



Corporate resilience in a post pandemic business environment

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Agenda

Changing profile of CFO today

Business continuity

Financial risk management

Role of digital transformation in the 21st century

Effective human resource management

Positioning for success as CFO

Changing profile of CFO today

More strategic and operational

Stronger external experience

CEO advisor

Higher level of education

Evolving demands with digital disruptions

Proactively participate in defining and executing strategy

Building critical analytical capabilities and investing in technology

Business Continuity

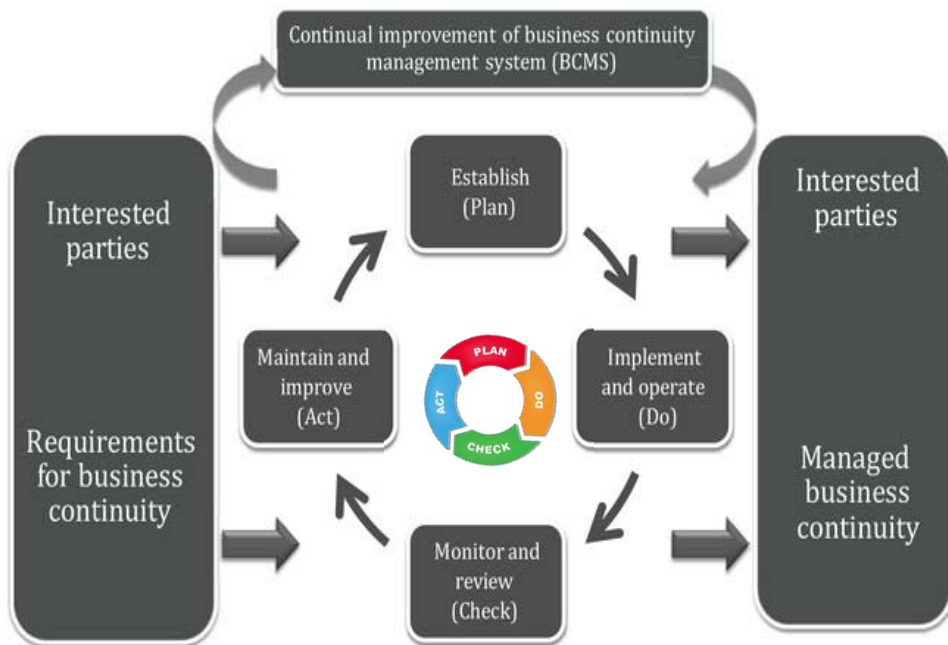
Business continuity is the capability of the organization to continuedelivery of products or services at acceptable predefined levels following a disruptive incident.

Business continuity management (BCM) is the process of achieving businesscontinuity and is about preparing an organization to deal with disruptive incidents that might otherwise prevent it from achieving its objectives.

Business Continuity Management System

Placing BCM within the framework and disciplines of a management system creates a business continuity management system (BCMS) that enables BCM to be controlled, evaluated and continually improved.

Business Continuity Management System (Continued)



Plan (Establish)

Establish business continuity policy, objectives, controls, processes and procedures relevant to improving business continuity in order to deliver results that align with the organization's overall policies and objectives.

Do (Implement and operate)

Implement and operate the business continuity policy, controls, processes and procedures.

Check (Monitor and review)

Monitor and review performance against business continuity objectives and policy, report the results to management for review and determine and authorize actions for remediation and improvement.

Act (Maintain and improve)

Maintain and improve the BCMS by taking corrective actions, based on the results of management review and re-appraising the scope of the BCMS and business continuity policy and objectives.

What it will take for BCP to succeed in 21st century

- Digital Transformation of your Organization
- Develop an Emergency Response Plan
- Get executive management support
- Training and Awareness of Staff is Vital
- Audit your plans to assure continuous improvement
- Update your plans with recommendations after testing or audits

Financial risk management – Cash Preservation & Generation

The outbreak of COVID-19 and the impact on the wider economy has placed unprecedented pressures on Kenyan businesses.

