

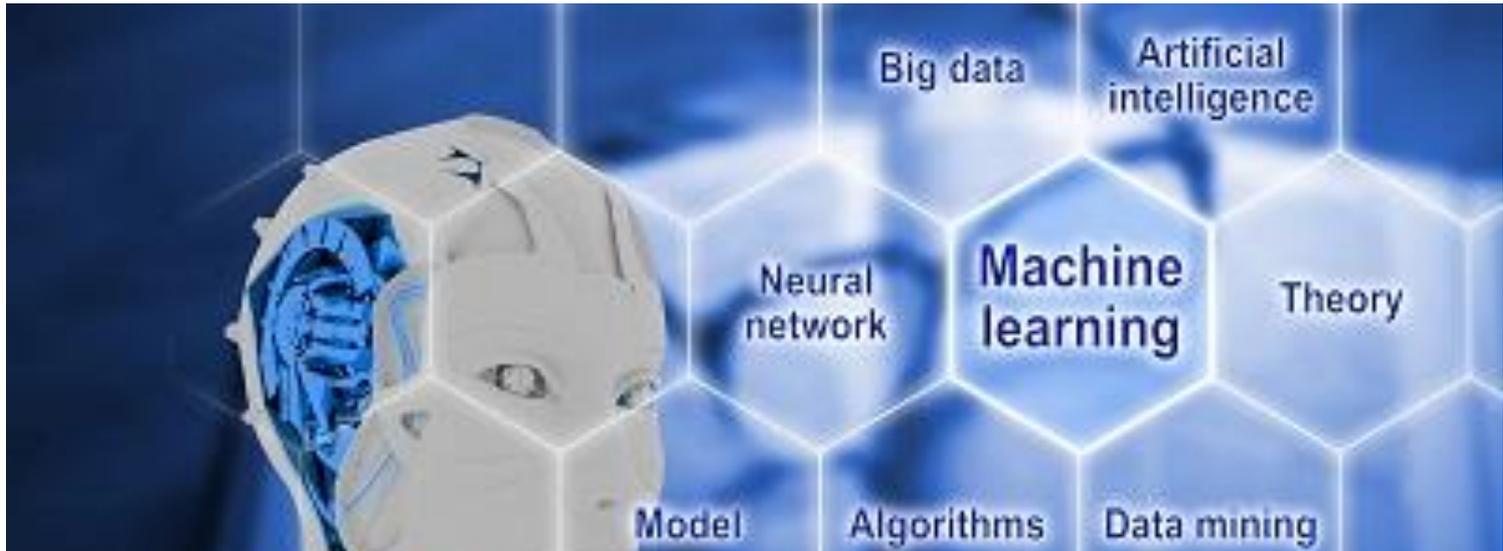
**THE FUTURE OF THE COUNTRY AND THE CORPORATE SECTOR
- HOW TO OVERCOME COVID IMPACT AND BUILD
RESILIENCE IN JOB CREATION IN INDIA AND
TRANSFORMATION IN SKILLS AND LEARNING
FOR THE CORPORATE SECTOR**

Saturday, July 25, 2020 | 5pm to 6pm IST

SPEAKER



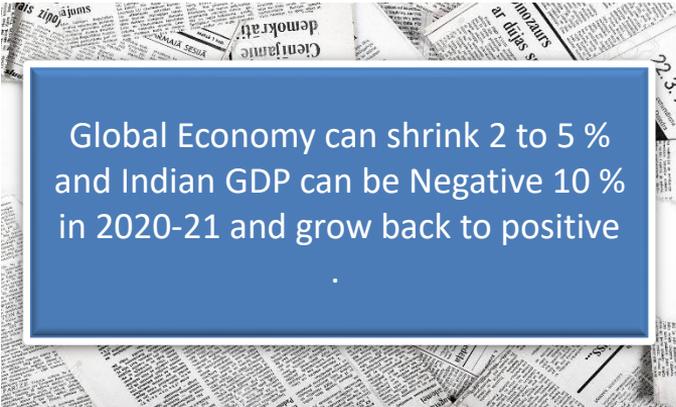
Dr. Ganesh Natarajan
Executive Chairman and Founder of 5F World



