFICULT
ROADS
LEAD TO
BEAUTIFUL
DESTINATIONS

SUMMARY

Corporate Strategy	Intervention Framework
Complete Transformation (restart)	Completely different line of business; Liquidation of previous assets; New business strategy and outlook.
Business Continuity	Continuing in the same line of business but geared toward an operational pivot informed by a Business Impact Assessment.
Optimizing Assets	Optimizing ROI on business assets; Renting out of underutilized equipment; Re-purposing operating space for secondary activities, where appropriate; Renting unused office space.
Digital Transformation	Process influencing reorientation of business models, organizational processes, and customer experiences, through the adoption of digital technology geared to meet the challenges of an evolving business ecosystem.
Communications	Development of an overall communication strategy and plans to optimize messaging to both internal and external stakeholders, while ensuring alignment to the overall strategic plan of the organisation.
Marketing	Promotion and selling of goods and services in a dynamic marketplace.
Broadening Customer Engagement	The market in the post-COVID era calls for deeper analytical rigour and seeks to incorporate what customers are actually saying about the enterprise, in an effort to better target their needs and requirements.
Human Resource Strategies	The crafting of modernized HR strategies geared toward optimizing staff engagement levels, productivity, and retention, with a blend of leadership styles; focusing on future state staff requirements to optimise competitiveness.
The Business of the State	The required intervention framework by the State, to ensure that it remains in a purely facilitatory role, and allows the private sector to assume the mantle of the engine of growth.
Emerging Industries in the Region	A snapshot of the emerging industries which are likely to have a medium or long-term impact on the Caribbean.

SECTION 1

STRATEGIC PIVOT



COMPLETE TRANSFORMATION (RESTART)

In navigating the post-COVID era over the medium to longer term, organizations must become cognizant of the changing operating dynamic, in so far as there will be long-term changes in terms of the political climate and strategies, social interactions, events, personal contacts, and increased pressure for new products and services increasingly being offered by way of a digital platform. Organizations, therefore, need to be nimble and responsive to this changing operating environment to be able to function optimally and profitably. To this end, the following represents a non-exhaustive listing of suggestions for either new entities or for those whose business model now dictates a complete restart:

Completely wind-up operations of previous entity – Whereas the Caribbean usually ranks highly in terms of opening a company in the Doing Business Surveys published by the World Bank, the converse is not true, and company closures and wind-up operations are extremely cumbersome and costly.

Failure to close a previous enterprise properly can lead to the principal shareholders being liable for mounting fees and penalties

However, failure to close your previous enterprise properly can lead to the principal shareholders becoming liable for mounting fees and penalties associated with an active or even dormant enterprise.

For countries where a tax compliance certificate may be required to be able to operate, if there are outstanding tax liabilities associated with the previous enterprise which can be linked to you or the new enterprise, you will encounter difficulties in receiving same until or unless a negotiated settlement arrangement can be made.

Divest or buyout (previous company) – In the case of a large enterprise, you can divest and/or repurpose a new division. For other enterprises, if you are exiting that market, you can also sell the previous business as a going concern, pricing same on the basis of goodwill. The options for exiting from the previous business enterprise also include exploring the possibility of a merger – whether horizontal or vertical – in which the business concern you were involved with is dissolved under the scheme of arrangement.

Identify country of incorporation with the most beneficial tax framework to start – Even though in some jurisdictions it's now fashionably taboo to speak to tax planning, it is imperative that a new enterprise in the post-COVID world, where margins and competitiveness are of even greater importance, that the issue of tax planning be treated upfront. This is usually influenced by the country of incorporation, whereby several countries have tax laws and regulatory frameworks which are relatively more favourable to businesses. It is, therefore, incumbent on the principals involved in a new enterprise, to research and explore, where practicable, the most optimal legal framework within which the company will be incorporated. Please remember that country of incorporation does not necessarily dictate the location of the headquarters of the enterprise.

Strategically select persons for the Board of Directors – It is incumbent on the principal shareholders or beneficial owners of an enterprise

to conduct the requisite due diligence with regards to potential board members. Care must be taken in ensuring that the persons so invited to join the Board of Directors are “fit and proper” or in good standing. It is also important that Board selections are kept at a manageable number, but that every effort is made to engage experienced (and preferably influential) persons with a track record in corporate governance, financial management, and legal training at a minimum, along with other invitees being deemed to be experienced in the specific area of business being ventured into, taking due care to avoid potential conflicts of interest.

Automate as many processes as possible and optimize use of technology – Being in business is not an altruistic endeavour. The singular goal of operating a business, unless dictated otherwise by its business model, is to make profits. This necessitates minimizing overheads and optimizing operational efficiencies.

In the post-COVID era, it is essential that enterprises critically interrogate their process maps, to determine, where appropriate, whether these processes can be automated.

This requires migrating all systems to the cloud, using software applications for all financial and operational tasks, coupled with adapting technology, to all aspects of the customer experience. This should be done in conjunction with strategies that allow for a more flexible work environment. Implicit in this strategy, however, is the implementation of the requisite cyber-security mechanisms to ensure system integrity.

Optimize the use of renewable energy in the new facility – Utility costs are one of the higher cost centres in any enterprise and to the extent feasible, it is the task of every manager to keep these costs at a minimum. In this regard, it is useful to employ, where feasible, renewable energy solutions. This could take the form of solar panels and other forms of green energy, configuring the plumbing so that water that originates from the air conditioning chillers are used to flush toilets and in landscaping.



Where appropriate, any excess energy can be sold to public electricity grid. In the configuration of office or factory space, the use of panelling should be kept to a minimum, to allow for optimal usage of natural lighting and air flow. Cognizance should also be taken of the fact that, in certain circumstances and determined by the nature of the enterprise, it is sometimes cheaper to build your own customized facilities than to refurbish and retrofit an existing building in order to meet the requirements of the enterprise.

Aggressively recruit staffing – The success of every business is contingent on having a strong management and support team; hence every effort

must be made to recruit the best staff feasible. Such persons must have a track record of success in their particular line of business and, thereby, be able to bring value to the bottom-line. Emphasis must not only be placed on recruitment, but on developing the requisite mechanisms to keep said team members engaged and, therefore, maintain high staff retention levels. In that regard, it would be useful to establish an intra-organizational think tank where top executives and top talent are combined in a single team to accelerate decision making. Whereas it may be ideal for recruitment to be effected within relatively close proximity to the location of the enterprise, the regional and global labour pools should be tapped into, using professional headhunting firms, where necessary, to identify the particular talent that is required.

Carefully interrogate potential supply chains – Business enterprises in a post-COVID world need to recognize that supply chain management is no longer merely confined to notions of cost reduction but about the totality of the product or service. Hence in this dispensation, market share and service differentiation become paramount. Indeed, whether the corporate strategy is centralized around innovation, service delivery or cost leadership, it is critical that the supply chain operates optimally to realize those goals; hence every aspect of the potential supply chain should be reviewed to ensure that, even in the worst circumstances (another pandemic), there is minimal to no disruption. This should be informed by rigorous data analysis which allows for end-to-end supply chain management.

Research thoroughly, incentive programmes and financing facilities – The value of an investment in any market is dependent on its expected future cash flows and the required rate of return for investors who have participated in the transaction. This is why it is imperative for a new enterprise to thoroughly explore the markets within which they operate for any incentive programme or financing facility which may be applicable to their particular firm or industry. Some of these incentive programmes, in particular, are sometimes operated through trade associations, investment promotion agencies, coupled with those that are operated through central government and local government apparatus. Cognizance should be taken of the fact that, in most countries, there is no single focal point for the incentive framework and the process by and large is marked by information asymmetry. However, the issue of tax competition between countries is real and sometimes can be a critical deciding factor in terms of location of the business. Similarly, there are usually concessional financing facilities (through special windows) for some industries and it is important that the requisite research is done.

Financing the business – In the post-COVID world, where market share and competitiveness are paramount, it is critical that even new enterprises start at a scale of operation which at least defines them as a player in the market. However, to do so, enterprises must explore several possible sources of financing that may be applicable. In the market, there are opportunities for Private Placements,

Venture Capital financing, Bond offers or other capital market opportunities, Initial Public Offerings (IPO), Stock Market listing, loan funding, and personal equity.

Whereas some businesses continue to fund their operations by way of bank overdraft facilities, this is a sub-optimal approach and would not be encouraged. It is important to note, however, that all these options, save and except the use of individual funds, demand transparency guarantees and are influenced by low reputational risks of the principals. In fact, it is usually beneficial if efforts are made to leverage goodwill previously established to float an IPO or private placement to fund a new venture. In terms of seeking funding through the Stock Market, there is need to research thoroughly, listing and reporting requirements and enterprises which should explore whether they would be best served by listing on a Regular Stock Exchange or, in jurisdictions where it exists, a junior market or an SME market.

Strong communications and marketing strategies – Though these issues will be dealt with in more detail in separate sections of this publication, it is important to recognise that a carefully crafted communications strategic framework and marketing plan is an absolute precursor to the success of any enterprise in the Post-COVID world. The communications and marketing strategies must be informed by data (focus groups and surveys among others) and commence just after incorporation of the enterprise.

It is also useful to embrace an aggressive networking strategy – corporate mingles etc. – to introduce your new enterprise to your potential customers. Many enterprises make the error of relegating communications and marketing to the bottom of their priority listing and, in fact, at the first sign of any turmoil, it is usually the first area where budget cuts and a generally scaling back of operation is implemented.

“Enterprises make the error of relegating communications and marketing to the bottom of their priority listing and, in fact, at the first sign of any turmoil, it is usually the first area where budget cuts and a generally scaling back of operation is implemented.”

Strategic communication and marketing offerings, which usually impact interactions with customers and clients and general market perception of the product or service being offered, thereby help to sustain the economic base of enterprises and must, therefore, be afforded high priority. In fact,

strategies which are particularly targeted to your market segment are encouraged. Further, it is imperative that this process is not limited to social media, but should utilise, where appropriate, all media platforms and traditional forms of communications, taking into consideration that limitations do exist in terms of internet penetration in some geographic zones.

Pricing strategies – Pricing at the enterprise level is usually determined by what price the market will bear and which is influenced by rigorous data mining and analysis. In that regard it will be necessary to employ both tactical and strategic pricing strategies. The tactical strategy would treat with the short-term dynamics in the marketplace such as shifts in demand and competitiveness emanating from the era of the COVID-19 pandemic.

Similarly, the enterprise should also develop a strategic pricing plan which will take account of the medium to long-term profit objectives of the enterprise for the entity, based on a product by product offering, taking due care to ensure that the pricing strategy for one line of products wouldn't cannibalize sales of another. Over-reliance of either strategy can be deleterious to the fortunes of the enterprise. If too much focus is placed on tactical pricing, long-term opportunities can be missed, whereas if too much focus is placed on strategic pricing, short-term opportunities may be missed and competitors' marketing campaigns remain unchallenged, leading to loss of market share.

Develop a Business Continuity Plan – Business continuity planning is the development of an ecosystem within an organization, which dictates procedures and recovery mechanisms that an organization must employ in the event of some disruptive event that has the potential of being catastrophic to the company. These events against which the organization would be seeking to indemnify itself are wide ranging and include cyber-attacks, natural disasters, fire and, of course, pandemics. In this regard, the Business Continuity Plan is geared toward the protection of assets, human resources, business processes, and customers and clients. The Business Continuity Plan is different from a *Disaster Recovery Plan* which usually focuses on the restoration of IT infrastructure and operations after a disaster.

Another aspect of business continuity planning is *Business Impact Analysis* which primarily treats with the impact of a sudden loss of business function such as what obtained during the COVID-19 pandemic when non-essential businesses were ordered closed, movements restricted and, generally, demand and supply disrupted in an extraordinary fashion, as part of the wide ranging structures adopted by most countries to control the spread of the virus. An integral part of this process in the post-COVID era must be the procurement of “key-man” insurance for the most critical team members (those whose prolonged absence from the business could prove entirely disruptive and lead to a loss of revenue). The proceeds from key-man insurance goes to the firm.



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CONTINUITY



BUSINESS CONTINUITY

Some businesses, despite the market dysfunction emanating from the pandemic, have decided to soldier on but, in light of the changing market dynamic, will now be forced to review their own internal processes and procedures which will speak to both reconfiguring their business processes for the future while continuing to operate during the transitional period. This necessitates focus on particular areas, with a view to optimizing growth and profitability.

Requires an expansive and granular business impact analysis to facilitate the determination and evaluate the impact of the market disruption

Business Impact Analysis – This will require an expansive and granular business impact analysis (BIA), in order to make a determination and evaluate the impact of the market disruption on the company's operation. This analysis will guide production and supply chain management, coupled with marketing and sales efforts and, thereby, assist in the determination of the recovery timeline. The analysis should also interrogate the processes on the basis of location, market segment, customer requirements and product offering. This allows for a dispassionate assessment of investment decisions and prospects in a bid to revalidate value chains.

It will also inform a process of reprioritization and could lead to the postponement / suspension of some investments coupled with the redeployment of resources, where appropriate. It would be deemed prudent if the BIA also involves sensitivity analysis which incorporates the development of a baseline scenario at one end of the spectrum and a scenario which incorporates the risk of renewed contagion.

Establish a phased recovery protocol – In furtherance of the results of the Business Impact analysis, and since markets tend not to be entirely homogenous (while oftentimes bearing similarities), it is useful to establish a phased recovery process on a location basis. Indeed, in what is characterized here as the Regional Nexus, there has been variability of opening schedules, both on an intra-regional and intra-country basis, which, therefore, requires variability in not only re-opening schedules after the restrictions associated with the pandemic have been eased but, in fact, in terms of business strategy employed in those markets. This approach would be ideal as there are already established differences, at least on an intra-regional basis, in terms of regulatory framework, access to transportation (in particular maritime solutions), access to foreign exchange and the existence of foreign exchange restrictions in some markets, limitations in terms of an available and qualified labour force among other issues. Given the variability among markets, whether in-country or intra-regional, it, therefore, becomes critical to revalidate the existing assumptions and previous determinations made about the client base, as these are equally variable whether the business model is oriented towards B2B or B2C or a combination of both.

Establish transparency and safety guarantees for stakeholders – Irrespective of the nature of the particular business activity that is being pursued, it must be recognized that there are two types of stakeholders – internal and external. The internal

are your employees and the external are your customers. However, there is absolute congruence between the two groups when it comes to safety issues and confidence in attending your offices or retail outlets where appropriate. If workers are not confident that their work environment is reasonably safe, there will be an increase in absenteeism or even if they attend work, productivity levels are likely to be minimal. Similarly, clients will be reluctant to engage in business activity with an enterprise with which they are not confident that their safety is paramount albeit within reason. In that vein, it is essential that a determination be made regarding what constitutes a safe experience for customers. This would be determined by way of surveys or focus group activity, to provide a scientific basis on which such determinations are made. This is particularly germane, since the post-COVID environment is likely to be one where even a marginal differentiation in service levels makes an appreciable difference to the company's bottom-line. Of equal importance is the need to focus on employee safety and, within reason, every effort should be made to ensure this, whether through the provision of Personal Protective Equipment (PPE's) or other types of safety equipment. In seeking to provide the requisite transparency guarantees, anonymous engagement surveys should be conducted among the staff, where they are polled about the adequacy of the safety measures at work or, dependent on the culture of the work environment, persons could be encouraged to make suggestions for improvement, whether through a drop box or to a senior officer.

It also provides an additional fillip to businesses, where they proactively communicate to their customers about the safety measures employed in their back offices, factory floor or even storage location.

Outsourcing – As enterprises seek to keep their overhead costs to a minimum, it may prove to be more cost effective to outsource some of the more routine processes. Whereas it is becoming more common for companies to be outsourcing their customer service line to Business Process Outsourcing facilities, some caution is suggested, as oftentimes the Customer Service Representative is the first real point of contact with an organization when there is a problem and, dependent on the nature of the enterprise, outsourcing might not be the most optimal solution. However, there is utility in other functions such as payment processing and other similar tasks, as well as some of the more routine tasks associated with Human Resource Management, such as leave management and health claims processing, among other functions. On the other hand, tasks such as the preparation of Financial Reports and the attendant analysis, bank reconciliation, inventory control, among similar items associated with bookkeeping, can be outsourced to Financial Process Outsourcing (FPO) facilities where, though more expensive than the BPO, there is a higher level of engagement and qualifications / technical skill, and even where the entity is cross-border, the representatives are required to be conversant in the tax laws of the country where the enterprise is headquartered.

Mobilizing the work force – Several employees have now become accustomed to working from home and some argue that, without the rigidity of an office environment, they are actually more productive, armed now with the requisite technological tools to facilitate their work. Conversely, there are those who absolutely hate it and long for the social interactions and camaraderie that sometimes characterise the work environment. This presents an opportunity for businesses to formally introduce flexi-work schedules, with persons being allowed to only report to the office a few times per week, representing a compromise of sorts to the telework or work from home strategy that would have obtained in the throes of the COVID-19 pandemic.

However, this scenario requires the establishment of specific performance metrics and deadlines which will have to be monitored to ensure that efficiencies and productivity gains, previously alluded to, are maintained. This would imply opportunities to review their overall needs for office space and an opportunity to reduce overhead expenses.

While this is only applicable to certain types of businesses, the benefits of a flexible approach to work at the level of the firm can be mutually beneficial and also aid in staff engagement and retention. There might also be opportunities for re-skilling (process of learning new skills to do a different job) and up-skilling (focus is on improving the skills of workers).

Restoring demand – Part of the adverse outcomes attributed to the COVID-19 pandemic has been the disruption of supply chains which have led to scenarios of unfulfilled contracts, with the attendant downstream impact on product supply. This has led to shifts in demand, as either the supply of normal product offerings became unreliable or totally unavailable, which led to consumers seeking product substitutes, where appropriate, or in other scenarios, to change in tastes. All sectors were negatively impacted at varying levels, with aviation, tourism and hospitality industries being particularly hard hit, therefore realising a significant curtailment in demand. For those industries, this demand is largely not recoverable. For the other sectors, however, they experienced deferred demand which is potentially recoverable. In seeking to restore demand, it would be advisable that enterprises, in the first instance, analyse and segment their markets, with a view to identifying and pursuing particular pockets of profitable growth which is conditional on the strengthening of the ability of the enterprise to anticipate and meet demand. This would necessitate, in the short term, the adoption of a combination of different pricing strategies, with use of tactical pricing being an obvious option, in conjunction with an aggressive yet optimized marketing thrust geared to optimizing customer engagement. This process of engagement could include the provision of payment facilities or extensions of deadlines in a highly targeted way, but in a manner which always safeguards your overall cash flow. It is critical that all efforts be made to reassure customers about operational reliability and

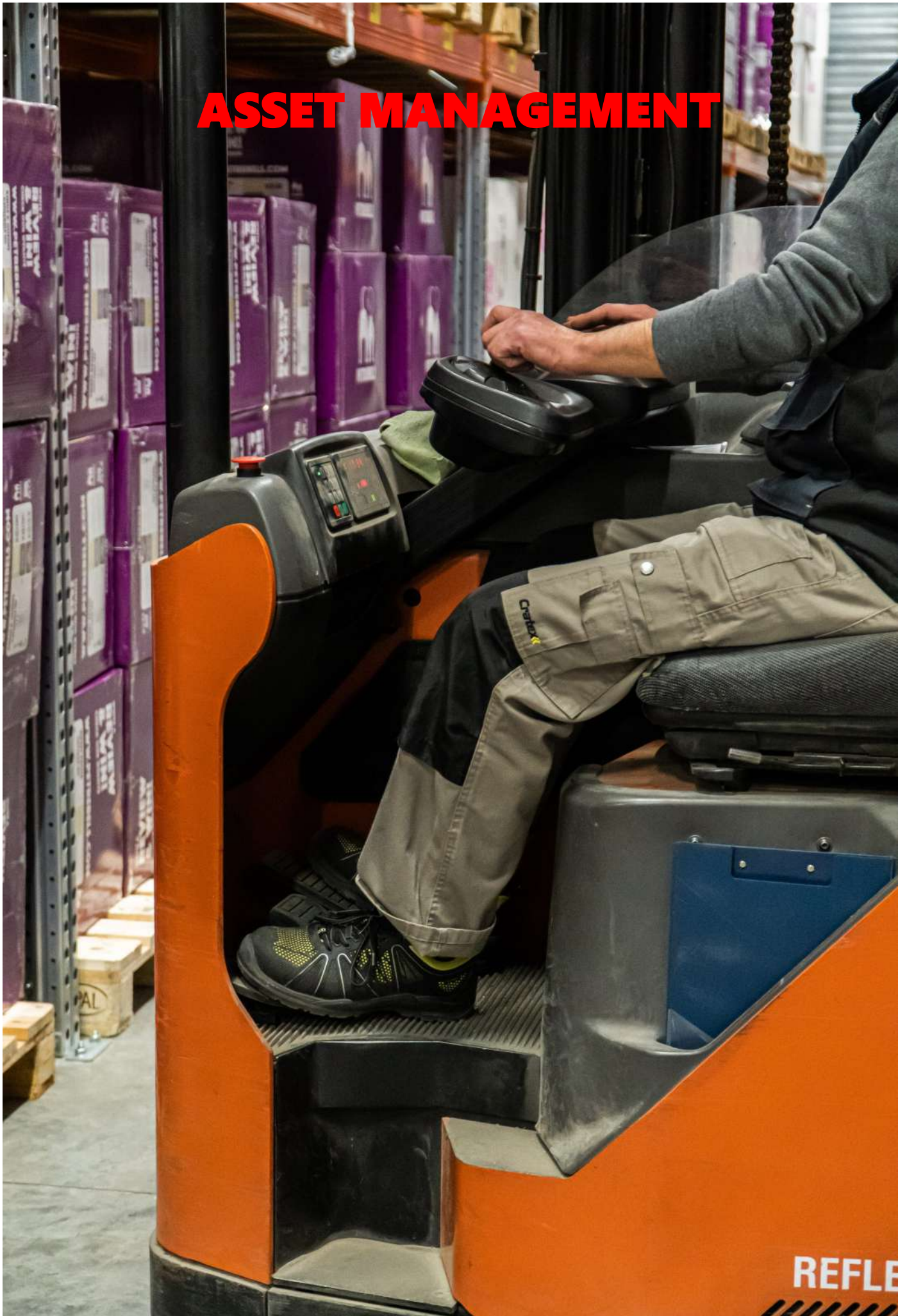
continuity strategies, particularly in the event of another severe market disruption. Emphasis in the interregnum must be placed on service delivery and competitiveness, and the enterprise would be guided to maximise their plowback ratios, positioning the entity as high growth.