Although government support for business is being made available, firms will need to first, demonstrate robust and stress-tested financial forecasts and two, implement appropriate self-help steps to improve liquidity and minimise funding requirements.

The market environment

Demand shock

COVID-19 has impacted demand across almost every sector of the economy, with smaller businesses impacted more acutely.

Cashflow chain

Customers delay payments, as they are waiting for their own customers to pay. This causes a chain reaction of tightened liquidity.

Supply challenges

This remains an issue for several sectors, where disrupted borders are causing supply chain issues.

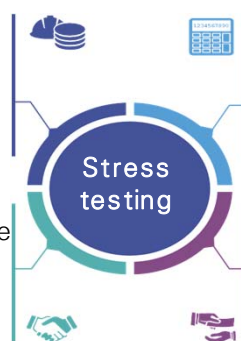
Financial modelling stress testing must look at four components

Cash

Determine the level of liquidity and crisis cash requirements.
This also includes identifying tactical working capital actions that will quickly optimise business cash flow.

Customer

Diagnostic to understand how demand patterns will be impacted.
Revenue analytics supported by primary research for operational changes.



Cost

Categorisation and triage of discretionary expenditure for cost control.
Leverage multiple revenue forecast scenarios to develop organisational cost model various activity levels.

Capital

Urgently review capital expenditure plans to test for requirement during immediate COVID-19 crisis.
Identify capex reduction opportunities based on revised demand forecasts.

Financial risk management – Cash Preservation & Generation

Mitigating actions

During the COVID-19 crisis, businesses will need to maximise their existing working capital availability. Mitigating actions can take time to implement, therefore acting decisively is critical.

1 Implementing and optimising good practices

Straightforward actions that can be implemented quickly:

- Review supplier contracts and maximise existing payment terms
- Chase up late/non-payment
- Ensure customer/ supplier failure policies are reviewed e.g. via Retention of Title
 - Review policies and identify quick win cost reductions

2 Taking tactical actions

These options may have some long-term impacts, but may have a significant impact on cash:

Defer capital expenditure.

Renegotiate supplier payment terms

- Defer capital expenditure.

Remove or defer unnecessary:

- costs e.g. contractors
- working on non-core
 - activities, marketing
 - Expenditure

3 Making last resort changes

These are aggressive cash preservation options that may be suitable in certain circumstances:

- Defer non-wage cash outflow
- Reduce overheads by closing/ reducing some operations
- Consider voluntary reduced worktime or pay reduction options for employees
- Consider mothballing although you will need to ensure that insolvency is not triggered

Key points to consider

Be proactive

Acting now with some of the lighter actions may defer or lessen the requirements for more extreme measures further down the track.

Director duties

Cash preservation measures must be undertaken with regard to director's duties under the Companies Act. Expert advice should be sought.