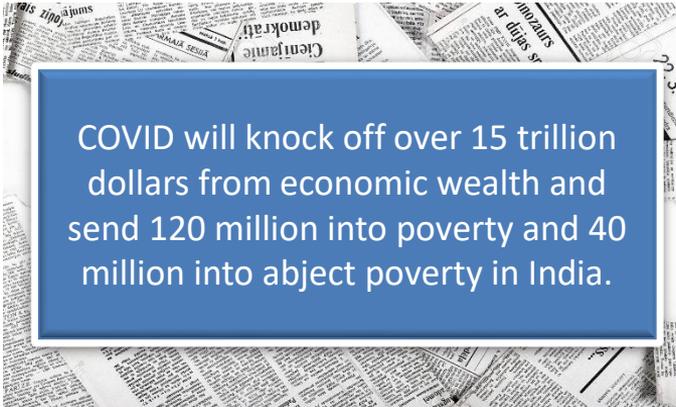
Future of the Country & Companies

A New Narrative - Dr. Ganesh Natarajan July 2020

The Perfect Storm



Global Economy can shrink 2 to 5 % and Indian GDP can be Negative 10 % in 2020-21 and grow back to positive .



COVID will knock off over 15 trillion dollars from economic wealth and send 120 million into poverty and 40 million into abject poverty in India.



COVID will destroy 136 million jobs in India leading to 35 % unemployment (174 million).



As many companies struggle to adjust to the “next normal”, huge opportunities will open up to enable their transformation.

Lets not forget where the world was going.....

- Insular nations : Barriers to flows of goods, money, people.
- Populist leaders engaged in “othering” rather than inclusion.
- Food nationalism : EU / Russia.....now PPEs
- Jan-Mar : more than \$ 90 B USD pulled out of emerging bourses.
- The debt “super cycle” – 1980 to 2008 vanishing.

“Not sure which is worse – WHO or WTO”

Source : Ruchir Sharma

And where it could go now ...the new narrative

- Internet traffic spiking 50-70 % : New ways of interacting.
- Manufacturing rushes back to home markets.
- National internets will replace the WWW.
- Doubling and quadrupling of data localization rules.
- “Screen to Screen” the new way of interaction and socialization.
- On line Gaming, Google Classrooms exploding.

10 million services and corporate folks work from home – 20 million jobs vanish

Source : Ruchir Sharma



Air Travel and Aerospace

- Demand erosion due to international travel ban and quarantines prevalent in 130 + nations
- International travel will continue to be low considering macro economic factors, continued bans. Recovery will be faster for domestic travel; however recovery for international travel may take upto 12 to 18 months
- Aftermarket maintenance will be deeply impacted due low aircraft flight hours and operators cash flow issues



Energy and Utility

- Oil/ Gas Drop of oil price affect oil majors' margins & performance and significant impact on cash flows & pressure on costs / dividends
- Sales of the gasoline will also reduce because of reduction of transportation
- Power/ Utilities seeing change in electricity demand/ electricity price drop. Workforce limitations in lockdown



Insurance

- US insurers have been greatly affected especially reinsurers and life and health insurers
- Reduced interest rates and investment performance will continue to impact returns
- Disruptions expected in new business and underwriting processes



NBFCs and Small Banks

- Market and credit risk is likely to rise, notably for SMEs
- Credit book management will be key risk and will need to leverage government support programs
- Focus on adoption of Digital instead of regulatory enforced key to recovery



Information Technology

- Diverse disruption trends across the sector depending on complexity of operating models and infrastructure preparedness
- Captives with single client & tight integration to parent company and Captives focused on product development were quick to react to the dynamic situation and are likely to recover at a faster pace
- IT services companies with large scale and diverse client portfolio faced moderate disruption but likely to continue to face challenges if focussed on high impact industries like aerospace, air travel, manufacturing, auto etc
- Captives in highly regulated industries and voice support services are working at minimum capacity and any continuation in lockdowns could cause serious concerns



Healthcare

- Biopharma: Impact to clinical trials (many delays, not many new starts) as health systems are overwhelmed with COVID patients. This impacts R&D timelines and ultimately future earnings (therefore share prices)
- Disruption in supply chains, given impact to manufacturing facilities and global supply chains
- Commercial model shift to digital channels, given again the lack of access to medical professionals in the traditional sales model.