Working Capital Management – Enterprises must seek to optimize working capital use and perform the requisite sensitivity analysis to systematically identify factors that could affect liquidity. In that regard, it is useful if enterprises, while being responsive to the customers' needs, carefully manage credit arrangements and payment schedules being offered, coupled with cash management, with a view to maintaining sufficient funds to finance operations, and without resorting to overdraft and other such facilities. It, therefore, would be useful if companies develop financial models for each market segment and, on that basis, make informed and data-driven decisions on the various financing facilities that may be offered to each market segment. This will also necessitate that business models be so configured / reconfigured to be nimbler, with the attendant streamlining of internal processes and rigorous interrogation of supply chains. In that regard, it is necessary for enterprises to not only be strategic in their procurement processes, but to ensure that the procurement process also incorporates the concept of redundancy whereby secondary suppliers are identified, so that, in the event of market disruptions, the prospects of output disruption is minimized.

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ASSET MANAGEMENT



OPTIMIZING ASSETS

It has become the norm for various maladies that continue to afflict national and global economies to be designated as once in a hundred-year event. However, these once-in-a-century events seemingly are recurring with greater frequency than the designation would suggest and, therefore, it is of immense strategic value that asset planning at the corporate level include mechanisms intended to indemnify operations, to the extent possible, from the disruptions that various maladies, including COVID-19, occasion.

It is of immense strategic value that asset planning include mechanisms intended to indemnify operations from disruptions

This necessitates incorporating flexibility into planning and forecasting cycles, coupled with some amount of contingency resource allocation. Astute corporate planners will be required to stress test their assets and deftly manage and mitigate portfolio risks; however, due care must be exercised to ensure alignment with the long-term strategic plan of the organization.

One of the characteristics of a successful business enterprise is the ability to garner income from multiple revenue streams. In that vein, it is, therefore, imperative that strategies are developed and pursued, which seek to optimize the company's assets.

Company assets typically include its customer base, inventory, plant or store front, cash in hand, receivables, goodwill, website, machinery and equipment, contracts, vehicles, sales force and executive team, among others. However, it is always useful to note that the market value of an existing business is higher than the accounting book value if

its returns are above the cost of capital (and lower if its returns are below the cost of capital), and an astute manager must account for this reality. In the post-COVID era, with fundamental changes being experienced in working arrangements for staff and customer interactions, coupled with shifts in demand occasioned by the inability to source specified goods due to supply chain disruptions, it is critical for enterprises to effect an analytical assessment of its assets and make a determination as to which aspects can be further monetized.

ASSET MANAGEMENT STRATEGY

Data analytics and modelling – This, therefore, highlights the need for the development of an asset management strategy, whereby emphasis is placed on the use of data analytics to facilitate dynamic forecasting, in an effort to manage potential vulnerabilities to the value streams of the enterprise. This analysis must be done periodically (at least monthly in the immediate aftermath of the pandemic, thereafter gradually transitioning to quarterly) to take into consideration the shifting dynamics of the post-COVID era. Indeed, it would be suggested that enterprises utilize the data at hand to model demand and, therefore, facilitate effective scenario planning. The model would be grounded in pre-pandemic data, post-pandemic projections, and industry assumptions coupled with data regarding consumer behaviour. The relevance of the model is determined by the validity of the data and assumptions utilized in developing the base-line and, therefore, extraordinary care must be exercised

in this aspect of the development. Further, in the optimal management of corporate assets, strategic KPIs should be developed to guide decision-making. However, a common mistake in this endeavour is for too many KPIs to be developed which compromises the efficacy of the process. Less is more; six (6) to eight (8) KPIs is always a useful benchmark, so there is need to be strategic and identify those indicators which are truly important. If, for example, the KPIs are pointing to sub-optimal returns, it would be prudent for the enterprise to limit its discretionary expenditure and refocus resources on those areas needed to restore a sense of financial normalcy.

Re-alignment of business models – The attendant sensitivity analysis that will be utilized in this process will allow enterprises to prioritise based on value and, in so doing, consistently re-validate the value proposition of their product offering. This may call for a complete realignment of the business model (for example, moving from Business to Business (B2B) to Business to Consumer (B2C)) to take advantage of changing market dynamics. It has become most manifest in the Agricultural Sector within the Region, whereby farmers are now selling directly to consumers by way of physical and virtual farmers markets.

Indeed, the evolving business environment could provide room for market innovations whereby, for instance, the development of a Regional Commodities Exchange where trading of specified agricultural output could occur, thereby allowing for the buying,

selling, and trading of commodities. The Region has been involved in the extractive industries (primarily gold, bauxite and oil) and agricultural production (coffee, rice, sugar and citrus among others) for a considerable period of time. All these products are tailor-made for commodities market trading, which could also herald the introduction of a suite of financial derivatives, leading to a further deepening and broadening of the financial market. In its initial stages, such an initiative could be linked to one of the major existing commodity exchanges (e.g. the Chicago Mercantile Exchange) until the throughput is increased to a point to accommodate market sustainability.

For those markets that already have Secured Transactions legislation, this would facilitate the use of non-traditional forms of collateral (such as agricultural produce, cattle etc.) which would allow for a more flexible approach in receivables financing.

In any event, the strategic shift required would be underpinned by precision targeting insights generated from data on consumer behaviour.

Funding the transition – These strategic shifts would be resourced by way of a “Flexible Funding Framework” which would be a facility linked to specific scenario-based triggers but which guides funding and resource allocation; this would facilitate the requisite nimbleness of organizations in the “New Normal.” This is, however, inextricably linked to optimised performance reporting and

requires the free flow and timely dissemination of information across departments or cost centres. The strategic realignment would be optimised by the simplification of operating models, in an effort to streamlining costs and optimising customer engagement, thereby boosting profits and growth.

Investment strategy – A key dilemma facing enterprises is balancing investment opportunities with the capital available. For some companies that are cash poor, their horizon may be limited to getting cheques to the bank, in order to benefit from overnight call deposit rates whereas, for others with multiple investment income streams, they must become involved in more complex portfolio management scenarios where their decisions are basically risk-based and dependent on the risk appetite of the firm.

This speaks to the need for portfolio diversification, where companies invest in the money market, capital market, or equities market. For some with pension funds at their disposal, dependent on any legislative guidance, investments can be more broad-based to include real estate projects and venture capital investments among other opportunities. However, it is useful for a company to develop a dividend policy and, from time to time, assess their plowback ratios which facilitates reinvestment of profits. If corporate enterprises are seeking funding, it might be useful for them to explore private placement options, venture capital offerings, regular corporate loans, bonds, debentures or seek funding through the equities market.

If corporate enterprises are seeking funding, it might be useful to explore private placement options, venture capital offerings, regular corporate loans, bonds, debentures or seek funding through the equities market. It is not recommended that working capital or investment capital be sourced by way of overdraft facilities.

Stress testing – It is important that the investment portfolio is subject to stress testing⁸, to gauge the investment risk as well as the adequacy of internal controls and processes which govern portfolio management. The efficacy of this process is bolstered by the responsiveness of the company's management to the emerging realities that would be suggested by the stress testing and, therefore, highlights the need for accelerated decision-making. In other words, the utility of stress testing is about fostering the ability to identify and adjust for downside risks.

Underutilized assets – Companies should also seek to optimise possible revenue streams that can emanate from underutilized assets. These assets can be rented, leased, or even liquidated. In fact, in the post-COVID environment, for example, where telework has become more acceptable, companies can reduce their physical footprint and sub-let or, otherwise, repurpose any excess real estate (see Chapter 3). Similar arrangements can be made in terms of vehicles that a company may own and which are not being fully utilized. Indeed, in that

regard, particularly when, because of the age of the vehicle, the book value is virtually negligible and maintenance costs are rising, a decision can be made to liquidate that asset. In other circumstances, if the vehicle still has an accounting value, it may be more beneficial to lease or rent to a third party while continuing to benefit from the depreciation allowances that can be used in the offsetting of tax liabilities.

Optimal use of operating plant – Successful companies will have to focus on optimizing profits and implicitly control expenditure while maximizing revenue. In this regard, enterprises would be advised to consistently review the use of real estate. Indeed, it might be that some critical functions can be outsourced hence reducing office space. Whatever the particular issue, every effort must be made to optimize office space, whether by sub-letting parts of a building or even parts of a floor. Where appropriate and feasible, entities should focus on operating on a 24-hour basis, thereby optimizing the use of the operating plant.

Procurement – Companies must make a determination on whether to buy or lease specified assets. A key determinant in that decision is the approximate net cost of that asset, taking account of its tax utility and potential resale value at the end of the asset life. Other considerations include the potential lifespan of the asset and a determination, if purchasing, as to whether the asset will become

⁸This is a process whereby computer simulation is used to assess the potential investment outcomes that would obtain in several varying economic scenarios

obsolete or whether the utility of the asset to the company will end, prior to any leasing arrangement. If the company ceases to use the equipment prior to the expiration of the lease, in most cases, the company will be required to complete the payments for the outstanding period of the lease. It is important to recognise that lease payments are tax deductible, but leasing tends to be more expensive in the long run than outright purchase; hence, whereas leasing has less impact on the cash flow of an enterprise, the decision-making process is influenced by the trade-offs between capital and operating costs, throughput, and service life.

It is an oft repeated mistake for equipment performance to be consistently set at its full operating capacity, as it leads to excess wear and tear, higher maintenance costs, and reduced life of the equipment

Equipment management – In optimizing the life of equipment used in an enterprise, the primary goal is to reduce downtime and optimise reliability. This is occasioned by strict adherence to an

appropriate maintenance schedule, guided by qualified personnel and developing operational thresholds within which to safely operate the equipment. It is an oft repeated mistake for equipment performance to be consistently set at its full operating capacity, as it leads to excess wear and tear, higher maintenance costs, and reduced life of the equipment. It is also important that the equipment is fully insured.

This approach has to be nuanced, somewhat, when dealing with IT assets which have a much shorter shelf life than say an industrial boiler (25 – 40 years). However, because computer equipment goes obsolete over time, the planning dynamic is different as it is quite possible to have a functional computer which is now incompatible with the software or for which parts or software updates are no longer available.

To indemnify the company from undue breakdowns or losses, many corporate enterprises avail themselves of the extended warranty for the life span of the computer and, at the point where the equipment is being written off, they either try to sell the now outdated equipment or donate it to charity. At some points, cannibalization of equipment for parts remains a viable option. However, the primary concern of the enterprise must be cybersecurity, as cybercriminals have been successful, in recent times, in disrupting entire networks and hindering production and productivity.

Other revenue opportunities – While these are not intended to be exhaustive, there are revenue opportunities in cross-marketing other company's products that are not in direct competition, by leveraging customer base and electronic platform. In that vein, other opportunities exist by way of the sale in company data (e.g. point-of-sale data) to third parties. This can be particularly useful in warehouse management and inventory control.

Corporate discipline – With the best laid plans, sometimes the expected returns do not materialize and, therefore, asset managers are sometimes faced with very difficult decisions, up to the point where liquidation of a firm must be taken into consideration. These decisions must be made with

dispatch and alacrity. This comes into sharp focus when it is recalled that the essence of engaging in a particular business activity is to maximise shareholder value. Once a clear pattern has emerged, ranging from the end of the life cycle of a particular product to changing technology, which makes the product offering redundant, a decision must be made to remedy that situation. In some cases, however, a substantial capital injection is required coupled with a fundamental operational shift. At that point, liquidation may be the only option, and whereas it would be optimal to sell the establishment as a going concern and take advantage of goodwill attached to the business, in some cases, the maximum return is garnered by literally stripping the assets and selling individually.



Decisions about acquisition, equipment maintenance and disposition must be effected in a strategic and disciplined manner by corporate enterprises

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THE DIGITAL AGE

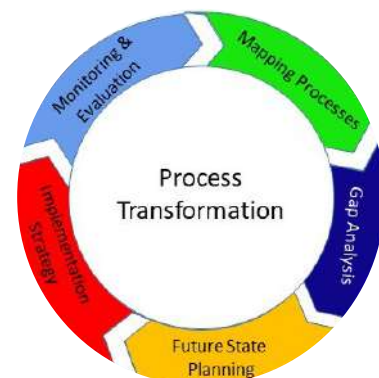


DIGITAL TRANSFORMATION

In the immediate aftermath of the pandemic, digital engagement levels have increased exponentially to the point where ICT can no longer be characterized as a mere support service but a principal driver in the business ecosystem; hence significant pressure is being brought to bear to digitize operating models, coupled with a renewed impetus to integrate electronic commerce more fulsomely into standard business models.

Emerging market dynamics are also dictating that digital channels be optimized in the development of new products and services, and that this level of innovation be also extended to external partners. Indeed, there is an emerging consensus among business operators that success in this post-COVID environment will be conditional on the utilization of the more advanced technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT), to name a few. In this regard, it is worthy of note that there are three (3) principal types of digital transformation which are as follows:

Process transformation – Organizations are driven by business processes and, whereas over time, persons have become familiar with the term business process transformation, which is basically an interrogation of existing processes in a company, with a view to optimizing same; process transformation, in the context of digital transformation, goes beyond that.



Process transformation entails the adoption of an end-to-end mind-set at the firm level, which requires the seamless coordination of work activities geared towards meeting client needs. This aspect of the transformation incorporates the use of data analytics, AI, among other technological innovations, to revolutionize organizational processes, with a view to lowering costs and

optimizing profits while also enhancing efficiency and, thereby, fostering greater market penetration and competitiveness.

Business model transformation – Digitisation is a tool often utilized to fundamentally transform how enterprises create value and, thereby, determines how competitive they are in their respective sectors. In that regard, business model transformation represents a strategic realignment of the company's core processes through digitisation, which will allow the firm to transition to a new business model. This type of transformation is geared at the interrogation of existing value propositions and revenue streams in a company and investigates mechanisms through technological solutions which will lead to the optimization of profit. The renewed dynamism associated with this type of transformation also facilitates the development of new growth opportunities, improved efficiencies, and allows for the requisite agility to respond to changing market dynamics and evolving customer preferences.

Organizational transformation – For the process of digital transformation in a firm to be effective, a critical aspect of the operation must be organizational transformation, which speaks to changing organizational mind-sets and workflows, coupled with decentralized decision-making, to drive efficiencies, all of which are underpinned by a highly competent workforce. It usually entails the redesign of cross functional core process, driven by optimized process flows. This ultimately leads to

the development of an integrated framework across the organization, which fosters overall performance improvement. However, in order to effect the overall process of digital transformation, it is imperative that the following sequence of steps be inculcated in the development of the strategy:

Articulate the vision – It is incumbent on the firm seeking to develop a digital transformation strategy, to clearly identify its *raison d'être* for embarking on this journey. Usually, the underlying objectives driving this process at the firm level are centralised around –

- the diversification of the product base and service offerings; and
- facilitation of the use of cognitive analytics to foster deeper market penetration, coupled with the enhancement of competitiveness

However, in the immediate aftermath of the post-COVID pandemic, market dynamics are likely to be a significant factor in determining the timeline for the process of digital transformation in enterprises. The vision must, therefore, also take into consideration, the matter of competitive advantage and relevance, so emphasis must be placed on the development of implementation strategies to treat with operational gaps identified in production processes. Therefore, it is always best to focus on the end goal of the transformation exercise, rather than on immediate issues that can be solved through innovation.

Nevertheless, the digital transformation strategy must be grounded in reality if it is to be effectively operationalized and, therefore, plans must be conditional on the financing currently available and aligned to the strategic goals of the organization.

Market analysis – It is a common misconception among business that their direct competitors are far more advanced along the digital transformation continuum than they actually are. In that regard a detailed analysis of current market dynamics is necessary, with a view to developing an effective strategy which affords the company the opportunity to compete. This is essential, as it is often recognized that digital products are relatively less expensive to produce, relative to those developed by traditional methods and hence up-to-date market intelligence is critical for survival. The analysis will also allow the company to explore the possibility of vertical and horizontal linkages to current partners. Similarly, digitisation also fosters the development of start-up enterprises, known as digital natives, which, in aggregate, effectively competes with the business of traditional market players, so, therefore, in an increasingly digitised world, the bases of competition for business continue to expand.

Analyse company culture – The determination of the digital transformation strategy must also be informed by a thorough analysis of the company culture, as this is a key determinant to the effectiveness of the process. The organization's culture is determined by both its internal (staff among others) and external (clients and business

partners) stakeholders and, thereby, influenced by demographics, socio-economic status, and education levels, among other social factors.

Therefore, emphasis must be placed on developing insights into the customer base through Know Your Customer (KYC) interventions and empowering stakeholders, in general, which will inform the strategies that will underpin the transformation. In this regard, it must be recognized that the impact of the digital transformation strategy is not generic or monolithic and different operating cultures and environments will respond differently to the technologies at hand.

So, whereas the utilization of AI may be appropriate for some companies, for others it would be wholly inappropriate, similarly, for Bitcoin or even the issues surrounding network security. Thus, the digital transformation strategy must be customized for each company so that its benefits can be optimized and customer retention maximised. It also must be customized for the varying sub-groups of staff within the organization, with both behavioural preferences and digital experience being taken into consideration, but with the goal of optimising the intuitive experience by stakeholders.

Nevertheless, digital transformation efforts are ongoing and continually changing hence whereas in the iterative process of implementation, start and end points may be fashioned to appeal to the sensitivities of some of the staffing and customer sub-groups; the process really never ends.

Alignment of transformation with business goals – This is another critical aspect of the process of digital transformation which, if mishandled, can reduce the entire process to a series of incremental improvements which may be useful, but a far cry from being transformational. It, therefore, dictates that the transformation strategy be congruent with the long-term business goals, which entails a thorough needs assessment, coupled with the requirements that have been identified in the post-transformation period. This also necessitates an examination of current digital infrastructure and an assessment of how well current software and other digital tools meet current operational requirements and the extent to which they can be adapted to treat with future requirements.

Anchoring this process to the longer term business strategy of the organization facilitates the identification of any institutional gaps and pinpoints areas where the development of new functionality will be essential. Particular attention should be focused on data mining (for both current and future strategic requirements) and determine the process of integration required to optimise the usage of the data collected in driving market penetration, efficiency and competitiveness of the company.

This, however, requires the commitment of time and resources to implement the digital transformation, as one mistake commonly made by organizations is underestimating the centrality of these matters to the success, as taking too long or not committing the requisite resources will lead to a

form of institutional inertia which becomes counterintuitive to the organization's strategic goals.

Talent management – The success of any digital transformation process is dependent on the professional calibre of persons actually charged with implementation of the strategy. This process must be led by persons who are digitally competent but business savvy and who also have the requisite people skills. This talent can either be built in-house by recruiting high-end specialists to drive the process, or the process can be outsourced. Whatever the determination, it must be led by very experienced professionals, preferably those with a track record of success, who possess the ability to guide the process relatively seamlessly. This is particularly germane, given the fact that most companies have legacy technologies that are not easy to change.

Even so, the person(s) so chosen to guide this exercise will, in any event, have to navigate a very complex process of identifying and implementing new systems, adapting the technology to the specific needs of the enterprise while interrogating the overall impact on the digital transformation process.

However, it cannot be over-emphasised that people skills are as important to this exercise as are process maps guiding the automation of systems to facilitate efficiency. Indeed, failed change management processes are usually linked to the dysfunctional people skills exhibited by those charged with leading the process.

Indeed, failed change management processes are usually linked to the dysfunctional people skills exhibited by those charged with leading the process

These range from being contemptuous of staff to being so focused on the process of change that the staff become alienated and the change drivers are perceived as aloof and untrustworthy. In this regard, as with any process of change, there is likely to be some amount of uncertainty among staff, ranging from a fear of being displaced by the technology, those who are mentally wedded to the status quo, and those who perceive that alteration and, in appropriate cases, automation of processes, is a reflection of their personal failure at their jobs.

This is where re-skilling and up-skilling, where appropriate, become paramount, underpinned by strong communications, as building team camaraderie and enthusiasm is also an important part of the path to digital transformation and ultimately, success.

Risk management – It is essential that companies undergoing a process of digital transformation

document identified risks at every stage of the exercise. These risks must be discussed by the implementing team and mitigating strategies implemented, where appropriate. Traditionally, risk in IT systems were normally associated with network security but in a process of digital transformation, risk is associated with every step of the process.