Consider impacts

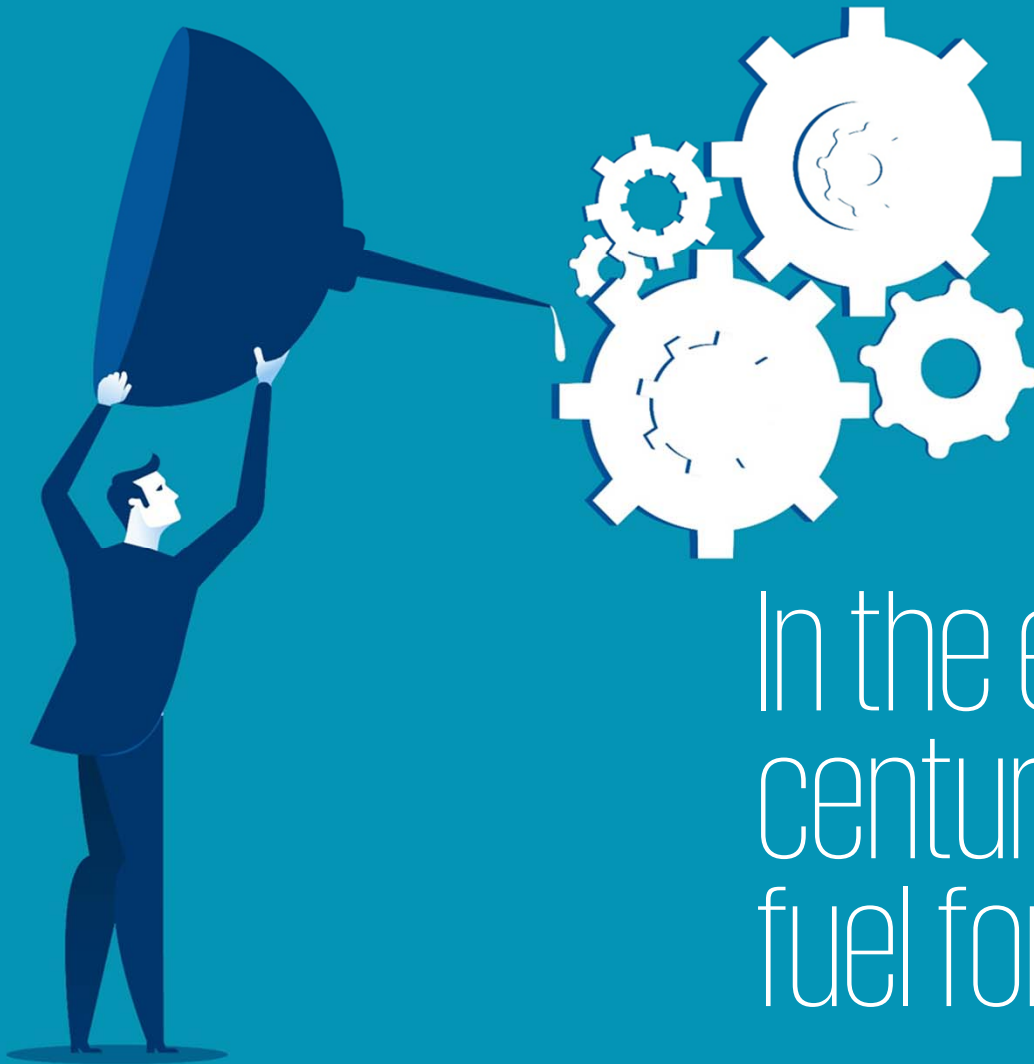
None of these choices are without consequences. Businesses should evaluate impact to minimise adverse consequences e.g. supplier failure.

Digital transformation continues to influence the 21st Century Enterprise



Data & Analytics





In the early 20th
century, oil was the
fuel for innovation...



But the in 21st
century data is said
to be the new oil...
But is that all?

$a \wedge q \wedge$



Data is MORE than new oil...

In the 21st century, the exponential growth of data promises to create opportunities for growth. Its supply is unlimited and organisations are cognisant of this...

Digital Business Models assume Leadership

Source: Leading Through Digital – Business Models that exploit the Digital Opportunity, Bloomberg, accessed 12:00 noon, Monday 16th April, 2018



Big Data & Analytics



Data & Analytics

1. Big Data

“Extremely large collections of data (data sets) that may be analysed to reveal patterns, trends, and associations, especially relating to human behaviour and interactions.”

In addition, many definitions also state that the data sets are so large that conventional methods of storing and processing the data will not work. In 2001 Doug Laney, an analyst with Gartner (a large US IT consultancy company) stated that big data has the following characteristics, known as the 3Vs:

- ✓ **Volume** - a very large amount of data. More than can be easily handled by a single computer, spreadsheet or conventional database system
- ✓ **Variety** - disparate non-uniform data of different sizes, sources, shape, arriving irregularly, some from internal sources and some from external sources, some structured, but much of it is unstructured
- ✓ **Velocity** - data arrives continually and often has to be processed very quickly to yield useful results

Data & Analytics - Volume

1. Big Data

The volume of big data held by large companies such as Walmart (supermarkets), Apple and eBay is measured in multiple petabytes.

