

A photograph of a business meeting around a table. Several people are visible, some wearing masks. They are looking at laptops and documents. One person is writing on a document with a pen. The scene is dimly lit, suggesting an indoor office environment.

Business Planning in the Age of COVID

December 2020 Survey Results

www.prevedere.com

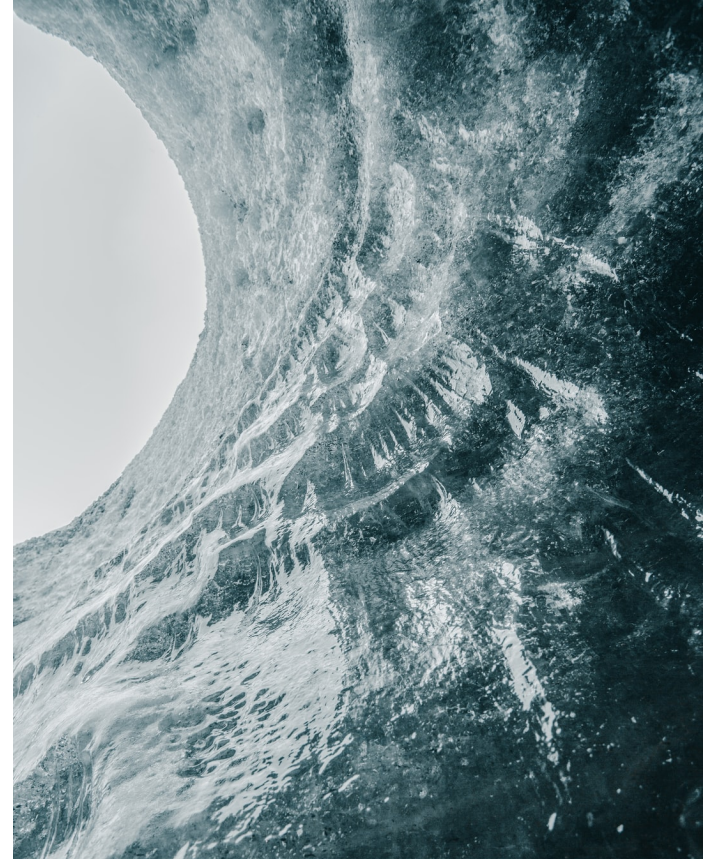
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Introduction

From marketplace chaos to the constant change in consumer behavior, modern planning and strategic executives and their teams have weathered many storms. But nothing could have prepared them for the tsunami that hit in early 2020. The new year brought not only COVID-19 but unclear economic conditions and time horizons. Long-term plans were out the window, and companies had to react fast.

“Companies need a new approach to financial planning and performance management—one that informs rapid realignment of plans and actions and ensures organizational resilience.”