Indeed, in the current dispensation, issues such as privacy (GDPR regulations out of Europe), cybersecurity and data leakage, regulatory framework, strategic and implementation risks are paramount. In fact, as persons navigate the post-COVID era, they are placed on the horns of a dilemma where the overriding issue becomes the question of how will adopting a new technological platform affect their reputation, brand and competitive position and, conversely, what will be the impact on all these factors if the technological transformation fails, hence the need for deliberate and measured steps at each interval.



Risk Management Framework

Pilot testing – At the point of pilot testing, this is where a determination will be made regarding the effectiveness of the proposed systems and, in fact, it is always advisable that both the new system and the legacy system, where possible, be operated in tandem, to identify any potential challenges or areas of incompatibility. This will allow for adjustment in technology, where appropriate, and remedying any logistic challenges which may occur.

It would also be advisable that, to the extent that customer intuitive processes are part of the suite of changes, some market research be conducted with respect to the customer base, to determine their thought processes. During this “Beta” testing phase, companies can use online surveys, focus groups or even informal questionnaires, to obtain feedback on the transitional phase and be guided accordingly.

Indeed, it is extremely important that the pilot testing is extensive enough to impact every market segment and every employee. It is also imperative that all stakeholders are made aware that this is a testing phase, so that any failures will not damage the company’s reputation or brand.

Project implementation – Guided by the information obtained under the pilot testing phase, a full rollout of all aspects of the digital transformation programme can now be implemented, backed by the relevant process manuals. However, as the full transition occurs, at least for a short period of time, the legacy systems

should continue to operate. In any event, an iterative rollout process would be deemed optimal and the implementation process must be carefully managed, with particular emphasis on network integrity and stakeholders’ acceptance.

Nonetheless, unless there is some catastrophic system failure, this iterative process should be completed in a matter of weeks and no longer. Indeed, the new systems and process would be expected to yield a significant amount of data, which would be able to facilitate analysis of market trends based on demographics among other metrics.

Monitoring and Evaluation – The entire process must be continually monitored and evaluated at every stage of rollout and beyond. It would not be unexpected that, after implementation, it becomes apparent that further tweaking of some aspects may be required. It may also reveal, by way of data analytics, that new market opportunities abound and that additional revenue streams hitherto unrealized can be tapped.

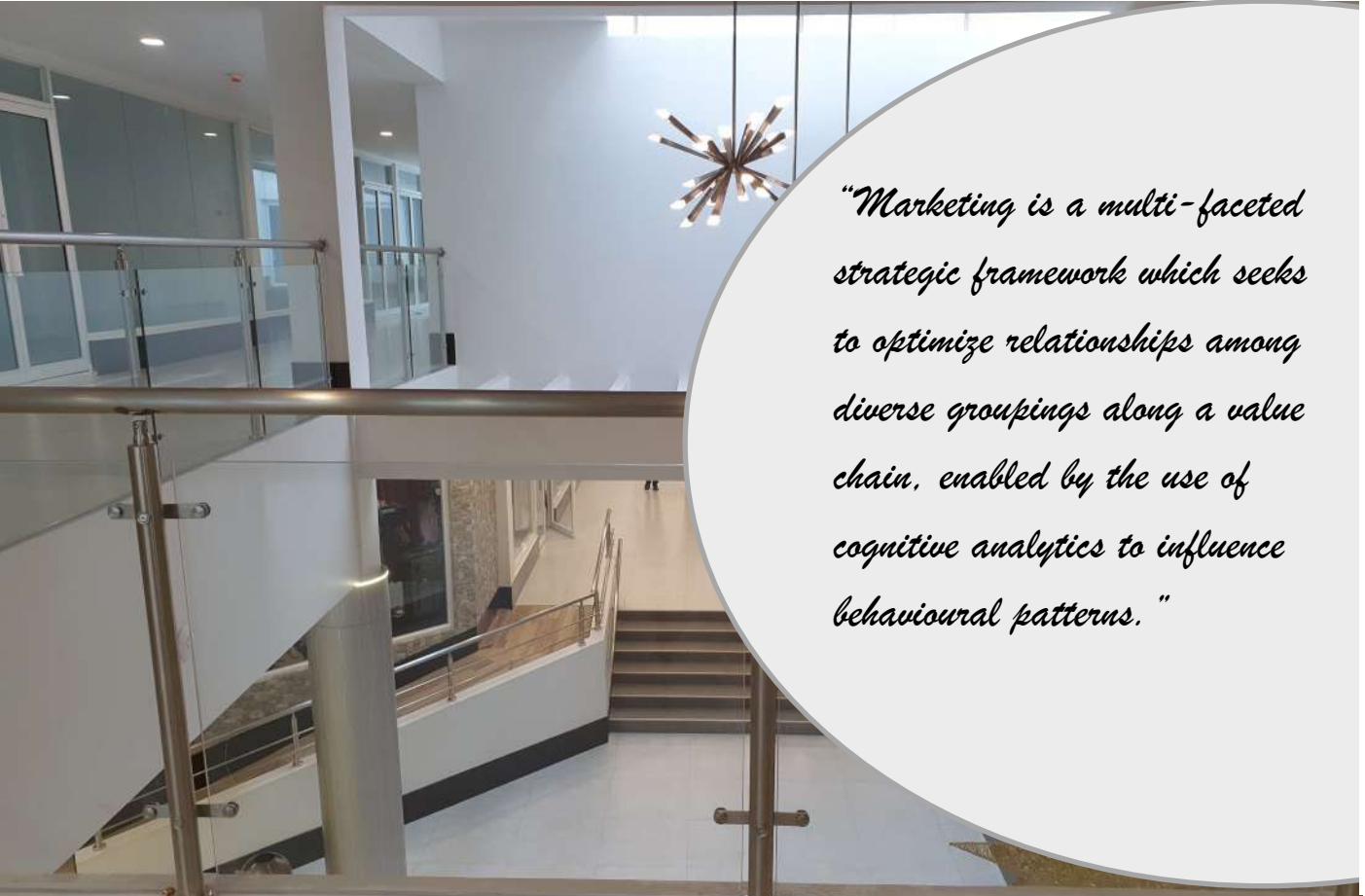
These reports must be documented and periodically reviewed, and the entire process must be the subject of a periodic audit. In the meantime, specified key performance indicators must be established, to determine whether or not the process of digital transformation has satisfied the organization’s goals.

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SECTION 2

COMMUNICATIONS & ENGAGEMENT

A photograph of a modern office interior. The scene shows a multi-level atrium with a staircase on the left, glass railings, and a large, starburst-style light fixture hanging from the ceiling. The space is bright and open, with large windows in the background.

"Marketing is a multi-faceted strategic framework which seeks to optimize relationships among diverse groupings along a value chain, enabled by the use of cognitive analytics to influence behavioural patterns."

COMMUNICATIONS

It's an oft repeated maxim that corporate communication can be an effective change driver. It leverages corporate behaviour, to facilitate the construction of a positive public persona and enhance the reputation of an organization. This requires the development of a corporate communications strategy – a deliberate and carefully crafted framework which is flexible enough to treat with the uncertainties of the market, while ensuring congruence with the organization's strategic goals and mission.

**Corporate communication
can be an effective change
driver.**

This is distinct from the establishment of a communications plan which is part of the overall communications strategy but which is geared towards the achievement of a specific goal within a

relatively narrow time interval and is, therefore, inflexible. The following represents a sampling of the more critical elements in developing the communications strategy that is an imperative for the post-COVID era:

Statement of Intent – The essence of this, particularly for high-growth organisations, is that the communication strategy must, *inter alia*, involve the development and dissemination of key messages to their respective *publics*, thereby enhancing the knowledge of the said publics about the enterprise and its offerings, with a view to influencing attitudes, actions, and perceptions about the enterprise, thereby bolstering its reputation.

Communications Audit – This is a data-driven exercise that informs research and analysis to facilitate determinations about the current state of the enterprise, its operating environment, its bases of competition, strength, weaknesses and opportunities, and the resources either at hand or which will be made available to facilitate execution

of the strategy. In this regard, it is important that the following analyses occur:

PEST Analysis – These are the Political, Economic, Social and Technological (PEST) factors that could affect the operations of the enterprise. For example, for a business to plan or survive, economic and political certainty is paramount. This is not about the personalities that may be involved but that there is policy certainty, predictability, continuity, and stability. As a matter of practicality, particularly if the enterprise is operating at a particular scale, it is important to establish rapport with the political leadership in a country without becoming enmeshed in partisan politics. Similarly, factors which will enable the acquisition of the latest technology at affordable prices are also important.

Of equal importance is the availability and reliability of high speed internet which will facilitate the establishment and efficacy of an e-commerce platform which will be of increasing importance in the Post-COVID era. Social factors, such as crime, can influence the strategic framework and viability of businesses and, therefore, represent a critical component which must be taken into consideration. Similarly, in the analysis, issues such as occupational safety and the perceived safety and comfort of customers are also important in the new normal, with organisations recognizing that in a highly competitive environment with lower margins and, in some cases, razor-thin margins, winning the hearts and minds of customers is an absolutely

imperative for the continued viability of the enterprise;

SWOT Analysis – These are the identified Strengths, Weaknesses, Opportunities and Threats (SWOT) of the Organization. However, in informing the communications strategy, the key issues that are being interrogated must be from the perspective of how to accentuate the positives, mitigate and possibly overcome the negatives, and strategically position the enterprise to embrace the opportunities, particularly as they relate to current investments and initiatives.

The SWOT analysis also allows for the identification of those audiences that are needed to be reached, engaged with and influenced. It also allows for deeper analysis of the attitudes of the customer base, identifies communication gaps, including a clinical assessment of the effectiveness and reach of the current programme of work, and proposes strategies which either reaffirm existing attitudes or make the requisite recommendations for adjustment.

The SWOT analysis must also reveal unexploited opportunities, examine future information requirements, and provide recommendations for new methods of communication which need to be used. Ironically, this may mean reverting to a previous means of communication such as the use of town criers which, over time, have waned in popularity but still remains a viable communications tool for reaching particularly underserved groups;

Bases of Competition – It is essential in the development of any communication strategy that a thorough analysis be effected, regarding competitors in the particular industry in which the enterprises fall. Competitors are usually categorized as primary, secondary or tertiary.

Primary competitors are those direct competitors with a product offering and price point which is similar to yours.

Primary competitors are those direct competitors with a product offering and price point which is similar to yours.

Secondary competitors are those that may offer a higher or lower quality than yours, with a different price point and market segment.

Tertiary competitors are those that are only tangentially related to yours but, in the event that an expansion in product offering is being contemplated, the insights provided by the assessment would be invaluable.

In any event, the assessment must review, dispassionately, the strategies and techniques being employed by competitors, particularly primary

competitors relative to the home company. In conducting this analysis, one useful approach is to develop a single spreadsheet according to category, where the main competitors are listed and where, for each of the following, data is collected:

Name of Company
Company tagline
Company descriptor on its website
Website Title
Meta Description
Twitter Profile
LinkedIn Profile
Facebook Profile
Instagram profile
Top SEO keywords

This information will help to refine the Company's messaging and its positioning in the market, through a process of differentiation. It would be advisable that the websites of the identified main competitors be checked at least fortnightly, so that the competitor analysis remains current, which allows for a quick identification and response in the event of any sudden changes in industry trends. This may create opportunities to optimize sight for keywords that are not being targeted currently. There may also be, under extreme circumstances, a need to adapt to a competitor's strategies, or campaigns to maintain market position. Conversely, the analysis may create the opportunity to capitalize on a competitor's weaknesses and strengths to reposition within the market. In certain instances, where there is a relatively small social media

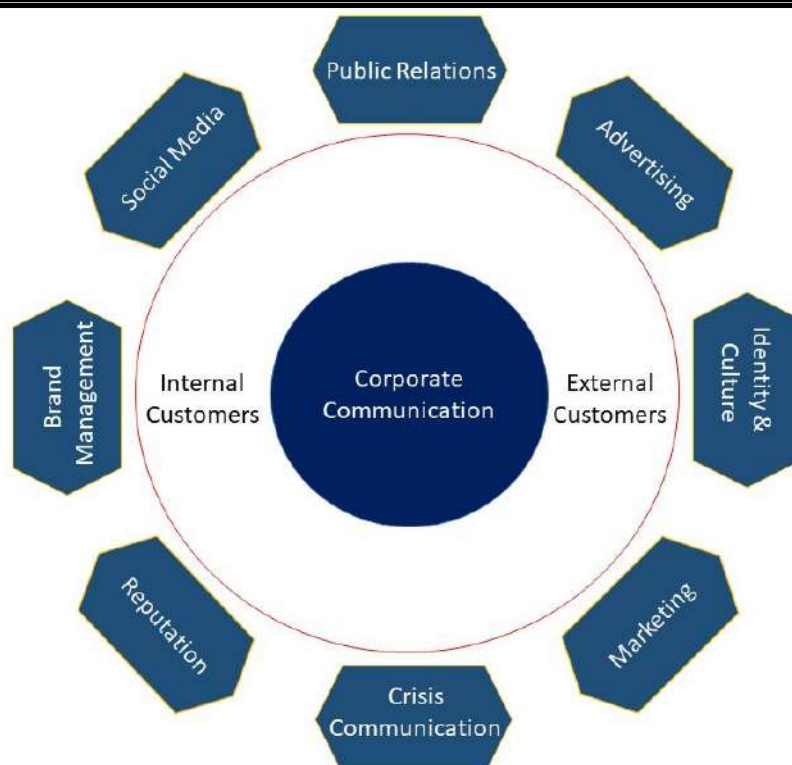
footprint, it is useful to employ more traditional methods which include purchasing competitors' products, paying particular attention to packaging, shipping times (if applicable), and monitoring of mentions of competitors in the news (electronic or print). This may necessitate archiving newspaper clippings on items associated with competitors for further analysis, monitoring, and recording of news and talk shows for any information on competitors, plus monitoring personally, in the event there is need for a quick response. The issue of a rapid response mechanism will be addressed in a subsequent section.

Organisational and communications objectives

– In establishing communications objectives, it is essential that those objectives must not only be

measurable, but are founded on realistic timeframes, budgets, and resources. The communications and the organisation's objectives must be in sync with the role of the communications strategy, to define how exactly they can guide in the realisation of the company's mission statement, objectives and vision. In fact, in the build out of this section, emphasis should be placed on the fact that key communications strategies must not only be aligned to, but tasked to realise the objectives outlined in the company's strategic framework, with particular emphasis on the development of key messages. These key messages will seek to shape customers' activity and perceptions of the company and ultimately bolster its reputation.

Corporate Communications at a Glance



This way, the Communications Strategy is not seen as an adjunct to the corporate governance process, but a critical component in the organizations success. Enterprises may seek to utilise the balanced scorecard approach in the assessment of the efficacy of the communications strategy to facilitate optimised strategy communication and execution.

Identifying the publics – The notion of the general public is a bit of a misnomer in a communications strategic framework, in so far as there are a variety of groupings that interact with a business, with each being characterized in terms of a different set of expectations, socio-economic background, and value structure. This allows for segmentation where groupings or publics with similar expectations and value structures are placed in discrete categories, to allow for more focused communications strategies. Broadly speaking, there are two (2) different types of publics – internal and external.

**This allows for segmentation
where groupings or publics
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However, these can be broken down into several sub-groupings with, for example, internal publics, including staff of the organisation; the Board of Directors; and Stockholders, if applicable. External publics can equally be broken down into Customers; Regulators and political leadership; Industry and Professional Associations; the Media; other occasional groupings that periodically engage but, primarily, during times of crisis or with respect to some specific issue, such as neighbourhood and other civil society groupings, and special interest groups, among others.

Dependent on the messages to be conveyed, the specific issue and the particular publics being targeted, any method of ranking or prioritizing among publics will be temporary, at best. Nevertheless, there is merit in establishing a priority list based on criteria, determined by what is important to the company at a particular point and messages tailored to that grouping(s).

Key messages – It is important to recognize that, whereas there will be different messages going to your different market segments, there must be continuity across the messages. Indeed, the messaging must also be underpinned by the organisational objectives and strategic plan. Almost as important as the varying messages that will be developed, starting with your highest ranked grouping, is the issue of how the messages will be disseminated or, in other words, the vehicle for your messaging.

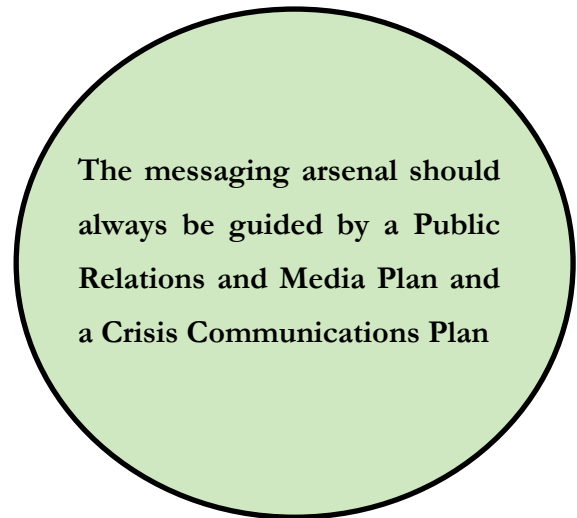
Currently, given the virtual explosion in technology, companies tend to use conferences and workshops, including webinars, press releases, specialized events, e.g. corporate “lymes”, e-bulletins, flyers or broader methods such as the media (traditional and social), and websites. The extent of usage is, of course, a function of cost and the resources made available to drive messaging and communications, in general.

Careful attention must be paid to the age cohort of the intended audience, coupled with other social factors

However, for each grouping there are likely to be several methods and channels which will be used to impart the messages. Careful attention must be paid to the age cohort of the intended audience, coupled with other social factors. In that regard, both the platform used and the language used in the messaging must be sufficiently tailor-made to suit the particular demographic that is being targeted, with particular sensitivities regarding marginalised groupings.

It is also important to remember that, in most countries in the Region, telecommunications providers have the ability to share text messages to particular market segments, and it is also a very useful and cost-effective tool in terms of messaging.

However, the platforms used for messaging must be driven by data analytics so that a well-informed, targeted and effective campaign can be executed. The messaging arsenal should always be guided by the following:



Public Relations and Media Plan – This is basically the framework which will determine how the Organisation intends to raise its profile by way of media (traditional and social). For example, the use of Christmas parties or media luncheons and off the record briefings for senior journalists are vehicles commonly used as an adjunct to the more formal structured offerings. As with all plans, this must be underpinned by the broader communications strategy;

Crisis Communications Plan – Functionally, a set of guidelines geared towards preparing a business for crisis or unexpected event. It necessarily includes steps for concrete action when the issue first arises, strategies for communicating with the publics (never exclude internal publics, particularly staff), and mitigation strategies that will, to the extent feasible, preclude a recurrence.

A useful sub-tool that organisations should employ is the development of a *Rapid Response Communications Mechanism*.

Failure to respond to public queries and particularly negative stories within a 24-hour window can lead to a hardening of misperceptions about the enterprise

This is to be used to respond to public queries (e.g. letters of the editor, comments on blogs or social media, talk shows and news media, in general) and particularly negative stories within a 24-hour window. Failure to do so can lead to a hardening of

misperceptions about the enterprise and increased reputational risk which will be inimical to the company's medium to long-term interests;

Marketing Plan – This is the organisation's blueprint that describes their advertising and marketing efforts over a prescribed period. This will be dealt with in more detail in Chapter 6 of this publication;

Digital Strategy – This is the framework through which the online presence of the enterprise will be established, ranging from the development of a website (not landing page) through issues such as social media strategy and online campaigns. This will be very closely aligned with the communications strategy and the resources allocated thereto.

Corporate Communications will be driven by technology



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MARKETING

As businesses continue to traverse the evolving business ecosystem, occasioned by COVID-19, it is of fundamental strategic value that they position themselves to understand and meet their customers' needs, in an effort to remain competitive. In this dynamic, it has become critical that increased emphasis be placed on marketing. Conceptually, marketing is a multi-faceted strategic framework which seeks to optimize relationships among diverse groupings along a value chain, enabled by the use of cognitive analytics to influence behavioural patterns. However, the onset of the pandemic has transformed the ways in which consumers interact with companies, consume media and overall shopping patterns.

While some of these changes have been occasioned by supply chain disruptions which forced persons to experiment with hitherto unknown brands, other changes were influenced by the public health restrictions imposed, which forced many into the realm of online commerce. This does not mean

that there is no role for “brick and mortar” establishments, but with the untrammelled acceptance of e-commerce solutions in the throes of the “lockdown,” there are clear opportunities for establishments to offer a hybrid solution of both a store front and an equally responsive online presence or, in other words, an omni-channel solution.

Conceptually, marketing is a multi-faceted strategic framework which seeks to optimize relationships among diverse groupings along a value chain, enabled by the use of cognitive analytics to influence behavioural patterns.

Indeed, given the ubiquity of ICT solutions in the market, companies which have not transitioned to take advantage of the vista of opportunities that the technology presents will find themselves increasingly in an anachronistic mode – out of step and out of time – with respect to their competitors.

Whereas it remains largely unknown what patterns of behaviour will become permanent in the post-COVID environment, it is safe to posit that a significant portion of changed customer behaviour, occasioned by changing market characteristics, are likely to remain.

