



MASTERCLASS 02 | NAVIGATING STRATEGY DURING A CRISIS

HOST



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UNIVERSITY

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Navigating Strategy During a Crisis

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Igniting Minds.

Lessons from History

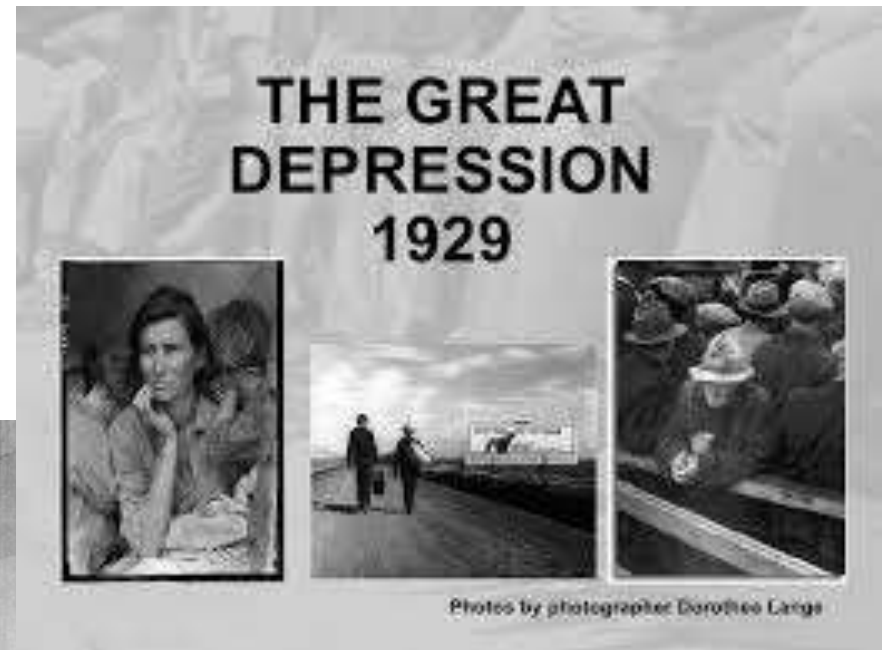


Image source:

<https://www.slideshare.net/ashishih/1929-ppt>

<https://www.britannica.com/event/Great-Depression/Causes-of-the-decline>

Dot comm bubble 2000



Image sources:

<https://ideas.ted.com/an-eye-opening-look-at-the-dot-com-bubble-of-2000-and-how-it-shapes-our-lives-today/>

<https://moneymorning.com/2015/06/12/the-dot-com-crash-of-2000-2002/>

Financial crisis 2008



...and a host of others

Image sources:

<https://www.quora.com/In-layman's-terms-what-caused-the-2008-financial-crisis>

<https://www.cnbc.com/2018/09/11/financial-crisis-of-2008-still-taking-bite-out-of-your-paycheck-report.html>

What's a recession?

Signification reductions in economic activity spread across the economy, lasting for more than a few months normally visible in GDP, real income, employment, industrial production, and wholesale/retail sales

(as defined by National Bureau of Economic Research, US)

Image sources:

<https://www.slideshare.net/ashish1929ppt>

<https://ideas.fed.com/an-eye-opening-look-at-the-dot-com-bubble-of-2000-and-how-it-shapes-our-lives-today/>

<https://www.quora.com/In-layman's-terms-what-caused-the-2008-financial-crisis>

Are we seeing that happening now?



What are typical reactions?

Reactions to crisis - 1

Reduce cost

Realign the workforce, eliminate non-performing assets, reduce investment, stop “non-value-adding” activities

SONY

2000 crisis

Reactions to crisis - 2

Invest more – we will be better off than competition once it ends

Increase capacity – diversify



2000 crisis

Reactions to crisis 3

Wait-n-watch

Something will emerge

OR

Follow the herd

Let's do what others are doing – that way we can't be too wrong

An excellent read to understand this
'Roaring out of Recession',
by Professors Ranjay Gulati, Nitin Nohira and Franz Wohlgezogen
Harvard Business Review



So how do we navigate strategy?

Keep your strategy alive

- **Focus-in**
 - Cut costs, not muscle
 - Scale-up capabilities – human, market and technology
 - Focus on operational efficiency
 - Realign resource allocation
- **Customer-centric**
 - Keep them informed – stay close
- **Societal focus**
 - Create commitment to community

BigBasket

Situation

- Faced 5x demand
- However drivers / delivery personnel moved back home – lost over 1/3rd of it's employees
- Disruption of supply-chain

Response

- Increased Team size – partnered with UBER – over 57 partnerships in a few weeks!
- Increased Pay by 50% plus insurance package
- Formed Farmer contracts for supply chain
- Community-model



For more insights on BigBasket's strategy

<https://www.cdcgroup.com/en/emerging-markets-investment/economic-development-india/>

In closing...

Find your “**connected purpose**”

- What keeps you together as an organization?
- Use this as your lighthouse!

Resources

- Rev up your growth engine: Lessons from through-cycle outperformers <https://mck.co/2MaroK1> via @McKinsey
- Roaring out of Recession, Ranjay Gulati, Nitin Nohria and Franz Wohlgezogen, HBR, <https://hbr.org/2010/03/roaring-out-of-recession>
- <https://www.britannica.com/event/Great-Depression/Causes-of-the-decline>



Thank you.

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WEBINAR - 03

OPEN INNOVATION



June 4, 2020 | 5PM - 6PM

SPEAKER:

Prof. Anirudh Agrawal

Faculty, Entrepreneurship
FLAME University