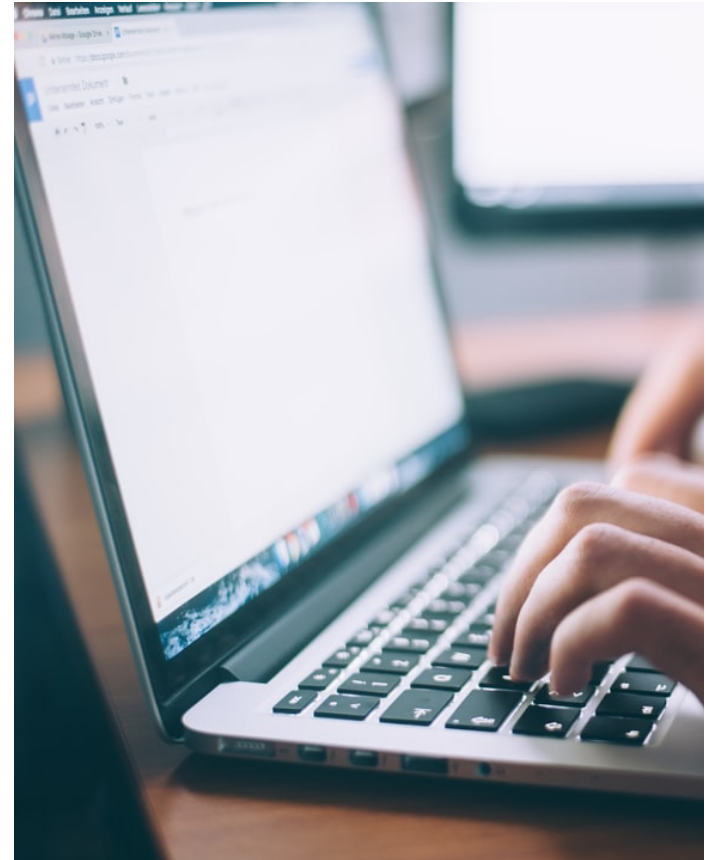
Source: McKinsey & Company



About

The “Business Planning in the Age of COVID” report analyzes findings from a December 2020 survey conducted by Prevedere among senior-level executives. The purpose of this survey was to gather business leaders’ thoughts and opinions on business planning heading into 2021. Businesses faced unprecedented challenges, yet showed incredible grit and resiliency. This survey set out to identify both challenges and solutions and provide a high-level snapshot of how companies are responding to the pandemic.

The survey was conducted by Prevedere in December of 2020 anonymously online.



COVID 19: Impact on Business

80.5%

EXPERIENCED **DISRUPTION**

The overwhelming majority said COVID-19 caused disruption to their business planning process.

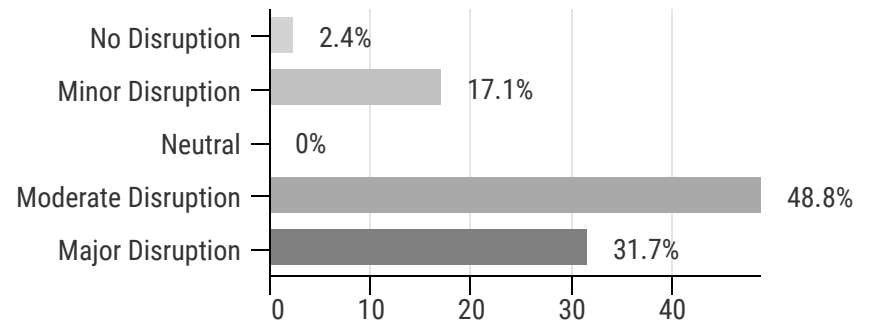
Feast or Famine?

24.4%

IMPACTED **POSITIVELY**

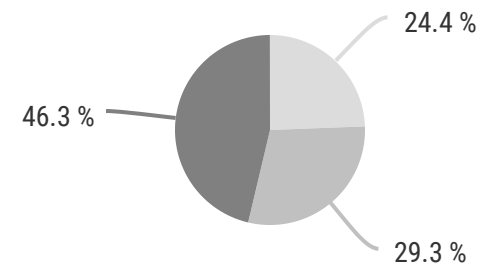
While nearly half were impacted negatively, surprisingly, a good percentage said COVID-19 affected their business performance positively.

On a scale of 1-5, how much did COVID-19 disrupt your business planning processes?



Source: Prevedere, Dec. 2020 Survey

Overall, how has COVID-19 impacted your business performance?



● Positively ● Neutral ● Negatively

Source: Prevedere, Dec. 2020 Survey

COVID 19: Biggest Challenges

"Supporting a rapid deployment of a remote strategy for projects in progress and the remote workforce globally"

"Supply chain interruptions"

"Scaling faster than planned pre-COVID19"

"Uncertainty"

"Growth - new business declined significantly"

"Day-to-day job focus shifted as we pivoted to capture and synthesize market and customer reaction to COVID-19. The business faced unprecedented mid-year volume that required thousands of atypical seasonal workers, which were at a premium given the spread of the virus."

"Not knowing when economy will come to be normal (normal business activity)"