Auto

- Existing vulnerabilities like declining sales etc. are amplified supply chain and production disruption in South Asia, China, India and Europe
- Macro economic factors, loss of jobs , financial uncertainty will continue to impact demand



Apparel and Consumer Goods

- Discretionary categories likely to witness decline eg fashion |durables| nonessential food & beverage hit significantly in near term
- Demand for all modes of transport and hospitality expected to be highly negative
- Essential food and health categories & retailers experience limited impact or even upside, many dealing with the high demands

TRENDS THAT WILL BE ACCELERATED

- Capital Investments for a huge scale of automation.
- Globalization retreats with more muscular Governments
- Boost to reverse urbanization and car ownership
- Reversal of downward march of interest rates.
- Production moves closer to end markets
- Innovations in logistics with drones etc.
- Labour no longer a required resource for production
- OPEX moves back to CAPEX.

Bain Consulting

THE FUTURE OF JOBS



EXPRESS NEWS SERVICE
VARANASI, MARCH 4

WITH JUST four days left for the last phase of the Uttar Pradesh assembly elections, the battleground shifted to Varanasi on Saturday, where the BJP and the SP-Congress alliance brought out their top guns in a show of strength.

While Prime Minister

Narendra Modi held his roadshow from Banaras Hindu University (BHU) gate to Kaal Bhairav Temple in the first half of the day, Chief Minister Akhilesh Yadav and Congress vice-president Rahul Gandhi hit the winding streets in the afternoon, as they made their way through the temple town.

Both the roadshows were accompanied by flag-waving, slogan-shouting supporters, who

DECISION
2017

UTTAR PRADESH

showered petals on their leaders. If Modi was greeted with slogans like "Subah Banaras, sham Banaras; Modi tere naam Banaras", the SP-Congress sup-

porters hit back with skits "Vrindavan mein Kanhaiya, UP mein bhaya".

Before beginning the show, Modi paid floral tributes to the statue of Madar Malaviya at BHU. As he

made his way along the

CONTINUED ON

FULL REPORTS, P. 11

At Maya rally, Dalit woman pleads: need a job, not LPG

SHEELA SHAI
VARANASI, MARCH 4

Time: 12.45 pm
Place: Inter College ground, Jagatpur, Varanasi

MAYAWATI'S RALLY

84% VOTE IN
MANIPUR PHASE-I,
57% IN UTTAR
PRADESH PHASE-VI

PAGE 19



VICTORY SPEECH

Poll win underlines New India, says PM: Poor want leg-up, not handout

Narendra Modi says his target for New India is 2022, 'not 2019', talks about middle-class burden, and tells BJP to be humble

IJ MATHEW
NEW DELHI, MARCH 12

DAY after the BJP's spectacular victory in the recently held elections, Prime Minister



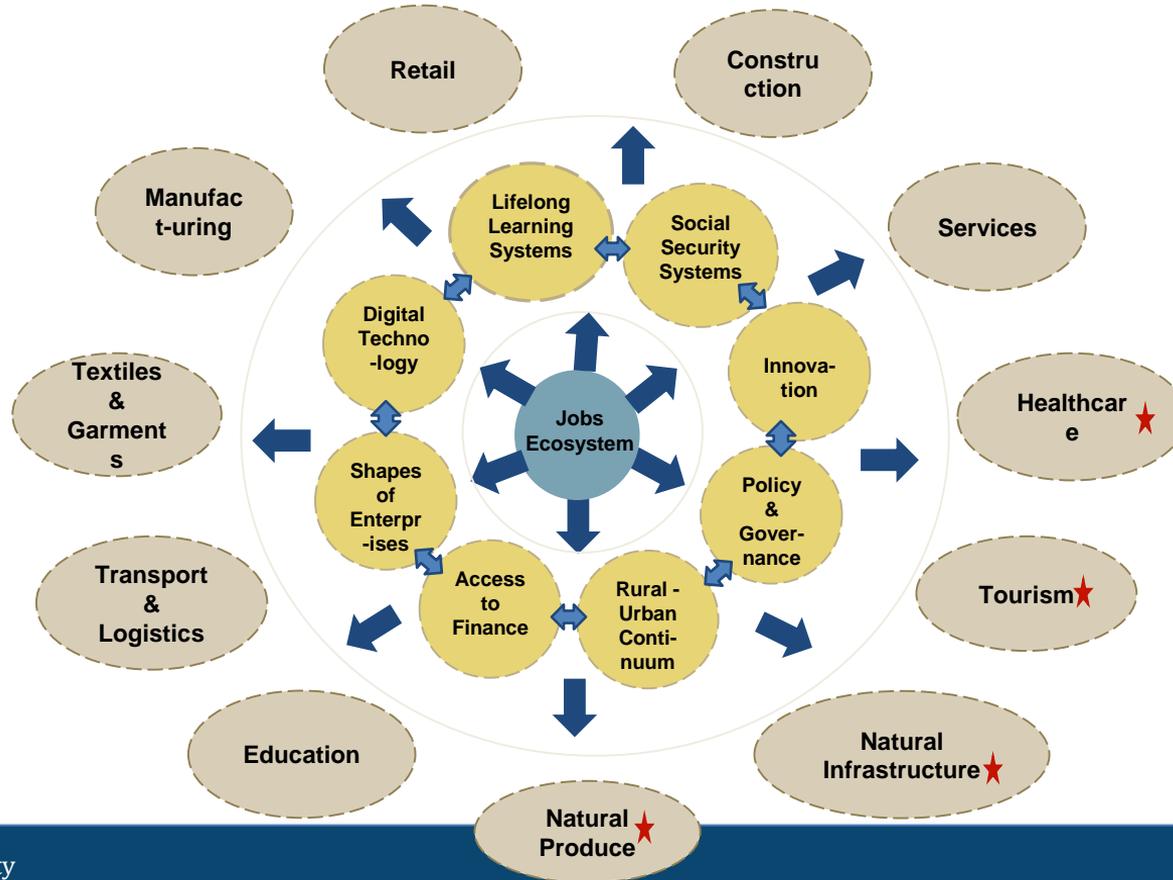
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First, how will jobs arise