The big data depositories of these companies hold at least the data that could typically be held on 1 million PCs, perhaps even 10 to 20 million PCs.

These numbers probably mean little even when converted into equivalent PCs. It is more instructive to list some of the types of data that large companies will typically store.

- Retailers:** loyalty cards: details of all purchases you make, when, where, how you pay, use of coupons. websites: every product you have ever looked at, every page you have visited, every product you have ever bought.
- Social media (such as Facebook and Twitter):** Friends and contacts, postings made, your location when postings are made, photographs (that can be scanned for identification), any other data you might choose to reveal to the universe.
- Mobile phone companies:** Numbers you ring, texts you send (which can be automatically scanned for key words), every location your phone has ever been whilst switched on (to an accuracy of a few metres), your browsing habits. Voice mails.
- Internet providers and browser providers:** Every site and every page you visit. Information about all downloads and all emails (again these are routinely scanned to provide insights into your interests). Search terms you enter.
- Banking systems :** Every receipt, payment, credit card payment information (amount, date, retailer, location), location of ATM machines used.

Data & Analytics - Variety



Some of the variety from the data sources outlined before are;

Browsing activities: sites, pages visited, membership of sites, downloads, searches
Financial transactions, Interests, Buying habits
Reaction to ads on the internet or to advertising emails
Geographical information & Information about social and business contacts

Structured data: this data is stored within defined fields (numerical, text, date etc) often with defined lengths, within a defined record, in a file of similar records. Structured data requires a data model. Designing the model defines and limits the data that can be collected and stored, and the processing that can be performed on it.

Unstructured data: refers to information that does not have a pre-defined data-model. It comes in all shapes and sizes and this variety and irregularities make it difficult to store it in a way that will allow it to be analysed, searched or otherwise used e.g. emails, documents, spreadsheets, PowerPoint files, audio, video, social media interactions and map data.

Data & Analytics

2. Analytics

Data mining: analysing data to identify patterns and establish relationships such as associations (where several events are connected), sequences (where one event leads to another) and correlations.

Predictive analytics: a type of data mining which aims to predict future events. For example, the chance of someone being persuaded to upgrade a flight.

Text analytics: scanning text such as emails and word processing documents to extract useful information. It could simply be looking for key-words that indicate an interest in a product or place.

Statistical analytics: used to identify trends, correlations and changes in behaviour.

The analytical findings can lead to:

- Better marketing
- Better customer service and relationship management
- Increased customer loyalty
- Increased competitive strength
- Increased operational efficiency
- The discovery of new sources of revenue

Effective human resources management and talent retention

1. Working remotely is possible and has almost the same efficiency level as working from office. Most of the corporates have initiated work from home as a new norm amid the pandemic. This has proved possible thanks to the use Zoom, Microsoft Teams and Skype as primary means of getting in touch with our colleagues.
2. In the post pandemic period it will not be a surprise for corporates to allow their staff to work from home and go to the office on a need basis.
3. As such corporates will need to review the need for large rental office spaces, if majority of staff will be working remotely. Overall, working from home may prove to be cost effective to both employers and employees
4. Integrity and commitment is central to effectiveness and efficiency of work delivery. The new way of working tells us that, our staff are disciplined enough to deliver without being monitored physically. The pandemic sends a subtle message that employees are central to the business and they can effectively deliver while working from home.
5. We need to take into account the sustainable and efficient methods of working emerging out of the current pandemic in order to remain competitive

Seven questions to position yourself for CFO success

1. Are you prioritising key technology or market trends that will have the biggest impact on the company
2. Are you actively involved in formulation of strategy
3. Have you provided clarity on the financial requirements and expectations of delivering on strategic priorities
4. Are your strategic, operational and financial planning processes closely aligned with the quarterly review process by the BOD
5. Do you know how your company transformation initiatives is performing
6. How do you communicate the company returns on investments and key initiatives driving the transformation
7. Are you involved in managing the investments allocated to run the business

Question break