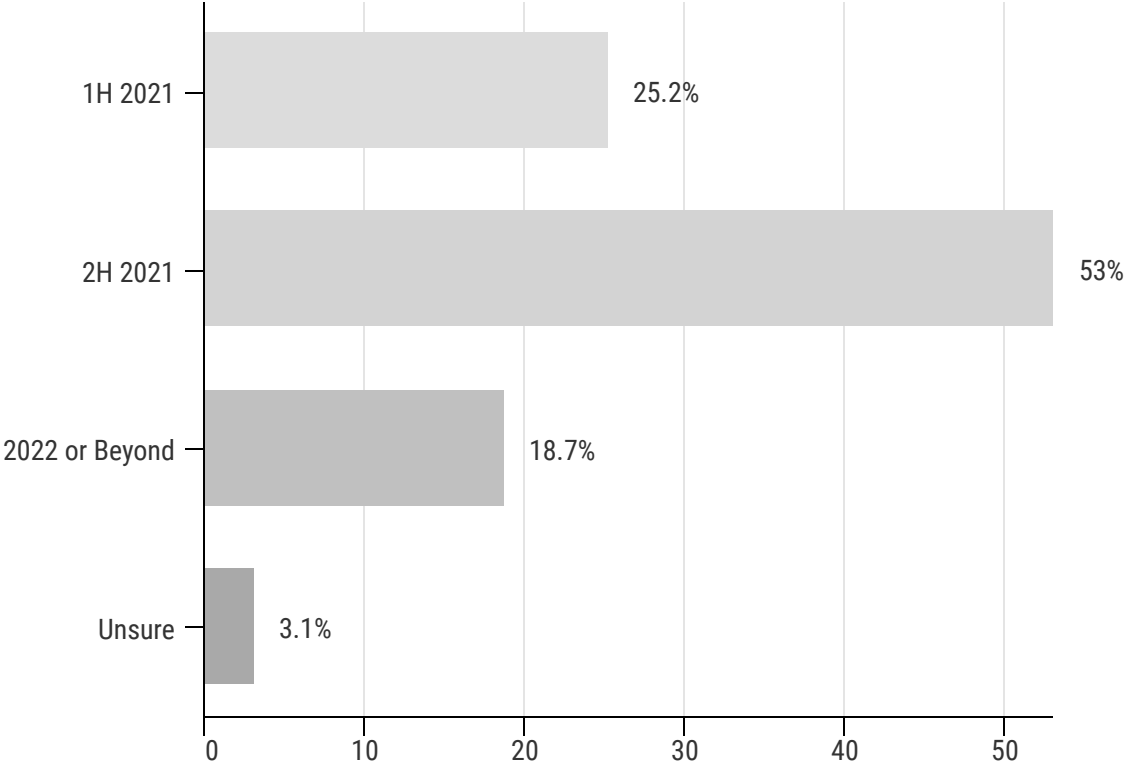
COVID 19: Recovery Time

Of the companies affected...

1 in 4 EXPECT RECOVERY BY MID YEAR

Most EXPECT RECOVERY 2H 2021

When do you anticipate your company to return to pre-COVID levels of business performance?