Then, how many will arise



Faster, more widespread livelihoods

(Emerging scenarios: next 10-15 years)

Profits – Planet - People

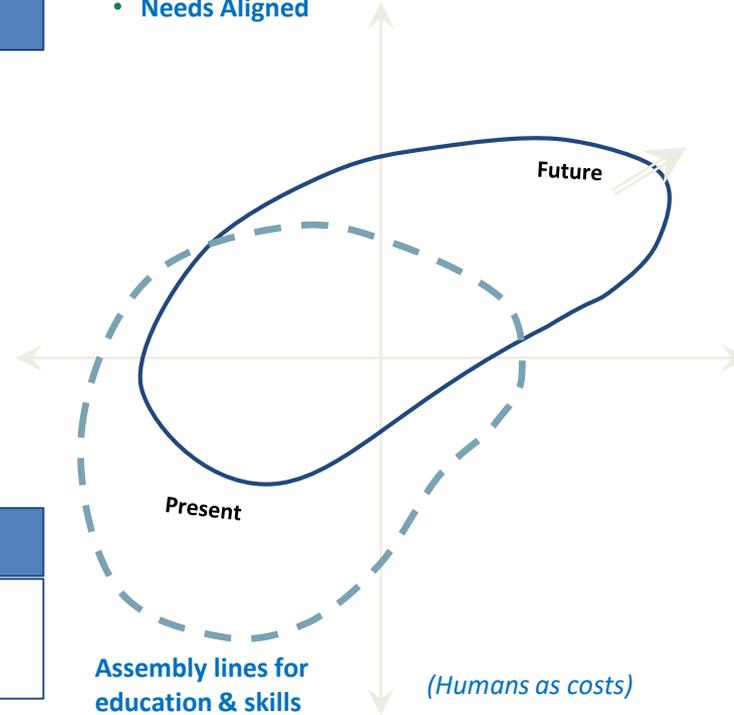
Life Long Learning

- Just in time
- Needs Aligned

(Humans as appreciating assets)

Widespread Growth	
Employment	***
Growth	***
Inequality	x
Social Unrest	x(x)