However, for a business, this is not a game of conjecture and it is, therefore, important that decisions are made on the basis of data analytics. As a first step, it is important that businesses engage in a full and frank discussion with their sales team, to solicit their perspectives determined from interactions with customers. It is of equal importance that companies seek to also obtain direct responses from the customers by way of telephone calls, surveys, focus groups and other mechanism through which the requisite information flows can be obtained.

Indeed, when treating with a marketing and realignment strategy in the post-COVID era, it would be useful to engage in a PESTLE analysis. PESTLE is a mnemonic which represents Political, Economic, Social, Technological, Legal and Environment. Whereas in Chapter 4, the issue of PEST analysis was dealt with, in the New Normal and particularly with reference to Marketing, it is critical that a full PESTLE analysis be undertaken. This is particularly germane, as the legislative environment in the new normal is likely to undergo significant transformation since more stringent

movement control legislation, among others, is anticipated, coupled with other legislative imperatives likely to be somewhat transformative for the business community, such as the Front of Packaging Labelling (FoPL) Standard. In terms of the environment, there has been a decided shift globally in terms of the demand for “green” products, which is likely to grow exponentially in the post-COVID era. Similarly, as persons prepare for the possibility of other pandemics or other untoward developments, there will be greater emphasis on environmental factors.

It is also useful to recognize, at this juncture, that the science of marketing has transcended the usual “four Ps”¹ analysis that previously obtained and has now morphed into a multi-dimensional schema, where each platform has its own set of metrics which need to be analysed. These metrics provide the requisite guidance on brand equity and other key performance indicators used in the assessment of the efficacy of varying marketing strategies and campaigns.

In fact, as the digital marketing trend continues, more companies are starting to avail themselves of “MarTech” or marketing technology solutions, which are primarily software and technological tools used in the development, implementation, and measurement of marketing campaigns. Collectively, these provide considerable insights into customer behaviour and shopping patterns.

¹The four Ps reflect the basic pillars of any marketing strategy namely: Product, Price, Place, and Promotion

Ultimately, the optimal marketing mix is driven by 4P's and, therefore, for businesses to be able to successfully navigate the uncertainties and vicissitudes of the marketplace in a post-COVID environment, these elements must continue to occupy pride of place:

Product

In a post-COVID environment, there will continue to be concerns about the health and safety of products; however, it must be recognized that in this descriptor, product also incorporates the provision of services. Nonetheless, the concerns that obtain with respect to COVID-19 will transcend the mere accessing of products and now incorporate the production methods, sourcing of supplies, and the manufacturing or distribution environment, including the health and safety of staff.

One of the hallmarks of the pandemic was the disruption in supply chains which created product shortages. In its initial stages, there was a flight to quality with respect to products with high brand awareness; however, over time, as the shortages of particular products deepened, compounded by an overall climate of uncertainty, customers, particularly in terms of health and sanitation supplies, have been forced to purchase alternate brands which were sometimes deemed more affordable.

It is, therefore, likely that even when the supply

chain disruptions have been circumvented, there may be a shift in demand for some products and, indeed, such demand is not deferred but lost.

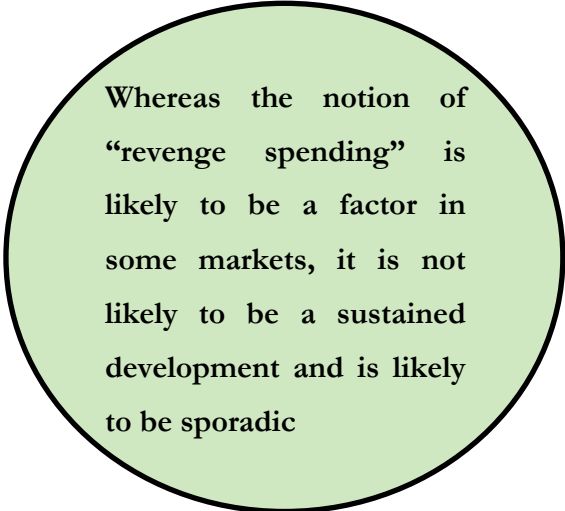
**It is, therefore, imperative
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choices**

It is, therefore, imperative for marketers to recognise that COVID-19 has impacted income/revenue and savings levels thus consumers are more cautious in their brand choices. Nonetheless, the pandemic has created an opportunity for those products and services with high-brand scores to further deepen their market penetration, by way of communicating reliability and deepened trust in the brand.

For the newer market entrants with low-brand scores or recognition, the operating curve will be much steeper, with most only having a single opportunity to get it right with customers; therefore, emphasis must be placed on quality, presentation, safety and reliability, coupled with

price, recognizing that, in the case of new products, consumers would not have had the ability to test their efficacy. Consequently, it is critical that the first impression of these products satisfies all the potential pain points of customers.

Price - Pricing is a critical variable in a post-COVID economy, in so far as given uncertainties about the timelines for economic recovery and stable employment, the market is likely to be more price sensitive, with noticeable shifts away from ostentatious products and services. Whereas the notion of “revenge spending”² is likely to be a factor in some markets, it is not likely to be a sustained development and is likely to be sporadic, at best.



Whereas the notion of “revenge spending” is likely to be a factor in some markets, it is not likely to be a sustained development and is likely to be sporadic

Given market segmentation, prices are often variable across markets and in a post-COVID scenario, there is likely to be greater emphasis on charging what the markets will bear or, in other words, utilising tactical pricing techniques. This is

predicated on the notion that such prices will be accurately determined on the basis of advanced quantitative research bolstered by MarTech solutions.

This pricing strategy, however, should be primarily used over the short-term, as it is quite likely that many of the elements used to calculate prices will be highly variable and, in a scenario marked by increased competition, high levels of market uncertainty, thin margins, and pricing strategies have to relatively be flexible. Other factors which determine pricing and consumer purchasing decisions are, therefore, a critical element in pricing strategies, including the identification of product or service drivers which obtain for the particular market segment that the business is competing in, which assist in determining what the consumer is willing to pay.

For the medium to long-term, businesses will have to adopt a more strategic approach to pricing, where pricing is guided by the value of the product or service to the consumer, or pricing is based on competitiveness *vis-à-vis* the cost of production but is also influenced by analytics. Other pricing strategy models often utilized include: bundle, subscription, competitive, economy, discount, and psychological pricing. All have their benefits but there are also downsides, so it is useful for enterprise to exercise due care in terms of pricing

²The concept of revenge spending that consumers were deprived of their normal retail experiences during the restrictions associated with mitigating the impact of COVID-19 and subsequently are overcompensating in terms of gratuitous purchases

their offerings. However, part of the challenges that will confront some enterprises is that, during the pandemic, they engaged in unfair pricing strategies – most notably, price gouging and selling expired or inferior goods – which has adversely affected their brand value which will impact their pricing strategy and market share. If a product or service is priced higher or lower than its perceived value, there may be a challenge in selling it, unless it is established as a luxury brand or discount facility with high-brand value. In any event, whatever the pricing strategy being employed, it must be supported by an accurate and transparent customer billing process.

Place - The place or placement of a product or service is related to how the product or service will be accessed by the consumer. Will access be exclusively online or will it also be available in brick and mortar stores or will access be omni-channel?

Those are the key issues that product placement must strategically address in order to optimise revenue yield. Given the nature of the goods and services offered, it might be more useful to sell through an intermediary - like multi-channel distribution chains (wholesale or reseller) - that currently exist within the Region.

In a post-COVID world, there is likely to be increased emphasis, for example, on contactless delivery, alterations in packaging, and near-shoring, with distribution being a key element in this process.

Promotion - Promotion is not synonymous with marketing, but basically an all-embracing concept which includes the marketing function, the sales process, public relations, and communications. It is basically how persons will be made aware of products or services offering, and given information on what differentiates the latter from those of direct competitors. The differentiation metrics could be lower prices, faster delivery, exceptional customer engagement, or even centrality of the physical locations for retail outlets or distribution points.

The promotion strategies employed, however, must be tailored for the specific market segments being targeted, and messages must reflect the target audience, the communications channels that they utilise in accessing their content, their preferred type of content, and their location. In that regard, due care must be exercised that the messaging employed is suitable for the product, the price, and the consumer that is the target of the promotion. Popular promotion tools in the Region include traditional media (print and electronic), social media, press releases, town criers, posters and billboards, and pay-per-click advertisements.

On the basis of the insights garnered, businesses must be prepared to re-prioritize and re-engineer previous strategies, as the age old axiom that “*the customer is always right*” still holds. In this exercise, there are no “sacred cows” and the business must be prepared to take very uncomfortable decisions in order to position itself for long-term viability and

competitiveness in a marketplace, likely to be driven by smaller margins and increasingly diverse product offerings. Hence, the business must be nimble and be prepared to be responsive to changing client needs and expectations.

Indeed, one of the emerging trends likely to impact marketing strategies in the post-COVID environment is the increasing demand for

contactless payments and delivery, which will require changes. This changing environment will also require the re-skilling of sales agents, to support remote selling as well as to position themselves to engage customers at all levels and, thereby, always portraying themselves as solution oriented. This obviously helps bolster customer loyalty and overall brand equity.

Brand Equity

Brand equity is an amalgam of brand awareness, brand association and brand loyalty.

Brand Loyalty

Brand loyalty is a functional relationship between a consumer and a particular brand, which is usually characterised by repeat purchases and, in instances, recommendation of the brand to their wider circle of contacts, due to their positive association. It is important to recognize that the weaker the degree of brand loyalty, the more responsive the customers will be to price changes with a marginal increase, usually sending them scurrying to find better deals, as the emphasis is purely on the basis of product parity. Conversely, the greater the degree of brand loyalty, the greater the degree of price inelasticity that obtains.

Brand Awareness

Brand awareness characterizes the extent or degree to which persons are able to recall and recognize a particular brand of good or services.

Brand Association

Brand associations are the attributes of a brand which come readily to the fore in the mind of a customer or client when the brand is being referenced. The association can be positive or negative, but the thinking is conditioned by previous personal or even third-party experience with the brand, news, and general information associated with the brand (inclusive of rumours), which has been deemed to be sufficiently consequential that it influences the long-term perception of the said brand.

All this is founded on the fundamental premise that customers buy value³, and that is dependent on whether the business is able to understand and satisfy customer requirements, not just in the form of supplying goods and services but doing so within a mutually acceptable price point. Indeed, in this regard, businesses would be mindful to focus on

their unique selling proposition (relatively lower pricing, faster turnaround or specialization) and in a bid to optimise their positioning in an increasingly competitive market, establish customer-centric performance strategies with a full end-to-end transaction framework.

**CARICOM Social Media Use by Percentage
(July 2019 – July 2020)**

Country	Facebook	Instagram	Twitter	Pinterest	YouTube	Other
Antigua & Barbuda	89.71	0.47	1.17	7.08	1.38	0.11
Bahamas	77.76	0.52	8.0	11.4	1.56	0.43
Barbados	58.73	5.68	4.53	25.59	4.54	0.58
Belize	63.45	0.50	2.79	24.53	8.12	0.29
Dominica	61.02	1.0	5.80	24.18	6.37	1.21
Grenada	97.12	0.09	0.18	2.11	0.43	0.04
Guyana	74.07	0.52	4.21	15.29	5.15	0.4
Haiti	88.75	1.98	1.93	4.99	2.29	0.03
Jamaica	59.2	11.93	4.57	18.62	4.87	0.43
Montserrat	39.0	12.00	12.00	7.00	17.00	8.00 (li)
St Kitts & Nevis	66.79	2.38	3.94	21.59	4.4	0.44
St Lucia	80.27	2.57	1.03	13.93	1.8	0.27
St Vincent & the Grenadines	67.4	1.11	1.95	23.69	5.0	0.53
Suriname	64.11	1.23	2.26	24.17	7.44	0.37
Trinidad	60.57	1.05	3.25	29.28	4.66	0.74
USA	61.34	0.84	10.55	23.61	1.73	0.81

Source: StatCounter Global Stats

³ The notion of value can vary considerably by market segment and, therefore, a one-size-fits-all approach is usually sub-optimal

This strategic intervention framework is of particular relevance in the New Normal, whereby capitalising on the current dynamic where information dissemination via electronic media is becoming increasingly curated to the end-user, marketers may opt for using *reflexive control*⁴ techniques, using non-traditional media but utilising data obtained through the use of MarTech solutions.

This is of particular relevance in the Region where there is relatively high utilisation of social media networks, and with the sixty (60) percent of the regional population being below the age of forty (40), this creates a fertile ground for aggressive but innovative marketing interventions. This age-cohort, traditionally, is usually the most targeted group in terms of advertising, given their economic influence in terms of discretionary expenditure.

Millennials have replaced Baby Boomers in terms of per capita expenditure, and it is projected that over the next five (5) years, their expenditure is expected to increase by at least ten (10) percent. In accordance with the permanent income life cycle hypothesis⁵, per capita expenditure of both the Baby Boomers and Gen X is expected to further decline over the next five (5) years. Conversely, there is an expected exponential boom in per capita

expenditure by the Gen Z cohort over the next decade.

Notwithstanding, businesses must be guided by the marketing metrics that obtain in their particular target market. It is useful, however, to recognize that Gen Zers, who are driven by factors such as speedy delivery and omni-channel offerings, are more likely to be guided by social media influencers than other groupings. However, their brand loyalty tends to be fickle and, therefore, marketing messages should be carefully developed and nuanced in targeting that cohort.

The Marketing Plan - A marketing plan is functionally a strategic framework comprising multiple marketing strategies, and is a descriptor of how the business will achieve its strategic goals while remaining faithful to its overall mission. The plan will incorporate detailed time-bound information on campaigns, content, and marketing channels to be utilized, and includes the types of marketing software that will be used to guide the development, implementation and measurement of the performance of specific strategies. A marketing plan can be very granular and it is advised that, in the New Normal, the more detailed information that can be garnered in developing the strategic marketing direction, the greater the possibilities of a

⁴ Reflexive control is defined as a means of conveying to a partner, specially curated information to influence the person to voluntarily make the predetermined decision desired by the initiator of the action. Though initially developed as part of a psychological warfare strategy during the Cold War, the principles are relevant in commercial application.

⁵ The Life-cycle hypothesis developed by Franco Modigliani, plots the consumption patterns of individuals over the course of their lifetime, noting that persons borrow during periods of low income and save during periods of high income, in a quest to smooth out their overall consumption patterns

positive outcome. Notwithstanding, there are some basic elements that should be included in the Marketing Plan:

- **Company Marketing Mission;**
- **Situational Analysis;**
- **Description of customer requirements including buyer personas;**
- **Key Performance Indicators;**
- **Description of content strategy and particular initiatives with timelines;**
- **The Marketing Budget; and**
- **Owners of the plan and their specific contributions.**

Marketing Mission Statement - This is the mission statement that is applicable to the Marketing Department but it must be aligned to the overall mission of the business. However, the Marketing Mission Statement represents a strategic statement which provides an insight on the global focus of the marketing thrust.

Situational Analysis - This will be informed by both the SWOT and PESTLE analysis previously conducted. This section outlines the company's goals, strengths and weaknesses, and provides critical insights into the operating environment of the enterprise. Specifically, focus will be placed on the product offering and current market share. The situational analysis will also highlight the distribution strategy and network utilised in getting products to market, pointing to the role of subsidiaries (if any) or partnerships / strategic

alliances that are already operational, thereby impacting the efficiency of the enterprise. Particularly, in the aftermath of the pandemic, cognizance will also have to be taken of the economic and political environment, as there are likely to be fundamental policy realignments which may lead to higher rates of taxation and reduced incentive frameworks, among other strategic shifts in overall policy. The operating environment is also influenced by access to technology, security, location(s), and cost and reliability of utilities.

The situational analysis will also incorporate an analysis of the company's main competitors (bases of competition) – both direct and indirect – and, thereby, assist in differentiating the product or service offering in the marketplace. Competitive analysis is a critical aspect of the situational analysis of the business, as it also helps to highlight growth opportunities in the market. The situational analysis should also incorporate information of market drivers and trend analysis, with particular focus on volume drivers and price drivers. The review should also incorporate a thorough vendors' analysis, taking into consideration possible strategic responses to market disruptions.

Customer Segmentation and Buyers' Personas -

It is important that in any marketing plan, a determination is made regarding the target audience or market for the company and, in that regard, develop what are commonly referred to as buyers' personas. A buyers' persona is basically a description of the type of customer that the

the business is seeking to attract. This is particularly pertinent as, for most enterprises, their customer base is not homogenous and there are several different buyers' personas that are relevant. This allows for segmentation of marketing campaigns and creates the flexibility to set different goals or targets for each market segment. In customer segmentation, it is most useful to characterise customers on the basis of demographics, psychographics, behavioural qualities, and geography.

Most importantly, each buyer persona should reflect the characteristics of present customers and potential customers, in general, to allow for a more nuanced and effective marketing strategy, as it will respond directly to customer requirements. These profiles can be as detailed as desired but, used appropriately, will assist in optimising the marketing thrust in particular market segments. Information used to develop the buyers' personas is primarily obtained from direct interviews with current customers, through focus groups and questionnaires.

Key Performance Indicators (KPIs) - All plans require metrics which will aid in the assessment of their efficacy. Marketing plans are no different and require the application of Key Performance Indicators (KPIs) to aid in the monitoring and evaluation of different elements of the plan. These KPIs must be quantifiable and, to enhance their effectiveness, a timeline for the achievement of same should always be developed. However, businesses are always cautioned to develop

approximately five (5) and certainly no more than ten (10) KPIs, as a higher number of KPI's in the M&E process can become quite unwieldy at that point and lose its effectiveness. By tracking the effectiveness of strategies through KPIs, this allows businesses the latitude to make adjustments to strategies and budgets, all in an effort to realise their marketing goals. Some examples of applicable KPIs are those used in the measurement of Brand Awareness, Content, Organic Search Marketing, and Customer Satisfaction. Further discussions on KPIs can be seen in Chapter 7.

Content Strategy - At this juncture, the content and marketing strategy are outlined in detail, paying particular attention to the tactics that will be employed to ensure successful implementation. Guided by the target market, the strategy will advise on the marketing mediums that will be utilised to promote the product in the market. The content strategy will be guided by the following:

Content type – This can involve blog posts, newsletters, videos, infomercials among others;

Content frequency – This is the descriptor for the volume of content that will be produced and the frequency of dissemination (weekly, monthly or quarterly);

Content goals – This is the descriptor for the specific purpose for developing content and the associated KPIs relevant to those specific goals; and

Marketing channels – These are the channels through which the content will be distributed. These include social media channels (for example Facebook, Instagram, TikTok, LinkedIn), electronic media (television and radio) and non-traditional media such as posters, flyers, town criers, among others.

However, marketers do not have unlimited resources and, therefore, some effort must be made to carefully and objectively prioritize their marketing objectives. The platforms chosen must be able to deliver the target audience, whether at zero cost or at a cost which maximises the Return on Advertising Spend (ROAS).

The platforms chosen must be able to deliver the target audience at a cost which maximises the Return on Advertising Spend (ROAS).

Careful attention should also be paid to the development of graphical content, including signage, and the production of video content which can be very costly. All of this must be underpinned by a robust governance structure which will allow for a more structured approach to the dissemination and management of content.

The Budget - Whereas marketers may wish to embark on several ventures simultaneously, their enthusiasm is often tempered by the budgetary resources that are available. It is essential, therefore, that in developing a strategic marketing plan, the budget guides the timing and execution of several initiatives.

Whereas marketers can avail themselves of several free online channels and platform, oftentimes that is insufficient to reach the target audience and businesses are forced to communicate through more traditional and expensive channels (such as electronic and print media). Indeed, in this regard, it should be noted that production costs are usually relatively expensive; therefore, it is incumbent on the marketer to develop a detailed budget highlighting production costs, sponsorship, media placement costs, freelance costs, and all other costs associated with the successful execution of the marketing plan.

Plan Ownership - This is a descriptor of who is responsible for each aspect of the plan, as the execution of many marketing plans has gone awry because of weak governance arrangements. It is advised that every aspect of the plan is functionally projected and, therefore, has a Team Leader / Owner who has specific responsibility for the implementation of that particular segment. It is also best if specific personnel are assigned responsibility for particular plan sub-components such as particular content types, KPIs, channels and platforms, among others.

The Marketing Lead will provide overall oversight of the plan but is charged with reporting to the Executive Management, periodically, on plan implementation and effectiveness.

A Hyper-local Approach - Businesses within the Region should also, as part of their new strategic marketing thrust, introduce or, where it exists, expand the use of customer *retargeting*⁶ strategies as part of a hyper-local approach to marketing. In fact, according to data from Statista in August 2020, the reasons persons offered for incomplete transactions on websites they have visited were as follows:

- 56% of consumers left due to unexpected costs (like extra shipping or taxes);
- 37% made no purchase because they were just browsing;
- 36% found a better price after comparison shopping;
- 25% left because the navigation was too complicated;
- 21% felt the process took too long; and
- 17% were concerned about security.