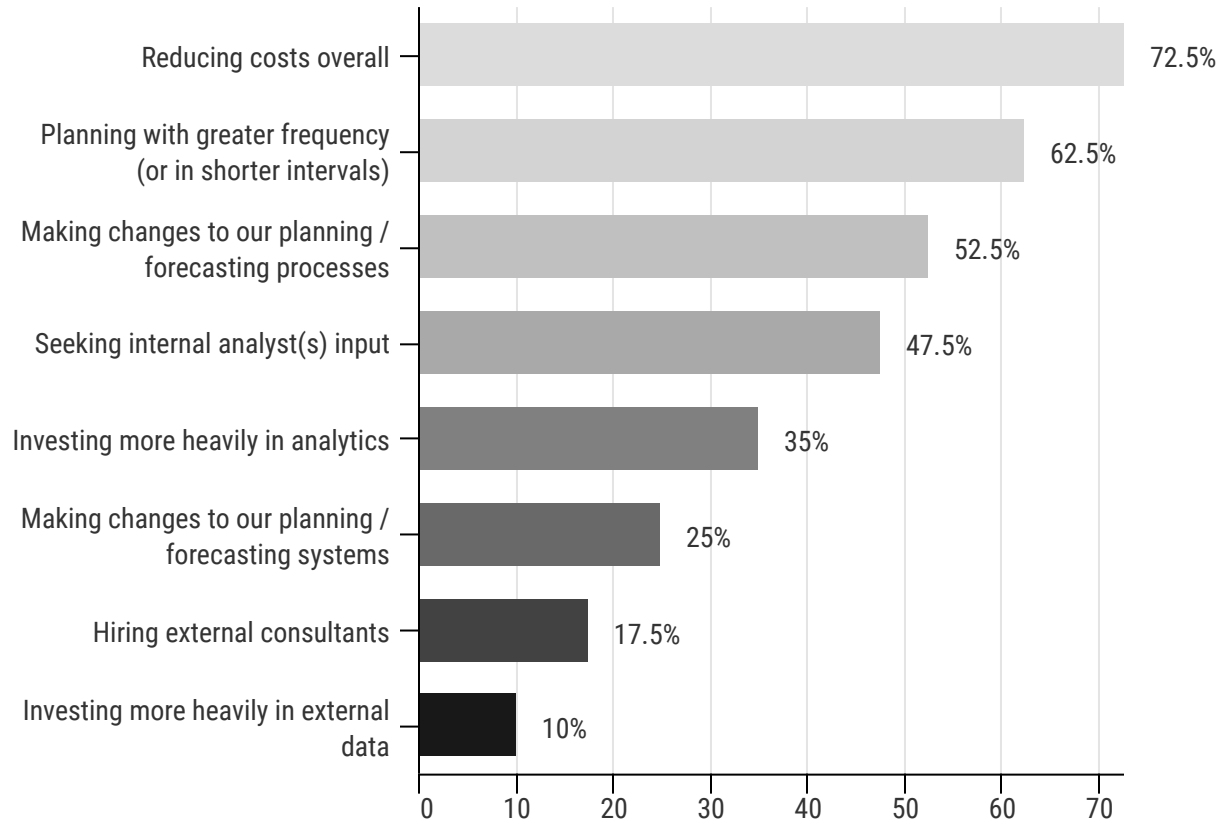
Source: Prevedere, Dec. 2020 Survey

COVID 19: Resource Allocation

To weather the storm, not only are companies reducing costs but planning more frequently and adding agility to their processes.



As a result of COVID-19 and the resulting recession, how are you allocating your resources to plan for 2021 and beyond?

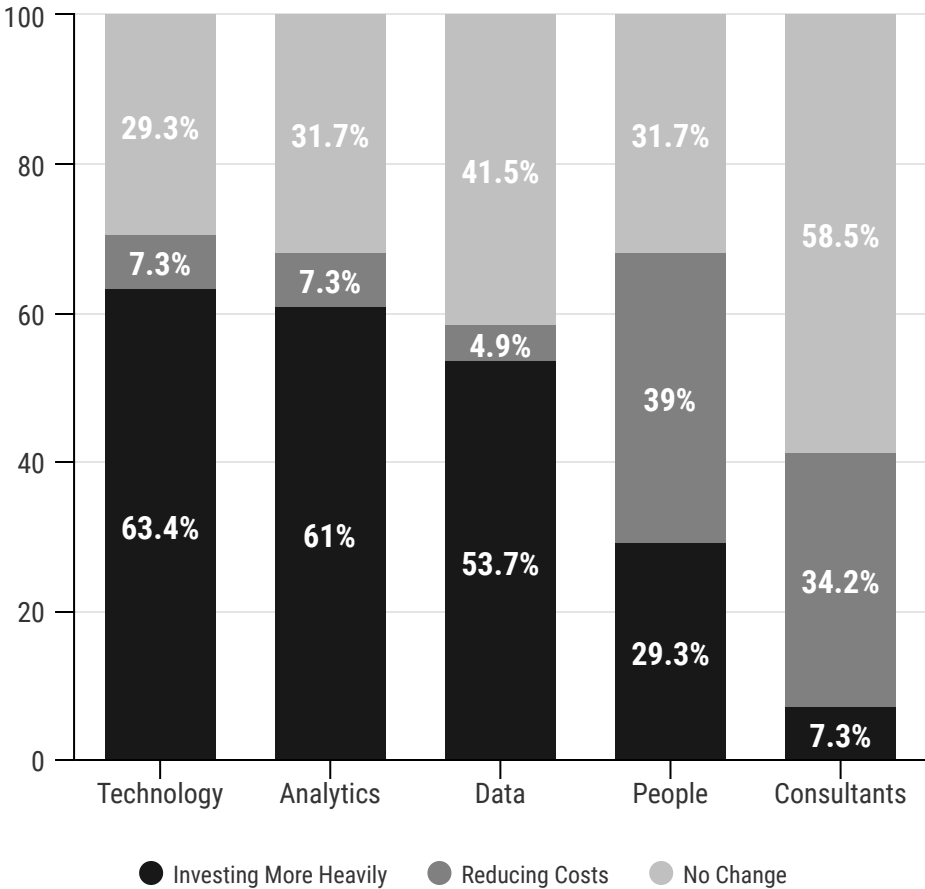


Source: Prevedere, Dec. 2020 Survey

COVID 19: Current investments

Investing more heavily in technology, analytics, and data.