Growing Dissatisfaction	
Employment	x
Growth	x
Inequality	***
Social Unrest	***



***\"Small Enterprises are the backbone\" (And strong networks)**

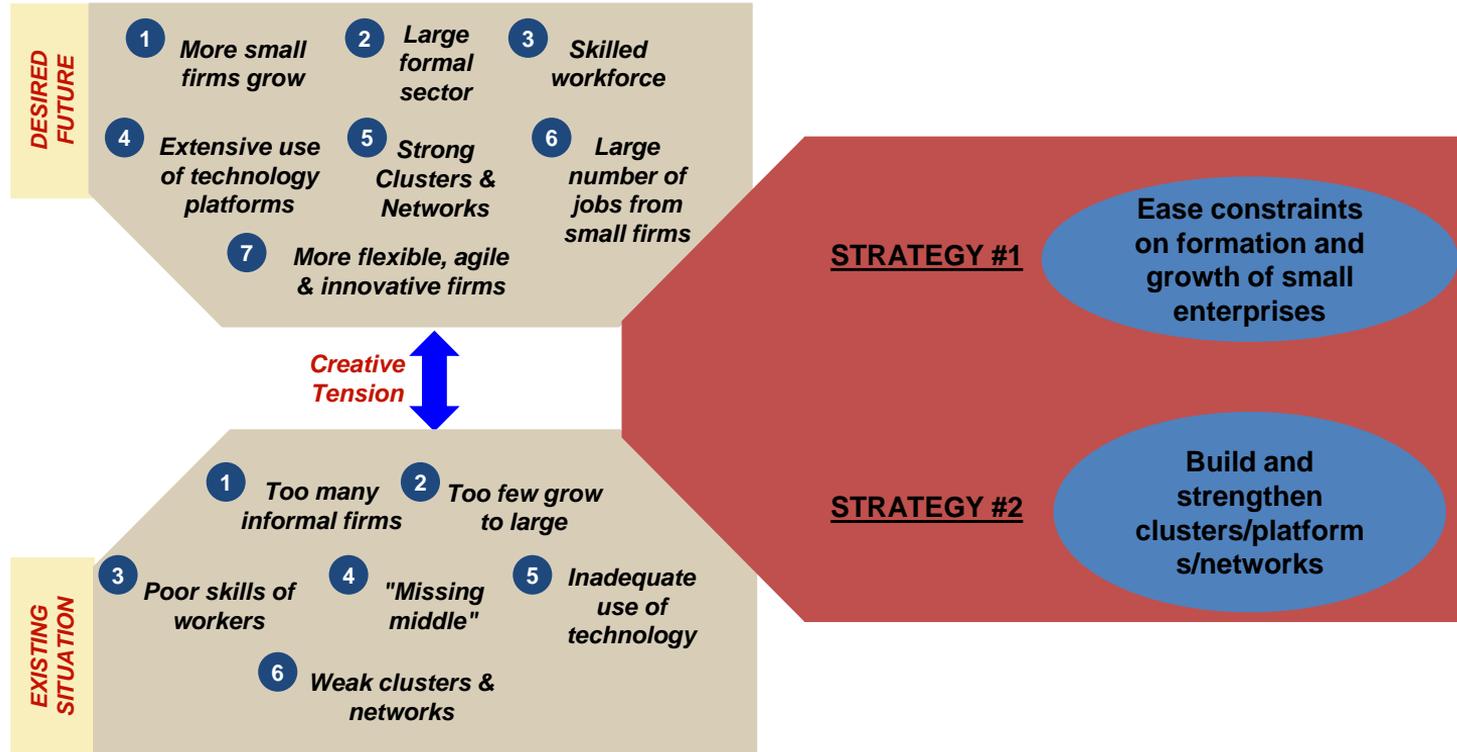
Digital Leverage	
Collaboration	x
Efficiency	x
Isolation	xx