This information, while indicative, is of even greater significance if obtained on a localised basis, and can provide tremendous insights into the customers' behaviour. It allows for a more targeted approach in terms of seeking to convince those potential customers to return and complete the purchase by

⁶ Retargeting is a paid advertising tactic, geared towards visitors to a company's website who navigated away without making or completing a purchase. Retargeting campaigns, which are effected through online displays of products or services of that particular business, seeks to keep the offerings in the forefront of the thought process of potential customers as a curated reminder of their interest, in an effort to convert said interest into a potential sale

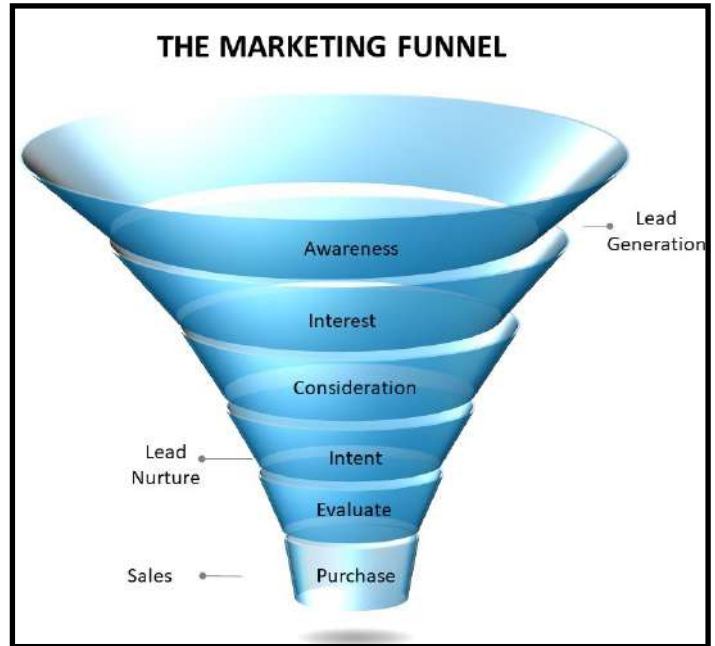
⁷ Demand sensing is a capability by which short-term demand data can be used to forecast near-term behaviour.

adopting demand sensing⁷ techniques.



Whereas the objective of a successful marketing campaign is to create end-to-end customer engagement and maximise Return on Advertising Spend, and to foster increased sales, it is incumbent on the marketer to ensure that the technology being employed will provide the requisite data set to allow for optimal decision-making, with the greatest emphasis being placed on predictive capabilities. This, as in the New Normal, is imperative that businesses engage customers on digital channels and urgently work towards omni-channel integration at the retail level, in order to maintain a competitive edge. Notwithstanding, whereas there is tremendous scope for digital shopping in the Region, there is still a sizeable role for brick and mortar stores at least over the medium term and, therefore, business enterprises must be mindful of that fact as they build-out their customer centric ecosystem.

Undoubtedly, the COVID-19 pandemic has had and will continue to have a profound impact on how persons shop, consume media or even think. At this juncture, it is impossible to predict, with certainty, what learned behaviours and attitudes will be permanent and, in fact, what the “New Normal” will finally look like. However, given the imperative to be able to compete effectively both locally and overseas, the suggestions described above must be part of the development trajectory of our Region’s businesses.



COVID-19 IMPACT ON E-COMMERCE CASE STUDY - JAMAICA



Purchases made using :

Credit Cards - 18%

Bank Transfer - 11%

Cash - 16 %

Debit Cards - 37%

Digital Platform - 15%

Source: Mastercard, November 2020

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A hand holding a dark brown Capital One Visa credit card. A white, rounded rectangular sticky note is attached to the front of the card. The background is a dark workbench with various tools including a hammer, a folding knife, a pencil, and a leather strap with a metal hook. The text "CUSTOMER CENTRIC SOLUTIONS" is overlaid in red, bold, uppercase letters across the center of the image.

CUSTOMER CENTRIC SOLUTIONS

BROADENING CUSTOMER ENGAGEMENT

The success or failure of any business enterprise is usually predicated on its level of customer engagement. This has become even more critical in the Post-COVID-19 era, as most consumers have been forced by their particular circumstance during the period of protracted restrictions, occasioned by the pandemic, to alter patterns of behaviour and, indeed, acquire new habits. In that regard, the new normal will be influenced by the percentage of those changed behaviours that are retained over the medium-term.

In fact, it is quite likely that issues such as social distancing and the wearing of Personal Protective Equipment (PPE) may well continue to be part of the social dynamic as far afield as in 2023. This is based on a notion that COVID-19 will be a factor influencing human behaviour well into the medium-term. In fact, the impact of the pandemic has already been manifested in terms of obvious changes in psyche of the average consumer, with increased emphasis being placed on contactless

delivery, heightened sanitation, and an overall shift towards the use of digital channels in conducting business. This is not limited to the retail sector but has permeated every aspect of the business cycle, including customer interactions with the State.



**Companies will need to
realign their customer
engagement and
distribution models, to
become congruent with
the real-time digital
transformation shifts**

Indeed, the heightened sensitivity to germs and the spreading of infection by some have already altered the operational ethos of some industries, most notably the fast food industry; hence companies will need to realign their customer engagement and distribution models, to become congruent with the real-time digital transformation and demographic shifts which are occurring.

In fact, the changing operating environment has already put paid to the notion that in a period of economic downturn, the best strategy is to reduce the marketing spend. Indeed, the converse has been proven true, and companies that fail to embrace that fact can see their enterprises severely constrained when the economy begins to recover. For some industries or sub-sectors, the demand lost during the pandemic can be recovered, but for some industries, most notably the hotels, villas and inns and restaurants, demand lost is not recoverable. Hence, it is incumbent on businesses to interrogate shifts in attitudes and behaviours, to determine the factors that influenced the change. Since human behaviour, in some respects, is merely an amalgam of decisions made, it is important to investigate the underlying psychology that influenced those decisions.

CUSTOMER RELATIONS MANAGEMENT (CRM) - The essence of Customer Relations Management (CRM) is to optimise customer service relationships, customer retention, and drive sales growth by way of managing the relationship between customers, potential customer, and the enterprise. CRM is primarily a combination of practices, strategies, and technologies used to manage and analyse customer interactions. This process is determined on the basis of data analytics, informed by transactional customer data such as past purchases, and allows for a customer's record in terms of purchasing patterns, buying preferences, and concerns to be available, to guide interactions during the customer life cycle.

Types of Customer Relations Management -

There are four (4) types of Customer Relations Management which are, as follows:

Strategic – This primarily focuses on the establishment of a customer centric business culture.

Operational - This type of CRM primarily focuses on the integration and automation of sales, marketing, and service support, in an effort to facilitate lead generation and conversion. Operational CRM is made up of three (3) main components – Sales Force Automation, Marketing Automation, and Service Automation:

Sales Force Automation – Emphasis on the automation of the entire sales cycle, to facilitate development of a standard to gain additional customers while effectively servicing current clients;

Marketing Automation – Emphasis on optimizing the efficiency and efficacy of the marketing process; and

Service Automation – In this component, emphasis is on customer retention by way of superlative customer service.

Analytical – This type of CRM facilitates the analysis of data collected from multiple sources, in an effort to optimize decision-making and provide insights on improving customer service and the customer experience.

Collaborative - The key goal of this type of CRM is to facilitate more customer centric campaigns. This is achieved by sharing customers' information with external stakeholders as well as internal departments, in an effort to optimize the customer experience

Voice of the Customer (VoC) - Voice of the Customer (VoC) is a key determinant in the mapping of customer success, operations, and product development. VoC seeks to capture the customers' views on the business, product, or service offering and provides the basis for the requisite analysis to develop an overall brand perspective.

It shifts the focus from collecting aggregate data to individual data collection. This analysis helps to identify gaps between customer expectations and actual experience. Identification of the said gap allows for periodic refinement to products or services, to facilitate optimisation of the customer experience, by inculcating changes in consumer behaviour and market dynamics along the value chain.

Key imperatives – It is incumbent on businesses seeking to survive in the post-COVID environment, to appreciate the fact that customers primarily purchase value. In the procurement of value, customers primarily focus on the following:

Product or Service Differentiation – This addresses the issue of what distinguishes the business from its

competitors, bearing in mind that “*you are only as good as your last job*” in the eyes of the customer;

You are only as good as your last job

Unique Value Proposition – This can be determined by product characteristics, pricing structure, placement strategy (access points and distribution network), or promotional strategy.

Businesses should always be mindful that, in pursuit of optimising customer value, they be somewhat tempered in their approach, as too aggressive a strategy such as severe price discounting can lead to the business being faced with razor-thin margins which challenges operational viability. The converse is also true, whereby if pricing is too high, the company may be challenged in developing a critical mass of customers to ensure operational viability.

Whereas dependent on the specific product or service offering, the price point of the customer, in terms of the particular market segment being targeted, may be different, it is a useful rule of thumb to be guided by the “price the market will bear.” Anything outside of a relatively small variation, therefore, can prove to be detrimental to the viability of the business. Further, businesses must be guided by their marketing metrics, to determine what is working or not and adapt to changing circumstances in a timely manner. VoC is not just about where and how you ask customers how they feel; it's also about how they act.

Utility of Voice of the Customer – Application of the VoC methodology allows for fulsome analysis of the entire customer experience which is not merely reflected in the sentiments articulated by the customer but also by how they act. The utility of the VoC to businesses resides in the fact that it provides the requisite insights to allow for –

An early warning mechanism – Astute data analysis, which flows from both the structured and unstructured information garnered from customers, allows for the early identification of potential challenges to the brand and, therefore, the taking of the requisite remedial action to protect the brand identity and integrity;

Target marketing and product and service customization – Based on the insights developed from VOC data, businesses are able to determine the exact requirements of their customer and be able to effect the requisite customization, if necessary, to satisfy the nuanced requirements of some elements of their customer base;

Product evaluation and concept review – VoC allows for the complete overview of the product and the evaluation of the degree of customer satisfaction derived, by letting it be validated by the end users. This allows for modification to facilitate an enhanced customer experience. In terms of new concepts, this approach allows for meaningful feedback, which can chart the course forward, to either fine-tune the product being brought to market or to shelve the idea altogether; and

Customer retention – Operationally, this is a function of the responsiveness of the firm to the data garnered by way of VoC methodology. If the business is sufficiently agile and adaptable to market developments, and is able to persistently meet the requirements of customers, then customer retention rates will be high.

Businesses would be guided to prioritise customer service training among their frontline staff, to optimise customer retention; however, caution must be exercised, as over-exuberance in that regard can be a turn-off and, therefore, backfire.

Voice of the Customer Techniques – There are several mechanisms which can be employed to garner customer feedback. These are traditionally disaggregated in two (2) main categories:

Structured Mechanisms – These are information garnering mechanisms which utilise closed-ended questions that can be easily codified and analysed but which limits the extent of customer feedback to a set of predefined choices. These include but are not limited to the following:

Customer interviews – These are limited to short questionnaires administered in person, in-store, but which primarily have closed-ended questions. There is a risk, however, of confirmation bias. Further, given the limited number of questions that can be administered, the insights garnered will be similarly constrained;

On-site customer surveys – These are short website administered surveys (for example using survey monkey) which at best are limited to one (1) or two (2) questions. Its utility is dependent on internet penetration at the location of the business (city or town) and the demographics and socio-economic groupings that comprises the customer base;

Website metrics – This is, at best, indicative in the Region, as it is dependent on internet penetration and the extent to which businesses have actual websites. Several businesses only have a static website, singularly defined by a landing page, while others use Facebook and Instagram pages. Very few companies in the Region, presently, have interactive websites which are updated frequently.

Several businesses only have a static website, singularly defined by a landing page, while others use Facebook and Instagram pages

Obviously, in the post-COVID era, this will have to change if companies are to remain competitive. Nevertheless, at this point, the data is likely to be limited, and businesses can be guided by internet sites, such as Google Trends, which can help pinpoint potential markets for specialized products and services;

Recorded call data – This can both be a structured or an unstructured tool. However, as a structured tool, it is particularly crucial in a call centre setting whereby customer satisfaction can be assessed through a defined metric, and businesses can use it as a mechanism to assess the efficacy of customer service representatives in handling customers' issues;

Off-site surveys – These are of high utility because they can be so tailored to garner both closed and open-ended responses which provide optimal insights into the customer's psyche. However, because these surveys would be primarily targeting the existing customer base, dependent on the geographic spread of the client base, it can prove to be very costly to administer.

There are variations whereby the questionnaire can be administered by mail, but, in that regard, the response rate is usually very low with a five to ten percent response rate being average. If the company wants to broaden the sample to accommodate a more generalized potential audience, then the associated costs would increase exponentially.

Unstructured Mechanisms – This is fundamentally a feedback framework that provides the most value to customer centric organisations. The data collection is opened and, whereas analysis is far more challenging, it yields far more insights into the characteristics and thought processes of the customer base.

Dedicated website feedback form and live chat – These are very useful forms of feedback, insofar as they are unstructured and allow for open-ended and, oftentimes, unsolicited responses. In terms of live chat, these allow for real-time interaction between customers and company representatives and, if carefully analysed, can provide a treasure trove of insights into the customer-base and its expectations. The limitation, however, is that it is dependent on the internet penetration in the particular location and how technologically savvy and engaged is the customer base;

Social media and online customer reviews – A critical aspect of business in the post-COVID era will be the monitoring of social media, which will provide valuable insights in brand integrity and, in fact, how the product or service offering is being perceived by users. However, on social media, many users utilize a nom de plume which makes it difficult to establish meaningful demographics; the feedback received can provide insights. It is also useful that the business adopts a very proactive stance in treating with social media, by intervening quickly to correct misstatements about products or services and also by demonstrating responsiveness and willingness to be guided by customer feedback which can potentially take control of the narrative and convert a potential negative into a positive.

This is particularly worrisome, with the emergence of the so-called ‘cancel culture’ which has been mushrooming on social media, where some users under the guise of anonymity are also prone to

gross exaggerations which can, therefore, be extremely harmful to a brand. This is particularly important, as the overwhelming majority of potential customers will not purchase a product or engage in the procurement of a service that has negative online reviews. However, it is useful to note that, by way of social media, customers or potential customers can offer ideas for future products or tweaks to current offerings;

Focus groups – This is a popular tool utilized in both the periodic assessment of existing products or services but is also a useful forum in which to obtain feedback on new concepts, products, and services. The membership of the focus group has to be chosen carefully, and it would be suggested that a stratified sampling technique to ensure broad representation across customer categories be utilized. This is distinct from “purposive” sampling which is commonly used, as it allows for the selection of persons who are subjectively assessed to be able to provide the best information; that can lead to confirmation bias and would not be encouraged;

Cold calls – Sometimes a business needs very quick feedback and, in that regard, sometimes the best approach is to contact some of the best customers via telephone, to garner their inputs. The foregoing also risks confirmation bias, but it has the benefit of continuing to build a spirit of engagement between the customer and the business, and fosters a long-term relationship between partners, founded on a mutuality of trust;

Emails – Emails are a source of excellent insights from customers, and whereas emails are usually voicing a concern or registering a complaint, they provide useful information. This allows the business to specifically treat with the issues of that particular customer or potential customer. If, upon investigation, it is recognised that the same issues are pertinent to a wider subset of the customer base, then that calls for a strategic shift in policy. Cognizance must always be taken of the fact that, traditionally, only one (1) percent of customers are likely to contact a company or interact through any media channel and, therefore, the issues raised should be accorded significance and priority.

Key Performance Metrics - Despite the availability of many techniques to source information and feedback from customers, businesses would be urged to select a few performance metrics which can give a quick sense of the degree of customer engagement. This will allow for the appropriate fine-tuning in the face of market shifts, brand risk, and untoward developments. In this regard, while not intending to be exhaustive, it is suggested that five (5) key performance metrics be tracked, on a consistent basis, which should serve as a barometer for customer engagement at the firm level.

The suggested metrics include (i) Customer Satisfaction Score; (ii) Customer Effort Score; (iii) Net Promoter Score; (iv) First Call Resolution; and (v) Customer Churn Rate. It should be noted, however, that a baseline scenario should first be

developed against which all subsequent results will be assessed.

Customer Satisfaction Score (CSAT) – This CSAT is used to determine how the customer experience or specific product or service offerings are perceived by customers. To calculate the company's CSAT Score, customers would, by way of a survey, on a scale of 1 – 5, rank the customer experience, et al, with 1 being very dissatisfied and 5 being highly satisfied. The number of satisfied customers (those who ranked the company 4 and 5 in the scale) would be divided by the total number of survey responses, with the result expressed as a percentage.

Customer Effort Score (CES) – The CES is a metric which highlights the extent of the effort that the customer has to exert to get an issue resolved, a product purchased or returned, or even a query answered. Customers would be requested to complete a simple survey, ranking the effort between 1 and 7, with 1 being extremely easy and 7 being extremely difficult. To calculate the business' CES, divide the sum of all individual customer effort scores by the number of customers who provided a response. This will yield a result of between 1 and 7, with the lower the rate, the better the result.

Net Promoter Score (NPS) – This metric is predicated on the basic issue of the likelihood of the customer recommending the business to a friend or colleague. It is calculated by requesting

customers to state their preferences on a scale of 1 – 10. Those who rank their likelihood of recommendations as 0 to 6 are considered detractors; those who rank between 7 and 8 are considered passives; and those who select 9 and 10 are categorized as promoters. To calculate the company's NPS, subtract the percentage of customers who are detractors from the percentage who are promoters; the result (a percentage) is what represents the overall NPS.

First Call Resolution (FCR) – The metric tracks the ability to resolve customer issues the first time they call, with no follow-up required. To calculate FCR, the number of customers who only call once and have had their issue resolved within a specified period of time is divided by the total number of calls; the result is then expressed as a percentage. Anything below 40 percent is considered low and above 90 percent is deemed good. It is important to recognise that the lower the rate is, the greater the possibility of losing the customer.

Customer Churn Rate – The Customer Churn is a key metric, as it tracks customer retention. This metric is represented as the percentage of customers who stopped using the company's product or service during a specified time frame. It is probably useful to deem those customers who cease to do business with a firm over a 90 to 120 day period as lost. The Churn Rate is, therefore, calculated by dividing the number of customers lost during the specified time period by the quantum of customers at the beginning of that time period.

Customer experience is a core component of any contemporary business' strategic framework. It is a critical determinant in purchasing decisions made by the company's customer base which is only subordinate to pricing and quality considerations. Nonetheless, as the business enterprise transitions to the "New Normal", it is imperative that cognizance be taken of the fact that the fundamental tenets of customer service remain unchanged, with the delivery of courteous, convenient, and efficient service being paramount.

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However, the enterprise's base of competition broadens in terms of customer engagement, as the entity is no longer just being adjudged based on their direct competitors but to any entity or individual that provides a relatively superior level of customer service. Furthermore, businesses need to be acutely aware of the demographic of their customer base, as this influences customer engagement targeting Baby Boomers (those born between 1944 and 1964);

Generation X (born between 1965 and 1979); Millennials (born between 1980 and 1994); and Generation Z (born between 1995 and 2015).

This is particularly significant in terms of expectations of the customer service experience, insofar as both Millennials and Generation Z are largely technologically savvy and, thereby, expect, for example, a seamless transition between in-store and online engagement. This is deemed a baseline expectation by those groups. In the same vein, instant responses are a given. For the other generational groupings, expectations are also for prompt and efficient service delivery, but there is likely to be a little more latitude given, as some in those age cohorts tend to be more accommodating toward businesses that either have rudimentary technological systems or none at all. Nevertheless, that is all changing and businesses only have a small window of time to transition to modern technological platforms, enhancing brand experience and optimising customer engagement. Those which are reticent in adapting to the “New Normal” will find their enterprises increasingly marginalised.

Already in the post-COVID era, the transition from brick and mortar outlets to an online experience in the Region is clear. The Sector seemingly leading the transition is the Financial Sector, which is closely followed by Tourism and the Services Sectors, in general, including the distributive trades. In fact, as the technological footprint of companies deepen, human interactions will be minimised.

There is also greater emphasis on logistics management and, in particular, near-shoring (sourcing of raw materials closer to end-markets), in an effort to minimise the impact of any subsequent market disruptions. This is even more acute, in light of the growth of logistics providers in the Region that offer both national and international cargo transportation and, thereby, facilitate ease of access to global markets at competitive prices.

Whereas some entities may seek to return their operations to the pre-COVID period, the fact is that a significant number of persons will have a higher sensitivity to hygiene, and the risk of infections and their engagement levels will be influenced by an environment where they feel safe. The demand for contactless interactions with customers is also growing exponentially and will be transformative to markets, even in the case of laggard businesses, which are more resistant to change. This, however, will require increased use of online payment mechanisms and, where appropriate, one-stop service centres to facilitate an optimised customer experience. 

FAST REGIONAL FACT

Since the onset of the COVID-19 pandemic in Jamaica:

- 18% - decline in cash use;
- 40% - own a contactless debit card;
- 29% - own a contactless credit card
- 12% - have applied for a contactless card

Mastercard Survey, November 2020

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SECTION 3

REALIGNMENT OF HUMAN RESOURCES





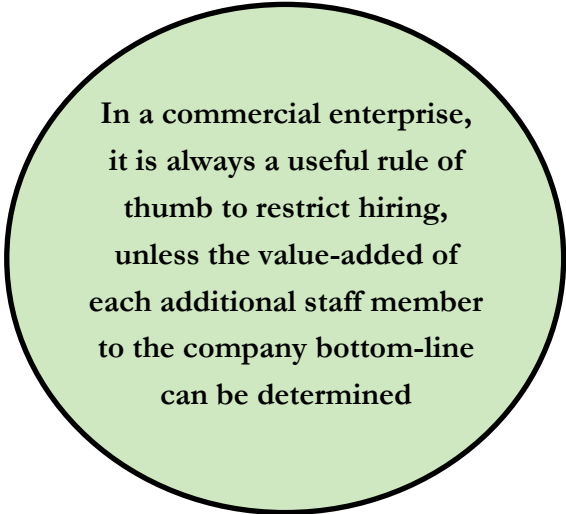
**COOPERATION, COLLABORATION
AND COHESION**

HUMAN RESOURCE STRATEGIES

Strategic and assertive leadership remains the most significant precursor to the realignment of corporate enterprises buffeted by the COVID-19 pandemic. In fact, organizations which adopt a truly people centric mode of governance will facilitate effective differentiation from industry counterparts, through higher staff retention rates, higher rates of productivity, and overall higher levels of engagement. In this regard, organizations have to adapt with a relatively high degree of nimbleness, in order to confront the new realities and optimize their responses to the opportunities emanating from the economic and social disruptions associated with the pandemic. Hence, organizations need to develop talent strategies which are adaptable and sustainable, whereby emphasis is placed not only on the honing of the cognitive skills of employees but also on emotional intelligence.