How are you currently investing in the following?



Source: Prevedere, Dec. 2020 Survey

COVID 19: Response

"Relentless implementation of safeguards"

"Taken significant cost out and revised business model to be less reliant on brick and mortar"

"Cut spending. Salary freeze. Layoffs. Protect core capabilities. Invest in business development."

"Services teams stepped up and worked 'round the clock."

"Developed protocols, hired temp workers, used other company employees to keep lines running"

"Trending, range based forecasts, reviewing of past periods of dramatic downturns (Great Recession)"

"Reorganized to meet what we believe that our clients will best respond to based on trends, insights and discussions"

"Reallocated resources appropriately, hired workers where possible, managed market expectations"

COVID 19: Lessons Learned

"[Being] nimble and agile is the only way to face uncertainty and adapt to changing demands and market conditions"

"Quicker planning cycles, faster program execution"

"Data (both internal and external) is now used to drive business decision making processes"

"Increase the frequency in data collecting and re-predicting"

"Focus on no more than six months out"

"Plan for worst case and work to improve performance continuously"

"There is an ongoing need to plan on an annual basis; however, quarterly and sometimes monthly adjustments need to be made. Flexibility is key."

"We had to plan with greater frequency and needed access to more data faster. We identified a solution with a faster time to value."

Conclusion

Three interesting trends emerged from this survey. First, it comes as no surprise that an overwhelming majority of survey respondents said that COVID-19 disrupted their business. Despite this obvious disruption, respondents reported varying degrees and ways the pandemic affected their performance. Almost half reported it was a negative effect while nearly a quarter found it to be a positive one.

Similar differences were identified regarding recovery as over 20% of respondents indicated that they have already met or exceeded pre-COVID business performance levels. Of the companies affected, a quarter expects recovery by mid-year, while most anticipate it to be in the second half of 2020.

Finally, regardless of what end of the recovery spectrum that a company falls, most respondents indicated they are reducing costs across the board with the greatest cutbacks in internal and external staffing costs. Instead, businesses are investing more heavily in data (53.7%), technology (63.4%), and analytics (61%). Given the need to iterate plans more frequently with direct access to real-time data, companies are reducing the focus on consultants.

Overall, COVID-19 highlighted the uniqueness of an organization. Each company experienced the recession differently, will recover differently, and will have to forecast and plan differently. The one constant throughout will be the vital importance of data, technology, and analytics in each companies' evolving planning process. Successful companies will leverage these tools to uncover their unique opportunity in a sea of uncertainty.

Forecasting for the Future

Leaders know how a good forecast should look—accurate, holistic, and nimble enough to inform a wide range of business decisions. They also understand that no two organizations are the same, and a one-size-fits-all forecast does not exist. The essence of a successful forecast lies in its unique customization to industry-specific factors, geography, consumer segments, feedback cycles, and usage.

“All great changes are preceded by chaos,” Deepak Chopra

COVID-19 posed a forecasting challenge but also an opportunity to review business as usual. Even during the best of economic times, accurate forecasting is difficult for many large enterprises. It becomes all the more critical that organizations can plan for their business as accurately as possible during uncertain times.

The future of forecasting lies in Intelligent Forecasting, which is enterprise forecasting that expands beyond internal information and data. It identifies leading external drivers by business units and products and leverages advanced statistics, AI, and machine learning to improve outlooks. Business leaders use these forecast models to set strategic guidance, provide external insights across the organization, and continually monitor external factors for risk and opportunity.

Contact Prevedere today for more information about our Intelligent Forecasting solution.

About Prevedere

Prevedere is a predictive analytics software company that delivers insights into future business outcomes based on economic trends. Our predictive economic intelligence offering helps executives see what lies ahead for their business and solve for upcoming risks and opportunities. Our SaaS solutions apply the power of machine learning and predictive modeling to millions of indicators of global economic and consumer activity. Prevedere customers include Fortune 500 industry leaders in manufacturing, consumer packaged goods, and retail.

To learn how Prevedere can help provide executive-level strategic insights, please contact 888.686.7746 or inquires@prevedere.com.