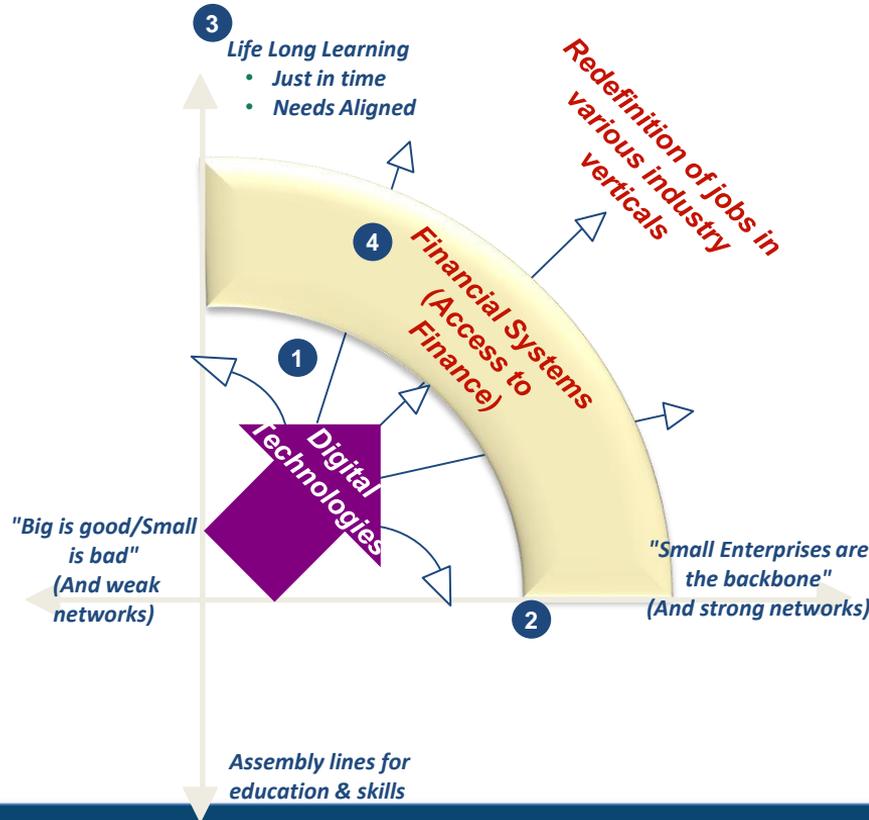
Assembly lines for education & skills

(Humans as costs)

* The two ends of the axis represent contrasting 'theories-in-use' driving economic policies

STRATEGIES TO BUILD STRONGER ENTERPRISES





CHALLENGE

Given large no. of job seekers and given advances in digital technologies, **What will be the shape of the future jobs' ecosystem?**

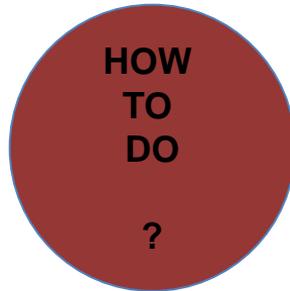
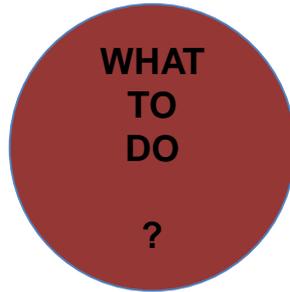
SYSTEM SHAPERS

- **Shapes and Sizes** of enterprises
- **Architecture** of education and skills development systems

TECHNOLOGY'S IMPACT:

- 1** • Highly productive work from home and great collaboration.
- 2** • Platforms for networks of **small enterprises**
- 3** • Just in time needs aligned life-long learning systems

7 IMPERATIVES FOR JOB CREATION IN INDIA



- 1 Promote growth and connectivity through digital platforms of stronger clusters and networks of small enterprises
- 2 Promote the growth of a AI powered adaptive and personalised 'life-long learning' system
- 3 Adopt right combination of Cyber-Physical Interfaces
- 4 Address Isolation Issues
- 5 A Government-Industry partnership is necessary to create jobs and enable small enterprises to flourish
- 6 Make Digital India a reality – last mile connectivity through NOFN and technology as a key resource
- 7 Make Skill Development & Livelihoods Priority # 1

The Digital Journey Of Businesses !