The recruitment process must, therefore, be a carefully structured exercise so that the best

available talent can be recruited within the confines of the available budget. In furtherance of that, cognizance must be taken that, in the post-COVID environment, there is likely to be even more emphasis on competitiveness in an environment of lower margins and, therefore, organizations must be able to be positively differentiated on several levels, including by way of the investment made in human capital development.



In a commercial enterprise, it is always a useful rule of thumb to restrict hiring, unless the value-added of each additional staff member to the company bottom-line can be determined

In a commercial enterprise, it is always a useful rule of thumb to restrict hiring, unless the value-added of each additional staff member to the company bottom-line can be determined.

In that vein, every effort should be made to determine within a reasonable degree of certainty, the post-COVID-19 implications for your industry and company, which will inform staffing needs. Further, there are some routine duties within organizations, which can be outsourced, and every effort should be made to minimise costs and optimise organisational efficiency in that regard. Nevertheless, this does not preclude the re-skilling and up-skilling of staff, as circumstances dictate and the company seeks to be responsive to market dynamics.

It has become axiomatic in the field of Human Resource Management (HRM) for reference to be made to the notion that *Persons don't leave organizations, they leave managers*, which, though the absolute veracity of that claim remains under challenge, highlights the importance of the selection process for the managerial cadre and the attendant leadership style brought to bear.

In that regard, organizations would be guided by the fact that managers are not a monolithic group and, therefore, each will come with their own management style, conditioned by their previous training and experience. There is no singular best style, but, whatever the style practiced by the manager, it must be compatible with the company's culture and congruent with the overarching staff guidelines. Failure to be able to adapt personal managerial style and practices to the organizational culture will lead to abject failure, with the attendant impact on the company's bottom-line.

In that regard, there are four (4) basic styles of leadership that are deemed germane to modern management, particularly in the post-pandemic period, which will be briefly discussed as follows:

Visionary Leadership – Also known as charismatic, transformational, and strategic leadership, a visionary leader is one who operates with high-level concepts and, therefore, imparts the vision of the company or department to team members. This type of leader does not get involved in operational minutiae but entrusts their team with the responsibility of accomplishing the overall goals, albeit under some broad guidelines.

This style of leadership requires the strategic usage of emotional intelligence, willingness to take risks, and the ability to lead change processes. This style of management is best utilized in a framework where the employees are highly professional and experienced self-starters who require minimum supervision.

Autocratic Leadership – The operational maxim of autocratic leadership is *Comply and then Complain*. The autocratic leadership style is manifested through a hierarchical framework, where unchallenged edicts, made either by an individual or through consultation with a small group of advisors are issued, and whereby subordinates are expected to comply and execute. This requires clearly defined roles and reporting structures, where emphasis is placed on power and control, and staff feedback is not prioritized.

This style of management tends to lead to micromanagement which can be inimical to any staff retention strategy, as turnover is usually relatively high, with the best talent usually the first to exit. The exercise of this level of control requires a substantial amount of time and usually leads to sub-optimal outcomes. Whereas some amount of direct and sometimes targeted supervision is deemed beneficial for new and inexperienced staff, this style can be demotivating and counterintuitive for more experienced team members.

Democratic or Participative Leadership – In this style of management, all ideas contend, and employee participation is encouraged. It fosters independent thinking and innovation across all employee classes. Whereas the manager retains the final decision-making authority, suggestions and ideas from the team are inculcated in the deliberations, prior to the decision, being taken. This approach can foster greater levels of buy-in for the decisions made and hence facilitates easier implementation. There is an inherent risk in this approach, however, insofar as some employees may become resentful and alienated over time if their suggestions are consistently not being taken on board. However, the most significant downside to this style is the inherent lack of timeliness in the decision-making process.

Horizontal Leadership – This hybrid leadership style is basically manifested in the establishment of an intra-organizational think tank, where top executives and top talent are combined in a single

team to accelerate decision making. Through this advisory framework, employee creativity and innovation are optimised. This management style can result in a high level of job satisfaction and productivity for team members who enjoy the efficiencies achieved through the collaborative effort.

It can, however, lead to a feeling of alienation among the more junior members of staff, which will only be circumvented by the employment of high levels of emotional intelligence by the leadership team. Hence, the management team in this framework will be required to mentor and motivate all team members and set the pace for implementation, which will foster a spirit of competitiveness and ultimate achievement.

It is important to recognize, however, that successful managers usually apply a combination of styles in the effective management of staff, as different employee groups respond to different stimuli; therefore, in an attempt to maximise output, maintain efficiencies, and optimise staff morale, different strategies must be utilized.

Also of equal significance is the importance of effective communication across leadership styles, since, if there is a breakdown in communication, it will lead to sub-optimal outcomes and, in extreme cases, dysfunctional behaviour. This highlights the importance of team building, to facilitate growth in staff inclusiveness. Conversely, recruitment of a sub-optimal workforce and the eschewing of

proven human capital strategies will only lead to the constraint of the requisite adaptation and innovation needed to allow firms to successfully navigate the post-COVID19 era, where cutting edge competitiveness and organisational agility are paramount.

Horizontal Leadership requires creative thinking and the optimisation of the management of the organizations' human capital, by maintaining the delicate balance between professionalism and empathy. This, as one of the most often repeated mistakes at the level of the firm, is failure to recognise that the whole person is being hired and not just their skills set.

In that regard, it is useful for the firm to guard against overly intensive work schedules over a prolonged period of time, as this will only foster burnout, resentment, and sub-optimal outcomes. Emphasis must be placed on facilitating an effective work-life balance and continued professional development.

Whereas persons continue to attribute staff attrition to poor managers / supervisors, the reality is that the problems and attendant disquiet are often attributable to systemic dysfunction within the organisation, which is actually outside the scope of influence of the manager. Sometimes, the disquiet is attributable to institutional rigidity in terms of promotions; inability or unwillingness to increase salaries; over-intensive work schedules; perceived unfairness; and a generally toxic culture, to name a

few. To overcome these issues, focus should be placed on the establishment of an appropriate structure, where the Human Resources Department is regarded as a trusted partner. Where, in circumstances, the organisation is truly financially constrained, emphasis should be placed on intangible staff benefits, such as recognition mechanisms, flexi-time, staff recreation facilities, and the granting of mental health days, to allow for rejuvenation after a particularly intensive period of work among others.

As organizations navigate the uncertainty ahead, the structure of the respective HR departments must be tailored to meet the new imperatives of *The New Normal*, which include:

New skills for the digital economy – This includes identification of skills necessary for the future state business model of the organization, essentially configured after the market disruptions occasioned by the pandemic, and would be informed by the market surveys, PEST or PESTLE and SWOT analyses that would have been already conducted (*See Communications chapter*). This, however, necessarily involves the conducting of a Training Needs Assessment, which would identify the needs for re-skilling and up-skilling, where appropriate.

Such a process must be an integral part of the Digital Transformation Strategy and informed by the overall Strategic Plan of the organization. This strategic assessment and subsequent response

should also be guided by the fact that, if the requisite core competencies are already available in-house, it would be relatively cheaper to engage in the retraining of staff comparative to on-boarding new persons. Cloud Computing, Data Analytics, Artificial Intelligence, and machine learning are some of the skill sets that are part of this new imperative, which will create the requisite kind or organizational resilience and nimbleness required. The fact that these interventions allow for data mining, which facilitates better decision making, and, therefore, competitiveness and profitability of the organization, is a significant output of this process.

Supply chain management – Given the market disruptions arising from State efforts to contain the spread of COVID-19, organizations are being forced to interrogate their entire supply chain. In this regard and specific to the particular enterprise, this may entail changes in the customer experience, sales strategy, production process, and raw material sourcing among other areas. This may necessitate the redeployment of some staff members, retraining, additional recruitment, and introduction of shift systems, particularly if the strictures of social distancing are maintained over the medium-term.

For operational viability, it may be that some processes can be outsourced, and dependent on the particular type of organisation, production integration, including cross-border production integration, can be pursued as demand evolves

across customer segments. In any event, decisions and reengineering processes impacting HRM must be guided by the potential impact on the bottom-line and be congruent with the Strategic Plan of the organization.

Misalignment of talent supply and demand – This falls within the purview of effective talent management, which bears the responsibility for the recruitment, development, and retention of employees. Where there are misalignments between supply and demand within the existing workforce, efforts should be made to retrain those affected so that they can be effectively redeployed in the organization or, in other circumstances, the additional employees may have to be separated from their jobs.

In the case of the latter, it would be advisable that a process of formally outsourcing those affected be developed; whereby, other entities within the industry will be approached to engage the displaced workers. This strategy can also be bolstered by provision of counselling sessions and additional training in some life skills to the affected persons. In that process, frank and open communication among all staff is absolutely critical, as uncertainty can lead to negative practices which undermine overall morale. If handled appropriately, while staff cuts are necessary due to the efforts to minimize the dislocation and the respect accorded to those affected, the image of the company will be boosted positively, which has both internal and external ramifications.

Operating environment for workforce – The operating environment of the modern workforce in the post-COVID era has been fundamentally transformed by digital and cultural changes which have occurred within the first three (3) months of the pandemic. This period has seen a substantial increase in teleworking or work from home arrangements, a virtual explosion in the use of technology to facilitate virtual meetings and other forms of corporate engagements, coupled with an exponential increase in electronic commerce among other areas. A lot of these arrangements will not be reverting to 2019 standards, and whereas most persons will probably return to their brick and mortar offices, remote working is here to stay; hence, protocols will have to be developed, which will allow persons who work remotely to function effectively with their counterparts by way of development of targets.

Once productivity levels have remained high, this is not a development to be discouraged, as it not only boosts employee morale but lowers operating costs of the organisation and, in some cases, can lead to the physical footprint of the organisation being reduced, with the obvious benefit to the company bottom-line. Nonetheless, to the extent that social distancing requirements continue to exist, office spaces and factory floors will have to be configured to accommodate the recommended spacing between persons; ventilation of the facility must also be optimised; the employer must provide personal protective equipment; the employer must implement enhanced sanitation standards; and the

employers must conduct employee screening for COVID-19. However, in this particular dynamic, extra care must also be taken to guard against discrimination with respect to persons with comorbidities, as this can give rise to subsequent legal issues. Similarly, organizations must adopt a zero-tolerance approach for any attempts to stigmatise persons who were afflicted and have now recovered from the infection.

Extra care must also be taken to guard against discrimination with respect to persons with comorbidities, as this can give rise to subsequent legal issues.

A crisis is, indeed, a terrible thing to waste and that is even more apropos in today's market place where emphasis is on efficiency, minimal costs, effective talent management, and staff engagement and retention. Many of functions previously done by HRM departments in-house can be outsourced at great savings, leaving only a few core functions to be concentrated upon. In that way, Human Resources at the firm level will be optimized in the new post-COVID era.

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SECTION 4

STATE PIVOT



THE BUSINESS OF THE STATE

The Caribbean is at a crossroad in its development, as the respective States take cognizance of the transformative nature of the COVID-19 pandemic. This necessitates renewed focus on the adaptation of processes and mechanisms, in order to optimize the provision of public goods concomitant with the requisite transparency guarantees that drive public policy. However, limited absorption capacity by the private sector, coupled with a dysfunctional market dynamic influenced by endemic rational myopia⁹ among stakeholders, are issues that must be confronted with urgency.

This myopic outlook locks the Region into a state of bounded imagination and resigned preferences. This, coupled with an overall aversion to risk, has hitherto stymied the process of economic

transformation in the Region. This systemic dysfunctionality has led to the establishment of a perverse incentive structure, which mobilized private entrepreneurship to be cossetted by a statutory and discretionary waiver network through which billions in tax expenditures¹⁰ are provided to private entities which only serve to foster inefficiencies and perpetuate a cycle of mediocrity.

In fact, the value of an investment in any market is dependent on its expected future cash flows and the required rate of return for investors who have participated in the transaction. Taking into account other factors that influence investment¹¹, cognizance must be taken of the fact that academic research posits that risk diversification or tax avoidance strategies play an important role in spurring inflows of foreign investment while providing an additional impetus in the boosting of

⁹ That is, because things have always in the end reverted to their bad state, no one should rationally expect any alteration to the status quo and thereby resign themselves to same

¹⁰ Tax expenditures are special provisions in the tax code which allows for certain deductions, exclusions, deferrals and other special tax treatments that enure to the benefit of a targeted group

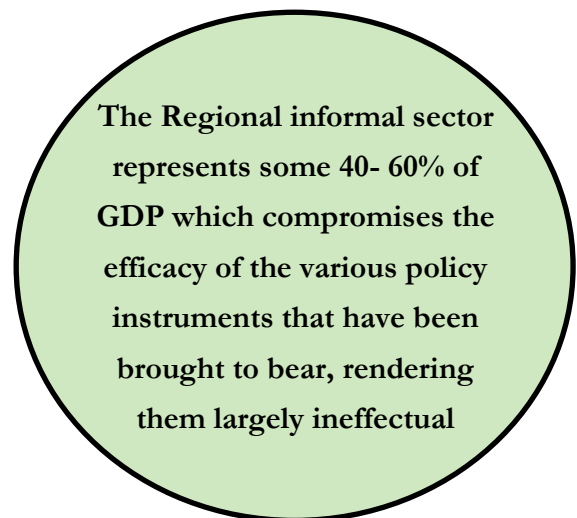
¹¹ These include inflation, political risk, GDP per capita, trade protection, human development, and the exchange rate

domestic investment in countries. Conversely, high taxes are deemed to have a significantly negative effect on the likelihood of a country to attract Foreign Direct Investment (FDI). The result of such tax competition, however, may well be a tendency toward less than efficient levels of output of local services, but most developing countries, in recognizing the benefits of FDI, embrace such a calculus, on the basis that to not participate in same would place their particular countries in a disadvantageous position.

This is compounded by the fact that, within the varying countries in the Region, the informal sector represents some 40-60 percent of Gross Domestic Product (GDP). This compromises the efficacy of the various policy instruments that have been brought to bear, rendering them largely ineffectual. Further, largely driven by a misaligned and pro-cyclical policy framework, successive political regimes across the Region have opted for short-term economic growth versus longer term economic development. They have sought to do this while maintaining some semblance of a working social infrastructure, financed through capital market borrowing, given the inadequacy of the tax base and relatively low tax compliance, which has culminated in an unsustainable debt dynamic.

This has been exacerbated, in the recent past, by a myriad of fiscal stimuli offered by countries, in a bid to forestall the projected substantial economic fallout occasioned by COVID-19 but which has

also resulted in severe cash flow challenges. Further, the tax system which generally obtains across the Region encourages 'enclave' development, which has minimal linkages with the rest of the economy and directs investment flows to industries largely isolated from the vagaries of a developing economy. As a result, investment has been concentrating in areas such as All Inclusive Resorts, Mining & Quarrying, and Export Free Zones. These changes in the economy have impacted on the spatial organization of cities and towns, leading to declining business activity and resulting in increasing levels of unemployment and declining investments in basic services.



Indeed, the major challenge facing the regional economy is accomplishing meaningful structural transformation and dynamic competitiveness, which requires the reversal of the prevailing perverse psychology that has emerged after thirty years of sub-optimal planning. Operationally, this translates into the need to improve fiscal conditions, in an effort to facilitate optimal levels of productivity and wealth effected through the transformation of the current macroeconomic framework.

Nonetheless, this is seemingly rooted in the absence of a coherent philosophical underpinning which defines the role of government as well as the role of the private sector.

However, the policy realignment process, geared towards increasing international competitiveness and economic growth, must be sufficiently nuanced to incorporate the local social dynamic while taking cognizance of the instability in the global economy and the vulnerability of the regional economy to the attendant exogenous shocks. In an effort to address these issues, it is proposed that the following tripartite approach, completely aligned with the remit of the State, be adopted to treat with the prevailing regional constraints:

Asset Mobilization;

Competitiveness;

Digitalization of the Economy; and

Social Inclusion and Governance – crime; corruption; strict oversight regarding government board appointments; transparency (airing of meetings etc.)

These areas have been so identified, as they are deemed to impinge directly on private sector development and the suggestions hereto and, while not exhaustive, are intended to be complementary to the existing policy framework which exists regionally and focuses primarily on policy gaps.

ASSET MOBILIZATION

Labour Reform

Establishment of Specialized Job Boards

The labour market across the Caribbean is impatient of reform. One such area would involve the optimization of labour utilization and placement through the introduction of specialized labour boards under a Public Private Partnership modality. These labour boards would be akin to what obtains in the United Kingdom, which allows for the streamlining of job applicants on the basis of specific areas of competence or experience, thus enabling greater market efficiency.

Receiving benefits under a proposed unemployment insurance programme would be conditional upon registration at an appropriate labour Board and demonstrable evidence of an active interest in seeking work. These Boards could also be linked to established job training facilities, such as that offered by State and private sector-based training facilities. It would also be linked to the granting of work permits for extra-regional workers.

Introduction of an Unemployment Insurance

Mechanism

Such a facility would allow for the provision of an income for unemployed persons who are actively seeking work for no more than one (1) year and payment of redundancy for workers so displaced. This is intended to address institutional rigidities

and distortions in the labour market, which are a disincentive to the efficient realignment of firms in a dynamic and competitive global marketplace.

This facility, which would be mandatory for all commercial enterprises, would be funded by the removal of the National Insurance Scheme (NIS) cap for corporate entities. Employee contributions would be voluntary and would be refundable after a prescribed period has elapsed but would be a determining factor in the calculation of the actual monthly income received upon becoming unemployed. These contributions would be hypothecated and placed in a designated Unemployment Insurance and Redundancy Payment Fund, which would be managed by private enterprise.

The foregoing would ensure that though persons are unemployed they will continue to receive an income, through the receipt of this conditional cash transfer, while they actively seek employment and be able to continue making contributions to economic activity and, in terms of redundancy, would introduce certainty about the receipt of payments for displaced workers.

Certification and Brain Drain

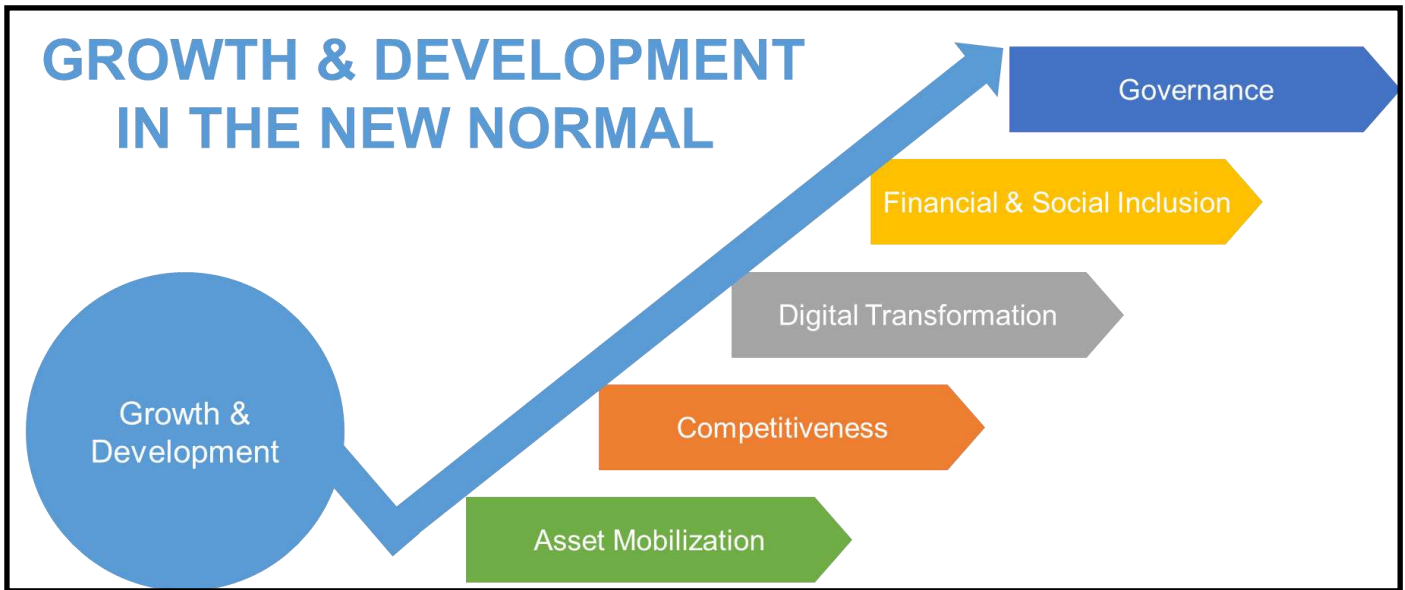
In excess of seventy percent of the labour force in many countries across the Region have no certification. This is a matter that requires urgent attention, as it inhibits the ability of workers to avail themselves of local opportunities and also

constrains overall growth and development. Conversely, as highlighted in the World Bank's Doing Business Reports, the overwhelming majority of persons with tertiary training eventually seek and obtain employment in the more developed countries. This is a function of low wages and lack of opportunity, which collectively highlights the dysfunctionality of the labour market. Indeed, it is not uncommon that University graduates with Masters Degrees are being paid at rates below that of the US federal minimum wage.

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Work From Home

In several State agencies, similar to what would obtain in the private sector, a significant number of functions can be effected by telework, as has been proven by the work from home orders that featured in the initial reactions to the pandemic. In cases where productivity levels have been maintained or even increased during that interval, it would be useful to explore and implement this facility on a



more permanent basis. Similarly, flexi-time arrangements are also useful, insofar as it reduces the number of personnel on-site at any given time but also allows for greater flexibility in offering services to customers. The reduced staff numbers could also lead to a reduction in physical space requirement of the Agency, coupled with a reduction in utility and other operating costs. Currently, the operating time for State agencies is incongruent with that of the private sector; hence, to attend to any of these necessarily leads to lost man-hours, which can be treated with effectively through more flexible operating arrangements.

Land and Capital

Establishment of a Real Estate Investment Trust for Crown Lands

The State has significant influence on the operations of the land market across the Region, given the high proportion of publicly owned lands. It is worthy of note that across the Region, State

ownership ranges from a low of one percent in Barbados to a high of seventy-eight percent in Guyana, and eighty-two percent in St Kitts and Nevis. It is proposed that a Real Estate Investment Trust (REIT) for publicly owned lands be established. The REIT structure would be designed to provide a similar structure for investment in real estate, as unit trusts or mutual funds provide for stock market investments.

It is proposed that a Real Estate Investment Trust (REIT) for publicly owned lands be established

The fact that the Crown Lands are substantially diversified across geographical markets and property asset classes is substantially beneficial to the functioning of an equity REIT. This helps to spread the risk of the portfolio, as the property values are dynamic and are determined by varying economic fundamentals in each sector or market segment.

In any event, these largest investments would be unitized and traded freely on the capital market, with the unit price being determined by demand and supply.

Land Titling

A significant portion of land across the Region is unregistered. For example, of the 800,000 parcels of land in Jamaica, approximately forty-seven percent is unregistered. They represent "dead or latent assets" since the lack of titles severely restricts their use as capital for investment and the creation of wealth. This informality is evidenced by the fact that the land market boasts two (2) distinct types of land titling operating in parallel but which tends to favour increased informality, primarily as a result of the costing and regulatory framework applicable to the formal process. A concerted effort must be made to increase land titling and, therefore, optimize the utility of these latent assets.

Public Private Partnership (PPP) Framework –

A PPP Framework functions as a guide through which an effective partnership between the private sector and the State is established. Such a partnership is usually manifested in the delivery of public infrastructure and public services and facilitates the transfer of risk associated with the investment from the public to the private sector. PPPs are normally associated with the construction of roads, bridges, schools and other such public buildings, water treatment facilities among others. As the Region continues to navigate the

post-COVID era and the economic shambles it has left in its wake, there will be little choice for fiscally challenged countries but to embrace a PPP framework to finance the requisite infrastructure works.

Targeted Infrastructure Development –

Targeted infrastructure investment aimed at also improving the resilience of the natural and built environments will provide the economies of the Region with a much needed demand stimulus. Whereas there are obvious challenges in the main with fiscal space, there are opportunities for countries to utilize the PPP modality to finance the infrastructure development. This can be through Build Own Operate and Transfer (BOOT) mechanisms such as Toll Roads. Developments can also be financed through capital market instruments.

COMPETITIVENESS

Tax Reform

Tax Reform in the Region remains a central pillar in a transformational process, tailored to effect economic dynamism and growth and sustainable development. However, to achieve its core objectives, tax reform must be comprehensive and while being protective of the revenue base of a country, facilitate both social and financial inclusion. Hence, the process of tax reform has been specifically aimed at broadening the tax base and generally lowering rates, coupled with a simplification of processes, to better promote

equity, fairness, and broad-based development. This is particularly germane, as high corporate taxes retard business development and also reduce the international competitiveness of firms. Further, increasing revenue by additionally taxing compliant taxpayers can worsen distortions and perceived inequities while, conversely, reducing reliance on trade taxes can bring real structural gains that outweigh short-term revenue difficulties.

There is, therefore, considerable latitude available for revenue enhancement through structural reform, but the extent of this will vary with pre-existing tax design and implementation. One such area of opportunity is the possibility of reducing tax expenditures, which will provide a relatively efficient source of substantial revenue; hence, the potential lies largely in optimizing compliance and scaling back preferential treatments. This will lead to an increase in the productivity and efficiency of tax revenues. Other imperatives for tax reform include –

- restoration of tax discipline in the face of mounting compliance challenges occasioned by the global pandemic and local economic crisis;
- establishment of a tax expenditure budgeting framework and a comprehensive review of the tax incentive framework;
- streamlining the legal framework to treat with compliance risks and tax abuse;

- reduction of tax gaps through improved revenue administration and tax compliance system adjustments;
- streamlining current strategies for taxing multinational entities within the confines of global tax competition;
- more effective use of Information Technology Solutions to reduce compliance risk;
- partial withholding of VAT by the State and selected large taxpayers from some suppliers in an effort to reduce leakage; and
- a more proactive approach in treating with the informal economy.

Financial Sector Reform

One of the negative impacts of a large informal economy, as obtains throughout the Region, is that there are limitations on the extent of financial inclusion in an economy. In that regard, as economies seek to adjust to the New Normal there is need for the following:

Legislative review with particular emphasis on Know Your Customer (KYC) reforms

Whereas cognizance must be taken of the need for a rigorous AML/CFT framework, there is obvious need for reformation of the framework, to be more

risk-based and, thereby, facilitate financial inclusion. For example, tiered KYC requirements could be adopted to attract very small savers. Similarly, the bureaucratic framework governing the opening and management of bank accounts (particularly corporate accounts) which, in some jurisdictions, can take up to thirty (30) days, is impatient of reform. Of equal importance is the review of banking legislation, to facilitate the formal introduction of mobile banking by capitalizing on the relative high rates of mobile phone penetration across the Region. This can be used for conditional cash transfers and remittances among many other applications.

Harmonization of framework governing Mergers and Acquisitions across the Region

Only Jamaica, Barbados, and Trinidad and Tobago have formal legislation in place for any merger and acquisition activity under their respective Securities Act and Financial Services Guidelines. Although these countries are party to the Revised Treaty of Chaguaramas (RTC), their respective Mergers and Acquisitions legislation is incongruent in some respects. For example, mandatory take-over rules in Jamaica dictate that the company must have over fifty percent of the shareholding, whereas in Trinidad, the threshold is thirty percent. That creates a particular challenge, as listing requirements in Jamaica encourage businesses to list at least thirty percent of their shares. This is particularly cumbersome for companies engaged in cross-border trading.

Secured transactions reform

The introduction of modern collateral reform, formally dubbed Secured Transactions, allows for a more expansive yet informed approach to be taken with respect to tangible or intangible assets. This would necessitate the modernisation of laws governing the pledging of movable property as collateral. This would permit any individual or firm to create security in any personal property of any nature.

Without restrictions, the collateral may be tangible or intangible and may be held by the debtor at the time of the agreement or acquired at any time in the future. Indeed, reformation of the collateral mechanisms must include a strategy on the valuation of intangible assets. This represents another way to reduce the perceived lending risk for firms operating in particular sectors, e.g., agriculture, where security of tenure remains a significant challenge.

Review of investment strictures on pension funds

This initiative would be in direct response to the issue that pension funds currently face in terms of funding the pension liabilities, given the current environment of relatively low inflation and low rates of return on traditional investment instruments. This could be broadened to allow for investment in bonds issued by companies that have an investment-grade rating from a recognised rating agency; bonds issued by listed companies; secured

leases; and certain equity or debt of private companies, all within a predetermined percentage of the assets of the pension fund. This would allow pension funds to invest in private equity and venture capital.

Development of a real time financial market information system

One of the most efficient tools in economic and financial planning is access to timely and accurate data. However, throughout the Region, data flows tend not to be timely and even when available, data is not disseminated in an efficient manner; therefore, economic and financial planning tend to be sub-optimal, with undue reliance being placed on projections which may not accurately reflect the dynamism of the market.

It is, therefore, believed that the development of a real-time financial market information mechanism is necessary, to not only facilitate greater levels of accuracy with respect to the data flows but also to allow for a deepening and broadening of the capital market. This will require a comprehensive review of data collection techniques and reporting requirements under the respective country's Statistics Acts.

Technical assistance will be required, as the new data reporting mechanism must be benchmarked against what obtains in developed markets and may require legislative adjustment.

Innovative use of latent assets in MSME lending strategy

Consequent on the fact that Crown Lands or State-owned Lands have been yielding, in most cases, sub-optimal returns, there is an opportunity to utilize these lands, in providing collateral cover (e.g. an interest in the land) for micro and small enterprises. Specifically, these Crown Lands would be unitized and units could be leased to micro and small enterprises that lack the requisite collateral to obtain loans from the traditional banking sector.

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The lease would also boast a mandatory insurance cover which would indemnify the Crown from any loss in the event of loan default and would also provide the lending institution with certainty in terms of loan recovery. These lease payments would provide an income stream particularly for marginal lands and, in any event, would form part of the income base of a proposed Real Estate Investment Trust. This would also allow for a lowering of loan rates particularly for microenterprises. Such activity would be complementary to Secured Transactions reform.

Reducing the State Footprint

Expenditure reform

Over time, Governments have found themselves actively participating in industries and projects, which, ideally, should be the remit of private enterprise. As a result, such participation should be closely reviewed to determine both their net benefits to the economy as well as any possible market distortions that may be created. In that regard, a full mapping of such State enterprises should be conducted and, where appropriate, arrangements made for their divestment. This divestment can be effected through the traditional PPP Modality, or it can be effected by use of the Capital Market which will allow for broad-based ownership while transferring the liability from the State to the private sector.

REGIONAL FAST FACTS

1%↑ FIXED BROADBAND = ↑0.08% GDP

1%↑ MOBILE BROADBAND = ↑0.15% GDP

PERCENTAGE OF RURAL POPULATION WHO DO NOT HAVE CONNECTIVITY SERVICES OF SUFFICIENT QUALITY

BAHAMAS, BARBADOS	: 53 - 63%
TRINIDAD & TOBAGO	: 64.4%
BELIZE, GUYANA, JAMAICA	: 71 - 89%

Source: IICA / IADB/Microsoft Study - October 2020

Digitalization of the Economy

One of the most obvious areas of economic transformation emanating from the COVID-19 pandemic is the migration to digital solutions adopted primarily by the private sector. These range from education services, remote meetings, food delivery to financial services and entertainment and, over time, will lead to increased use of AI as the transformation process continues to evolve. However, the State in the main was found to be lagging, as too many services continued to require physical attendance at offices and, in some instances, particularly with the public school system, absence of broadband access became a significant hindrance and led to social exclusion of at least some groupings. To treat with some of the emerging realities, the following are some issues that the respective countries may wish to pursue:

Internet access as a public good

The knowledge and the dissemination thereof is deemed a public good insofar as, once generated, it can be shared simultaneously by multiple persons, and it is difficult to maintain any type of proprietorship over knowledge and information flow. The fact that the internet and internet access is a key enabler in the new information age, it would be wise that, in bridging the digital divide, broadband internet access be classified as a public good, which would allow greater priority to be placed on this area of modern life. However, declaration of internet access to be a public good

does not mean that the service is free, and Governments would be encouraged to engage in partnerships with the private sector (acting out of enlightened self-interest), to provide lower cost or free access to vulnerable groups.

Governments would be encouraged to engage in partnerships with the private sector to provide lower cost or free access to vulnerable groups

Other intervention strategies could include –

- development of specific portals for the educational institutions and the vulnerable;
- Government establishing its own private network, utilizing a PPP framework or paying for the infrastructure outright and establishing a Wide Area Network (WAN) and allowing access through it. Another possibility is the establishment of limited partnerships with Internet Service Providers (ISP's) for some channels or lanes to facilitate increased access;
- zero-rated access to Government websites;

- the elimination of Regional Roaming charges;
- using “balloons” to provide internet access, particularly in remote areas; this is already being used in Africa; and
- anchoring the entire framework in the development of a fair use policy.

Net neutrality

There is room within the Region for treating legislatively with the issue of net neutrality, which would allow for unrestricted internet access and would necessarily allow for ISPs to be treated and regulated like any other utility. This is particularly germane in the Caribbean, where, in the main, the telecommunications market is marked by monopoly or duopoly operations and affords providers the opportunity to keep telecommunications prices high, limit access to the most modern technology and create a barrier to the access of digital services.

This is often compounded by high technology related taxes and inadequate digital content. One of the key issues that such legislation would be able to confront is the vexed issue of throttling, whereby access speeds are deliberately reduced by ISPs.

This, in many instances, has led to unstable access, whereby Wi-Fi access becomes so unstable, leading to switching between data and Wi-Fi and, consequently, higher data charges.

Foundations for electronic transactions

Ensure that the foundation for digital government includes legislative interventions to facilitate electronic transactions including electronic signatures, digital identity, electronic notifications, and interoperability among diverse instruments and platforms among others. This is founded upon the premise that the requisite investment in infrastructure will be made to ensure connectivity and that the commensurate amount of digital training be effected to ensure ease of transition to a digital platform.

In this regard, it may be useful for licences with telecommunications providers to be examined and renegotiated, where appropriate, to ensure that timely investments in infrastructure are made. This could include mandating that, after a prescribed period, the entities are required to list on the Stock Exchange, to allow for broad-based ownership and heightened transparency.

Digitisation of Government services

During the period of restricted movement in the initial stages of the pandemic, there was heightened demand for digital services. In the post-COVID period, the State has to become more responsive to the heightened demand, and several areas such as motor vehicle licensing; passport renewal; taxpayer identification numbers; payment of conditional cash transfers; construction permitting; and payment of taxes are all services that should be facilitated

through online portals. This should be complemented by the establishment of a modern E-commerce strategy, which will bolster commerce and revenues through the use of tax invoicing. Similarly, countries would be encouraged to develop a single form for the payment of all statutory deductions to avoid payment arbitrage.

Mobile Banking

Despite the relatively low banking penetration (35%) levels throughout the Region, the mobile penetration in the same market approximates 74% and, therefore, creates an opportunity to use that channel to avail the unbanked with financial services, using their mobile phones in an efficient and cost effective way to extend financial service outreach. This is known as Mobile Banking.

This form of banking would be primarily accomplished by issuance of instructions by the customer who is subsequently authenticated and/or receives information by way of his /her mobile phone. For example, persons in receipt of conditional cash transfers from the State would be able to receive such payments by way of their mobile device, at which point they would take the phone to the nearest cash out point (usually a store that sells lottery or a supermarket), following which, the person receives the money after authentication. According to a Department for International Development (DFID) Study, “mobile remittances offer the prospect of cutting the transaction cost to the customer by half – a saving that could go

directly into the pockets of many of the poorest people in the world.”

Elimination of the use of cash at Customs

Customs revenues remain a significant source of income across the Region; however, it also remains a significant source of revenue leakage. One weakness that has continued to impact this area is the lack of restriction on the amount of cash that is allowed to be used in the payment of duties, which can lead to pilferage and the facilitation of corruption. Therefore, it would be useful for Governments to impose a threshold, stipulating that only a relatively low level of cash would be accepted at the ports and ensuring that all payments above that low threshold be settled by credit cards, wire transfers, and the like.

SOCIAL INCLUSION AND GOVERNANCE

The Caribbean has long been labelled as an area which economic growth and development has been constrained by relatively high levels of crime and corruption. It is, therefore, imperative that as the nations of the Region embrace the post-COVID New Normal, mechanisms are implemented to ensure that these areas are brought under some semblance of control. Some of the remedies may be legislative, but, equally, some may be administrative and can be combatted through processes of digitisation and the re-engineering of archaic processes. For example, the establishment of a dedicated land court in some jurisdictions may

be necessary to deal with land titling issues, probate matters, property transfers, construction permitting, and zoning disputes. Similarly, attention must be paid to expansion of the cadre of legal draftsmen, as the development of modern legislative interventions is being hampered by a perennial shortage of that skill set. Of equal importance, the shortage of land surveyors is generating suboptimal outcomes in the construction sector. Nevertheless, the State has many tools at its disposal to treat with some of the issues that negatively impact outcomes:

Monitoring of incentive programmes

Of importance is the need to establish an office in each country to monitor all tax incentives and waivers granted, ensuring that these inducement programmes are providing the intended benefits to the State in terms of employment, revenues, and by way of other predefined metrics. All applications for incentives would be channelled through this office which would become the focal point for the preparation of the tax expenditure budget.

This is essential, as several countries have no singular point of processing and, therefore, the extent of potential revenue foregone in most instances remains unknown. It is of significance, as in several instances it is arguable that States are incentivising activities that would have occurred in any event and, in fact, sometimes find themselves engaged in unhealthy tax competition. This office would also be responsible for the redesign of several forms, to ensure that the requisite data

mining can be effected and also provide oversight for investment retention at the national level.

Government board appointments

In an effort to tighten governance of public sector agencies or entities which the State has a representative, there must be a process of strict oversight regarding both the appointment of these representatives and monitoring of their effectiveness. In this regard, persons so appointed to represent the State on Boards must be eminently qualified academically, to serve with the requisite experience at a senior level and be deemed fit and proper by the relevant authorities at the national level. Board appointees should be required to report periodically to the line Minister under whose portfolio the particular appointment falls.

Inclusiveness

The spirit of rebirth throughout the entire governance mechanism of the State must be premised on inclusiveness. Whereas cognizance is taken that in some jurisdictions there exist a governance mechanism that includes the private sector and, to some extent, civil society, there are noticeable gaps regarding the inclusion of representatives of labour as well as members of the political opposition. This is particularly important, as investors are specifically driven by policy continuity and failure to engage appropriately creates unnecessary uncertainty in terms of investment.

Municipal reform

Municipal reform in the Region should be a central pillar in a transformational process, tailored to effect economic dynamism, growth, and sustainable development at the local level. It, however, is an exercise that, at the outset, must be grounded in an in-depth diagnostic analysis that carefully maps present capabilities and identifies policy and administrative weaknesses.

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In fact, in most jurisdictions, Municipal Revenue Reform, which includes property taxes, represents the single largest omission in the process of tax reform. Hence, any effort in this regard must be combined with policy decisions on the future role of property taxes, particularly as part of a broader

fiscal decentralization strategy. This is an area impatient of reform, as it represents a significantly untapped and immediate source of revenue. In that regard, it is important that countries with municipalities ensure that there is a full public accounting of revenues collected and expenditure undertaken on at least an annual basis, with periodic audits being conducted.

Social inclusion

The issue of social inclusion is paramount, as countries seek to chart the course of the post-COVID new normal. The strategy must include a process for housing regeneration in marginal communities and targeted crime intervention strategies (including community policing), which are immediately followed up by social intervention programmes and skills training.

To crackdown on corruption, it might be useful for countries to establish an Integrity Commission, which would be charged with both the monitoring of the public procurement process but also provide oversight. Likewise, the strategy must include mechanisms to incorporate participants in the informal economy to cross over to the formal economy. Mechanisms such as micro-loans and micro-insurance would also help bolster activity, particularly among the self-employed. Similarly, tiered KYC requirements to facilitate the formal entry of those marginally employed into the formal banking system would also be useful.

Trust between partners and implementation lag

Another part of the challenge to the process of reform, which exists and is likely to persist in the foreseeable future, has been an implementation lag, which, in part, can be attributed to a substantial trust deficit between the State, business community, and the general public in the Region. Though, in recent years, social partnerships have been forged between the business community and Governments, such a partnership has always been tenuous but maintained out of enlightened self-interest versus the national interest.

However, in recent times, in some jurisdictions, there have been a further breakdown in this relationship, which does not augur well for a quick adjustment process. This is even more pronounced with the most vulnerable who have, over time, been buffeted by empty **political rhetoric and, thereby,** have become jaded. It is, therefore, critical that every effort be made to rebuild the lines of communication between partners and so facilitate meaningful economic growth and development. Part of the remedy to this mistrust is increased transparency, to wit publication of the recipients of all incentives and waivers; notification and publication of all State contracts awarded; town hall meetings; open dialogue; and digital transmission of most meetings including regional ones.

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SECTION 5

FUTURE STATE



EMERGING INDUSTRIES IN THE REGION

A fundamental and long lasting impact of the COVID-19 pandemic is the market disruption and transformation that it leaves in its wake. Indeed, several enterprises and even entire industries that consumers have become accustomed to over time, will find that those are being phased out or significantly transformed that their new image or output may represent only a semblance of what was previously offered. However, as disconcerting as this may be for some enterprises, cognizance must also be taken of the fact that the onset of the pandemic has created a new vista of opportunities.

Hence, entrepreneurs and established market participants need to strategically position themselves, to avail themselves of these opportunities and will necessitate, in some instances, a complete overhaul of the value proposition of enterprises, as they seek to optimize their competitiveness in a dynamic marketplace. This may require, in some instances, the

establishment of entirely new enterprises or it could occasion the realignment of existing business models to build out a new revenue streams for varying enterprises. Whatever the intervention strategy employed, it is critical for businesses to be sufficiently agile, to take advantage of the new opportunities and not become impaired by being too attached to archaic practices and industries which may soon become relics of the past.