2014

Experimenting with Cloud and Mobility

2016

Understanding the power of data and analytics

2018

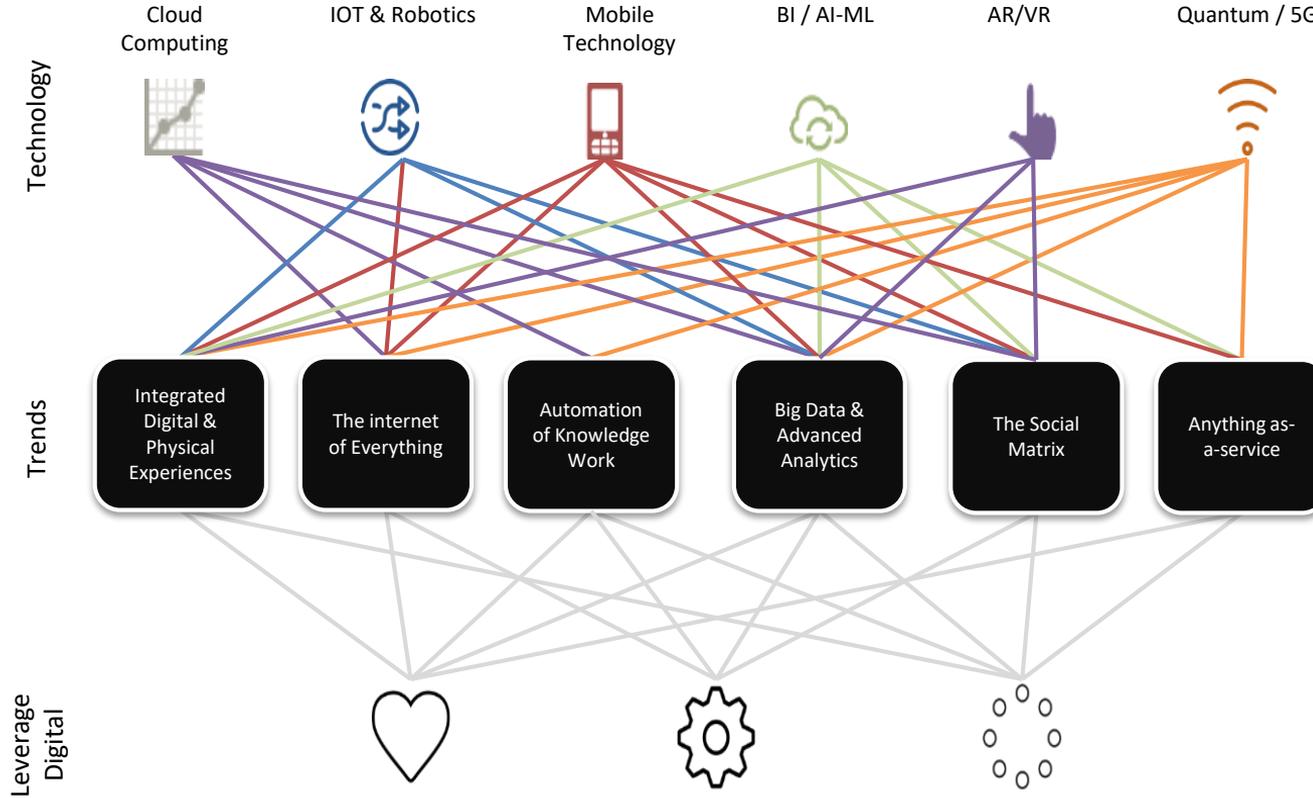
Mapping new customer and employee engagement

2020

Mastering Digital collaboration.

Technology has created the Perfect Storm

Exponential Technologies are fuelling this storm



Inspired from McKinsey Global Institute – Ten IT-enabled Trends for the decade ahead – May & Zensar Analysis

How Industries Experience Transformation

Insurance



2019

Usage Based Insurance (UBI) will account for at least 15% of the global insurance market

ecommerce



2020

40% of ecommerce is enabled by cognitive personal shoppers and social networks

Retail



2021

50% of large retailers will use robots in customer facing roles such as store greeters, or assistants.

Manufacturing



2022

More than 40% of field service calls in manufacturing are managed by virtual service technicians.

Finance



2024

Blockchain/ distributed ledger technology will be adopted by 20% of trade finance worldwide

Healthcare



2026

Use of Tele-medicine, field-ready 3D printers to deliver real-time wound care and analytics.

Opportunities In The Next Normal – The DARQ World !

D

Distributed Ledgers and Block Chains everywhere.

A

AI will completely reimagine the future of work.

R

Reality will be Mixed – Virtual, Augmented.....

Q

Quantum Computing & 5G will make anything possible.

Emerging Digital Business Models

COST MODEL

- Free, Freemium, Ultra-Low Cost
- Buyers Aggregator
- Price Transparency
- Reverse Auctions
- Usage based pricing



EXPERIENCE MODEL

- Customer Empowerment
- Personalization
- Instant Gratification
- Reduced Friction
- Automation



PLATFORM MODEL

- Ecosystems
- Crowdsourcing
- Community
- Digital Marketplace
- Data Orchestrator



Business strategy

Journeys

Mapping the way customers see, choose and buy
How do employees and partners interact and learn

Edge Technologies

AR/VR, Audio & Video changing experience
IOT, 5G, Quantum & Cyber-Physical interactions