TOP 5 PAYING JOBS IN THE CARIBBEAN



Source: Caribbean Jobs .com

OPPORTUNITIES

It is useful to recognize that COVID-19 is not a change agent per se but an accelerant that will determine the New Normal, in fact, only actualizing in most cases, strategies that were in varying stages of implementation. In that regard, whereas the following is not intended to be exhaustive, it is indicative of some of the trends which will likely emerge, as companies and economies realign to embrace the evolving business climate.

Real Estate

Given that since the onset of the pandemic there has been an accelerated transition to ecommerce in several markets, coupled with increased emphasis on near shoring, it is expected that there will be a significant increase in real estate demand, particularly for production and warehousing facilities, with an equal impetus for the attendant logistical services which will facilitate these developments. This is particularly likely, given the fact that several enterprises were adversely impacted by the market disruption occasioned by the pandemic, particularly through challenges with supply chains.

Hence, there will be increased emphasis on indemnification of their businesses, to the extent possible, from such occurrences in the future. In that regard, there is likely to be increased emphasis on strengthening the resilience of supply chains through increasing inventory levels, thereby creating

some level of redundancy in both the manufacturing sector and distributive trades. It is likely that this built-in redundancy, which will directly impact commercial real estate demand, will be more pronounced in the Fast Moving Consumer Goods (FMCG) categories, as those groupings traditionally are founded on “Just in Time” models and, therefore, carried very limited inventory buffer.

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There is likely to be a transition to “Just in case” models, which are founded on the premise of increasing domestic production which operates as a functional hedge against times of crisis. Given that the Region, generally speaking, is within a 5-hour flight radius of a market of 500 million and could be a low cost strategic hub for the transshipment of goods to both Latin and North America, will provide additional fillip for the development of near shore logistics industries.

Special Economic Zones

Since the Region, despite its high electricity rates, is still regarded as a relatively low cost production centre, given relatively low wages, there is also likely to be a shift in production locations, particularly from the Far East, which could be facilitated by the development of Manufacturing and Distribution hubs. These could also be developed as Special Economic Zones (SEZs), dependent on how aggressive the host country is in terms of investment attraction.

SEZs are geographically demarcated areas within a host country, tailored for global competitiveness which boast an optimized regulatory framework, with an emphasis on efficiency, thereby affording a lower cost structure for investors. Whereas in the New Normal it is expected that these facilities would rely more on AI and Robotics to optimize output, they would still be net employers.

Transportation

Concomitantly, with the associated increases in production and distribution, occasioned by near shoring, there is likely to be an increase in direct to customer shipments, which will create additional demand for packaging products/enterprises, coupled with courier services, to facilitate delivery. As this is likely to equally increase retailer demand, there will be increased opportunities for bulk transportation and distribution services (trucking, fleet management).

Power Generation

Effective electricity rates could be reduced by way of power wheeling [being allowed to supply their satellite operations with energy from their own power stations] arrangements, whereby the company generates its own power and pays a service fee for utilising the distribution network operated by the electricity company. In the Caribbean, all countries, based on size and scale of operation, have a monopoly supplier and distributor of electricity.

This will require a process of negotiation between the regulators and electricity providers, and given the limited window of opportunity to capitalize on the possible relocation of production facilities, it is imperative that these negotiations are not protracted. Indeed, already there is renewed interest in Eastern Europe and Mexico as low cost production centres. It also creates immense opportunities for producers of heavy duty electrical equipment and independent power producers.

There is also likely to be an upsurge in the use of renewable energy, which will provide an additional fillip to those enterprises and entrepreneurs participating in that space. For example, with the expected increase in the use of electric vehicles, battery manufacture and electric vehicle maintenance will definitely be growth areas which require highly specialized skills.

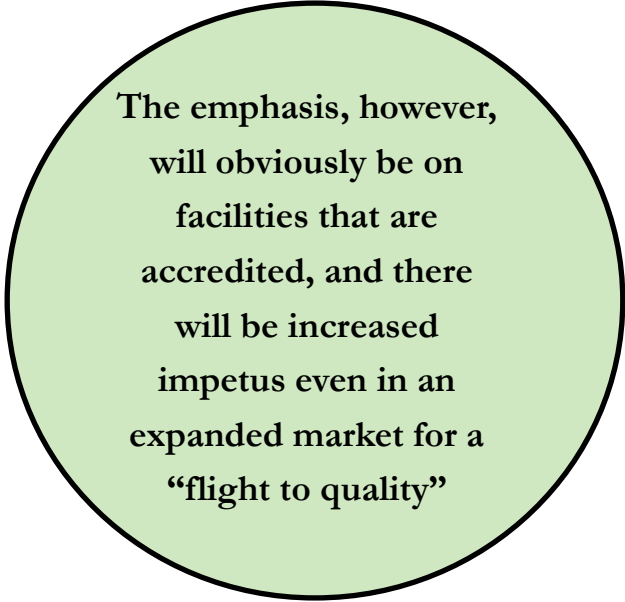
The Region remains among the highest cost producers of electricity in the World

Training and Educational Development

As economies transition to the New Normal, there will be an attendant increase in the demand for specialized skills across all technical fields. With low levels of tertiary training being prevalent across the Region, this creates the requirement for an exponential increase in graduates. Already, some tertiary institutions have transitioned into hybrid offerings, whereby some of their classes offer a mix of in-person and on-line or virtual facilities or totally virtual teaching. Previously, these institutions which only offered in-person teaching were forced by the limitation of physical space to constrain admission. The current development creates the latitude for these institutions to expand admissions exponentially, also allowing for a reduction in tuition fees while increasing access.

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Whereas for some areas of training that require laboratory guidance there must be in-person training, the vast majority of courses are not similarly constrained. These opportunities are not just limited to the traditional universities and other established facilities but for new players which may wish to participate.



The emphasis, however, will obviously be on facilities that are accredited, and there will be increased impetus even in an expanded market for a “flight to quality”

The emphasis, however, will obviously be on facilities that are accredited, and there will be increased impetus even in an expanded market for a “flight to quality”. It must be recognized that in a competitive market, those institutions which are ranked highly along the proverbial prestige cycle and, therefore, have a higher brand value, will have an advantage over newer entrants, as the pursuit of certification of those brands will likely be even more pronounced. There is also likely to be increased demand for online and home schooling for children in the primary and secondary school age cohort, generating additional demand for e-learning platforms and video conferencing facilities.

Hence, there will more scope for specialised teaching skills, particularly among those who are *au fait* with modern technology and e-learning platforms, in particular, coupled with the requisite teaching credentials.

DIGITAL

Technological progress can deliver rapid growth if it accelerates structural transformation. This is particularly germane, at a time when productivity growth has slowed in the Region. However, the skill intensive nature of the transformation will necessitate the reallocation of labour from low-productivity activities to higher-productivity activities, which will require complementary investments in education and training. This is particularly timely as, regionally, employers identify inadequately skilled workers as a major constraint to their businesses. In some countries, some seventy percent of the labour force reportedly has no certification. The speed of technological progress is influenced by changes in demography, access to broadband, workforce skill levels or the adequacy of social protection mechanisms for those who might be displaced. Hence, the rebalancing of technological dynamics that the New Normal demands, coupled with the attendant risk mitigation to minimize fallout, points to a non-exhaustive list of opportunities in the following areas:

- ◆ Computer Application and Software Development including communications platforms;

- ◆ Robotics and Artificial Intelligence;
- ◆ Data security;
- ◆ Website development and upgrade;
- ◆ Cybersecurity;
- ◆ 5G and bandwidth requirements;
- ◆ Digitized Hospitality;
- ◆ Cloud computing; and
- ◆ Analytical reasoning.

ELECTRONIC COMMERCE

Given the restrictions of movement that were imposed at national levels as part of the management protocol of the COVID-19 pandemic, there has been an increase in the utilization of electronic commerce (e-commerce). However, perversely, the principal beneficiaries of the surge in e-commerce have not been at the local or even regional levels but to Third Country markets. Nonetheless, as commercial enterprises, as a matter of necessity, embark on an expedited digital transformation process, there will be opportunities for the development of online payment facilities – regional or national variations of PayPal, etc. Similarly, in the New Normal, there will be opportunities for the expanded use of mobile money on a regional scale.

REGIONAL FAST FACTS

The Bank of Jamaica reports that in 2019 there were more than 134 million electronic retail transactions in Jamaica worth in excess of J\$4 Billion

AGRICULTURE

As enterprises seek to enhance efficiency and competitiveness, there is likely to be increased emphasis on production integration. In that regard, with the increased emphasis on production and food security, it is anticipated that there will be increased emphasis on the use of Anchor farms and large scale aggregators in Agriculture. This concept is already in use in some Caribbean countries, most notably Jamaica, and it is anticipated that the adoption of this concept will experience exponential growth over the medium-term. The sector is likely to benefit from virtual extension services, which will allow for greater optimization in the adoption of best practices regionally but will provide a real time access to farmers to address issues.

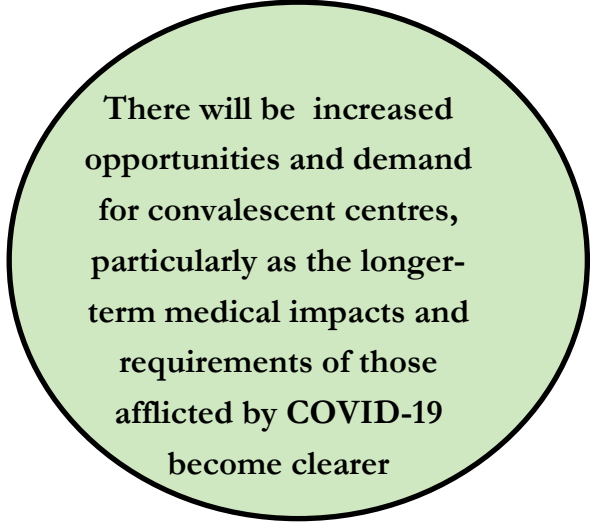
PRODUCTION

Further, with the expected paradigm shift in electricity generation, it is anticipated that more enterprises will become engaged in food processing and manufacturing and, therefore, create considerable market opportunities. This will be enhanced by the use of AI, which will facilitate increased productivity.

PERSONAL CARE

It is expected that as the operational dynamics of economies adapt to the New Normal, there is likely to be an increase in demand for Elder Care. Particularly, it is expected that there will be

increased opportunities and demand for convalescent centres, particularly as the longer-term medical impacts and requirements of those afflicted by COVID-19 become clearer. It is also likely that there will be increased demand, which will drive expansion of the self-care industry. This is likely to be influenced by increased emphasis on healthy diets and exercise programmes. Indeed, an emerging industry across the Region has been online personal fitness training, and there are opportunities for the continued growth of online webinars for those appropriately accredited to offer such services in the field of physical fitness.



There will be increased opportunities and demand for convalescent centres, particularly as the longer-term medical impacts and requirements of those afflicted by COVID-19 become clearer

CONSULTANCY

As corporate and State enterprises continue to re-engineer their operations in the wake of COVID-19, it is expected that there will be increased demand for consulting services. In this regard, it is expected that particular areas of focus will be in the areas of Management, Scientific, and Technological consulting. There is also likely to be increased emphasis on provision of business analytical services.

OTHER SERVICES

Generally, it is expected that there will be additional opportunities in the areas of food service, entertainment, retail, and medical services.

Whereas the listing highlighted above is not exhaustive, it may well prove to be indicative, based on emerging market trends, as the Region seeks to

compete in the global market. What, however, remains incontrovertible is that the status quo that obtained prior to the declaration of the pandemic has now been relegated to the dust bin of history, and the imperatives and opportunities that now emanate from the onset of the pandemic and the changes in human behaviour it has necessitated, has created tremendous opportunities for development, competitiveness, and change.

JOBS WITH THE FASTEST GROWING DEMAND

Jobs in Demand (Projected) 2021/2022 2021/ 2022	Jobs in Demand (July vs June 2020) All Jobs	Jobs in Demand (July vs June 2020) Remote Jobs
Software Architect	Tax Specialist	Sales Development Rep
Nurse	Financial Advisor	Sales Director
Customer Service Specialist	Customer Assistant	Back end developer
Home Health Nurse	Training Supervisor	Product Manager
Site Reliability Engineer	Patient Care Assistant	Sales Manager
General Manager	Restaurant Worker	Project Manager
Architect	Patient Service Rep	Account Manager
Stock Clerk	Technical Program Manager	Marketing Manager
Driver	Salesforce Developer	Clinical Research Assoc.
Cook	Javascript Developer	Software Engineer

Source: LinkedIn and Author's Assessment

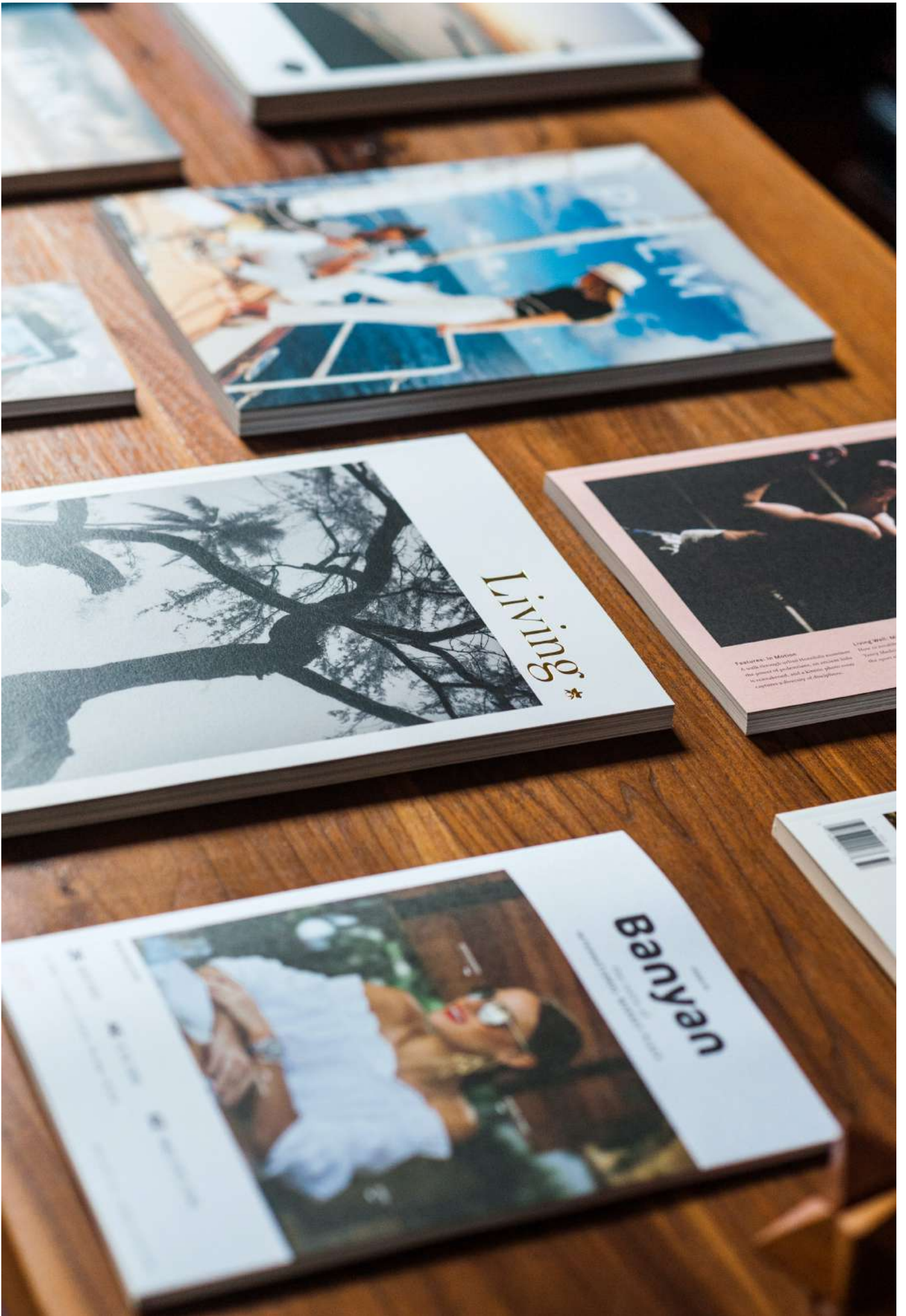
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BONUS CHAPTER

MEDIA GUIDE





BONUS

MEDIA GUIDE

ELECTRONIC MEDIA INTERVIEWS

Pre-preparation:

Prior to consenting to participate in a media interview please ensure that you are either knowledgeable on the subject matter or you will be able to source the material which will allow for preparation.

Mock interviews:

When preparing for a media interview its always advisable to do a dry run. Do not be afraid to confront hard questions or controversial issues because it is at this point that you will practise how to deal with them. Also insist on receiving an “interview treatment” document [see overleaf]

Honesty:

During the interview, if a question is raised and you do not know the answer, please so indicate but offer to find out and get back to the host with the answer. Do not “wing it” and invent something on the fly.

Demeanour:

Try to be as calm as possible. A shaky voice or too rapid a response indicates either nervousness or untrustworthy response.

SPEAKING ENGAGEMENTS

Pre-preparation:

Prior to consenting to a speaking engagement please ensure that you are either knowledgeable on the subject matter or you will be able to source the material which will allow for adequate preparation.

Rehearse:

Practise delivery of your presentation several times, so that you are really familiar with the speech (pauses, etc.) for maximum effect.

Style:

Do not hug the podium or lectern as it suggests discomfort with the material. Speak in measured tones. Short sentences are more impactful.

Coverage:

Have your Communications Officer send to the media houses a Request for Coverage once you have confirmed said interview and know the key points you are likely to raise. When you attend the presentation, take a few printed copies of your speech (marked “Check Against Delivery”) and also a press release (prepared by the Communications Officer) highlighting the issues raised.

MEDIA INTERVIEW TREATMENT FORM (SAMPLE)

Title of Interview:

Brief for [Name of Programme] Interview [Name of Station]

Interview Date & Time:

Thursday, August 21, 2023 at 6:30am

Duration:

15 minutes

Programme:

Name of Programme

Media House:

Name of Media House

Programme Host:

Name of Programme Host

Host Background:

Academic background. Any known biases or pet peeves. Interview style. Is the host known for ambush interviews (using interview methods which seek to entrap interviewees into making statements which are likely to be injurious to their reputation, character or cause)? This is a critical determinant in whether to accept an invitation or not.

Interviewee:

Name of Interviewee

Location of Interview:

Address (with directions) / On phone

Focus:

The specific focus of the proposed interview

Likely Issues:

Broad themes or areas of interest likely to be raised

Likely Questions:

List of possible Questions which the interviewer may ask

Key Takeaways:

The issues that are deemed absolutely critical that you must ensure come to the fore in the interview

Date of Broadcast:

Live / Station will call interviewee / Taped to be broadcast on a prescribed future date

Name of Producer:

Name of Programme producer

FOR TELEVISION INTERVIEWS DO NOT WEAR WHITE CLOTHING

ABOUT THE AUTHOR



An Applied Economics Consultant and Advocate with a career spanning 30 years, Joseph Cox is currently the Assistant Secretary-General, Trade and Economic Integration at the Caribbean Community (CARICOM) Secretariat in Georgetown, Guyana. A Jamaican national, he holds both a Bachelor and a Master's degree in Economics from the University of the West Indies.

His contribution to Regional Development has included the conceptualisation and receipt of the unanimous approval from the Council of Trade and Economic Development (COTED) for the Made in CARICOM initiative; development and successful execution through the Caribbean Centre for Renewable Energy and Energy Efficiency of a Project Preparation Facility; developed and implemented a Regional Strategic Intervention Framework, dubbed the Programme of Technical Assistance to CARICOM Territories (PACT). He also developed and received approval from the COTED for the strategy to re-open the Regions' economies during the COVID-19 pandemic and has authored several peer reviewed periodic papers including "*Utility of VAT Holidays*" developed in November 2020.

He also author's and publishes CARICOM Business – a weekly Regional business newsletter which is circulated both Regionally and Internationally, to acclaim.

Prior to his CARICOM Secretariat posting, he was the Managing Partner for the Centre for Growth and Development in Jamaica, doubled as the Executive Director, Growth Secretariat, at the Planning Institute of Jamaica and provided oversight for the Inter-American Development Bank (IDB) / Government of Jamaica (GOJ) Competitiveness Enhancement Programme. His contribution to Jamaica's national development has manifested itself, in part, through the establishment of three (3) Financial Institutions and includes the preparation of the "*Taxation for Growth Strategy for Jamaica*"; "*Municipal Finance Reform Strategy*"; and an intervention strategy entitled "*Towards a Modern Development Approvals Mechanism*" which was to overhaul the construction permitting system in Jamaica.

He was also engaged in advocacy of a myriad of social and economic policy issues. Mr. Cox also conceptualised and led a demand side access to finance intervention entitled the "Financial Information and Real-time Matchmaking (FIRM) initiative, in which some J\$1.9B (US\$174.0m) in financing was obtained for the Jamaican business community. Mr. Cox has also distinguished himself in the International Development Partner Community, having successfully completed diverse assignments for the IDB and World Bank. He is also the recipient of the Prime Minister's Medal of Appreciation for Service to Jamaica.

NOTES