Processes

Business & Manufacturing – Robotics & RPA

Data & Analytics

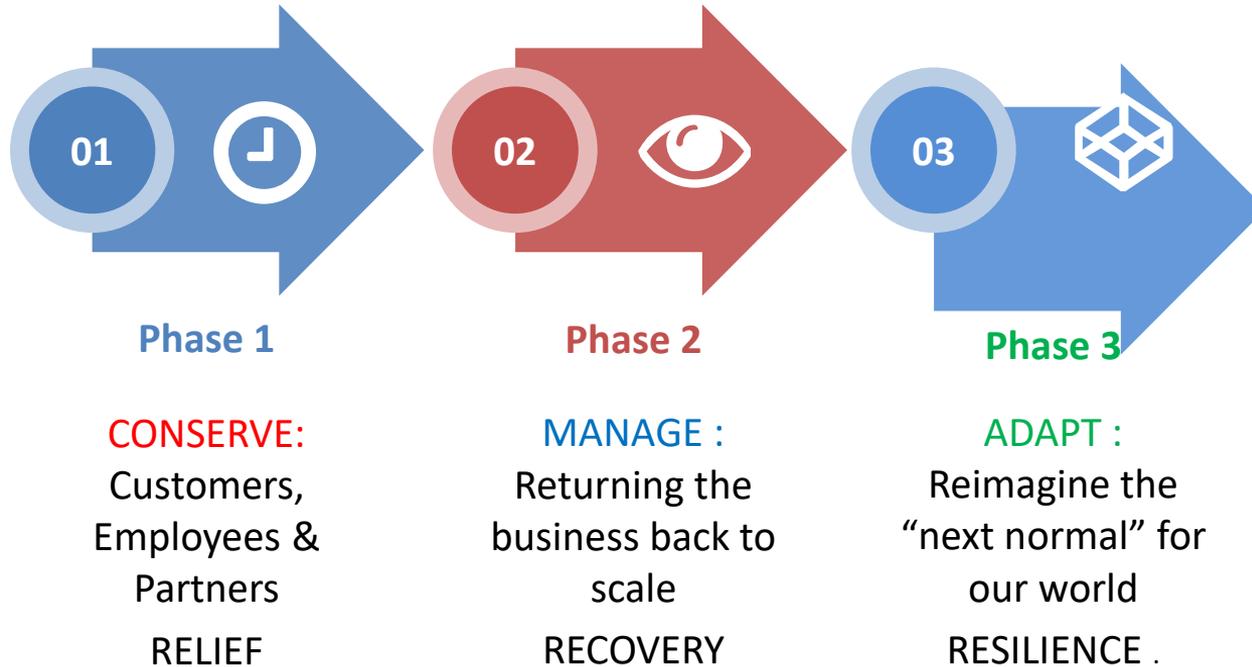
Dashboards to Predictive / Prescriptive : AI/ML

Culture

People skilled and feeling 24X7 ON

DURING and POST COVID 19 – THE ROAD AHEAD

Entrepreneurs need to focus on a Three Stage Process



RELIEF - Critical and Urgent Actions...

Employees

- Collaborative work culture
- Address the skills gap in technology usage and e-learning.

Process

- Connected systems across the organization.
- Managerial Supervision and Communications

Financial

- Understand current cash position and planning for lower inflows
- Avoidance of panic actions that could affect employee morale.

Customers

- Identify with key customers - continuous lines of communication
- Re-evaluate sales channel mix and explore new areas.

RECOVERY : Getting the Business back to scale

- Business As Usual or re-evaluate this year's Business Plan and Strategy considering the current disruptions? How does negative Q1 revenues impact overall budgets?
- Wait and watch before taking tough decisions on Bench Optimisation, Reduction in the Workforce, Defer / Freeze new hires, Increments, Temporary Salary Reductions ?
- Eye on the bottom-line - Focus on cost and operations optimisation.
- Reevaluate marketing and sales plans to align with current business scenario.
- **Continue to play a role in rebuilding community confidence.**

RESILIENCE - What Will Be The New Normal?

- Consolidation of all Sectors – undifferentiated players will shrink.
- New Business Models – Collaboration with customers and co-creating solutions.
- Digital Transformation – Marketing, Supply Chain, Employee Engagement.
- Focused business strategy to grow faster than competition..
- Revisit your capital plans.
- Grow-Buy-Sell thoughtfully.

- **The best way to predict the future is to create it**

Vision without Action is just a Dream
Action without Vision just passes the time
Vision with Action can change the world !

Joel Barker



COVID, Digital Reengineering & Reimagination

Let the flame of innovation burn brighter !

Ganeshn@5FWorld.com

Tune in for our next talk

FOUNDERS TALK 07

WHY ARE LARGE COMPANIES INTERESTED IN STARTUPS?

Wednesday, July 29, 2020 | 5pm to 6pm IST

SPEAKER



Mr. Amey Mashelkar
Head, JioGenNext