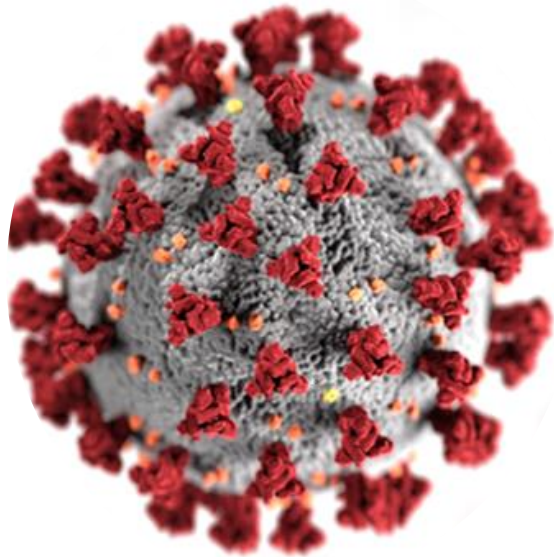


BRIGHT WOLVES[®]

Impacting Transformation



5 Trends we might expect from the Covid-19 crisis

Empowered by



2020

Why should you read this document?

The COVID-19 pandemic will have a long-lasting impact on our economy. Companies must adapt to an evolving context. BrightWolves selected five important trends which are likely to have significant impact on the way we do business.

Anticipating these trends is the first step to prepare your company for the future.

DISCLAIMER

Most numbers in this document are sourced from external articles.

5 Trends BrightWolves expects from the Covid-19 crisis



Embrace digital



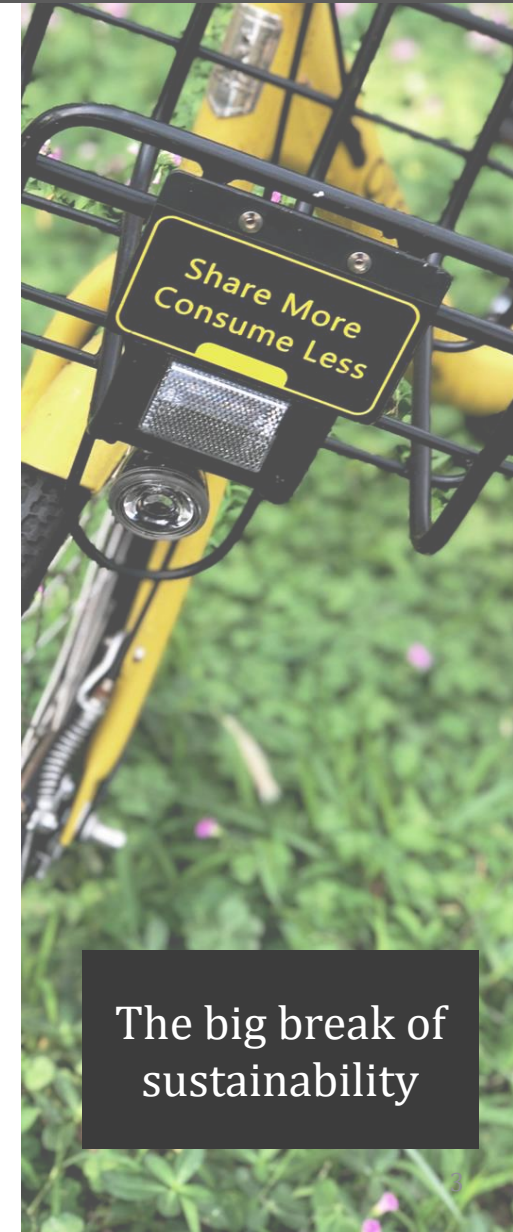
A drop in international trade



A wave of innovation



A change in the way we work



The big break of sustainability

Expect an embrace of Digital

Further increase your digital footprint, to engage with customers and your workforce

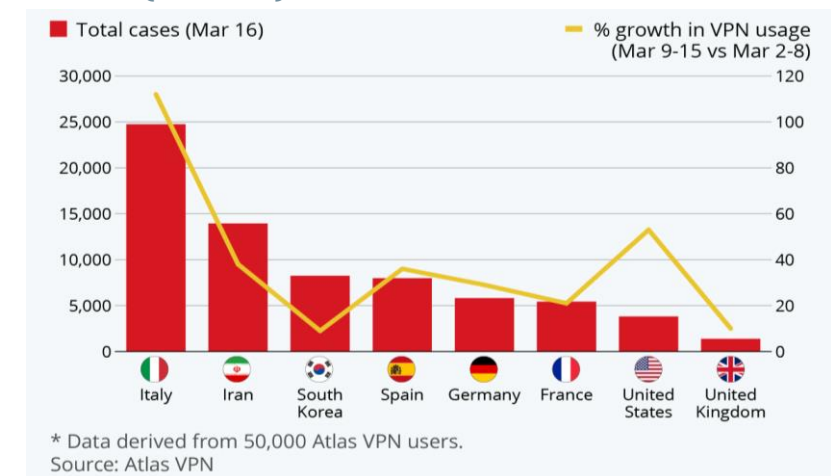
Trends

- Process digitalization becomes crucial for business continuity, digital laggard's stay behind
 - E.g. Hospitals launch online consultations
- Social and business life is moving towards online.
 - E.g. TikTok, an app created in 2016, has been installed **2 billion** installs of its app
 - E.g. Zoom served 10 million customers a day in January 2020, currently over **200 million**.
- Customers are increasingly shopping online, a trend which is here to stay

Conclusion

- Covid-19 is pushing society online
- Online natives will become the winners of the crisis
- Leveraging digital facilitates data capturing and data-driven decision making

Growth in VPN usage in countries with large COVID-19 outbreaks (Statista)



How to act

Make a great leap towards digital transformation

- Create flawless online user experiences to stay on top of the game and avoid churn
- Increase your productivity by providing your workforce with the best digital tools

Expect a drop in international trade

Diversify your supply chain and become less dependent on foreign resources

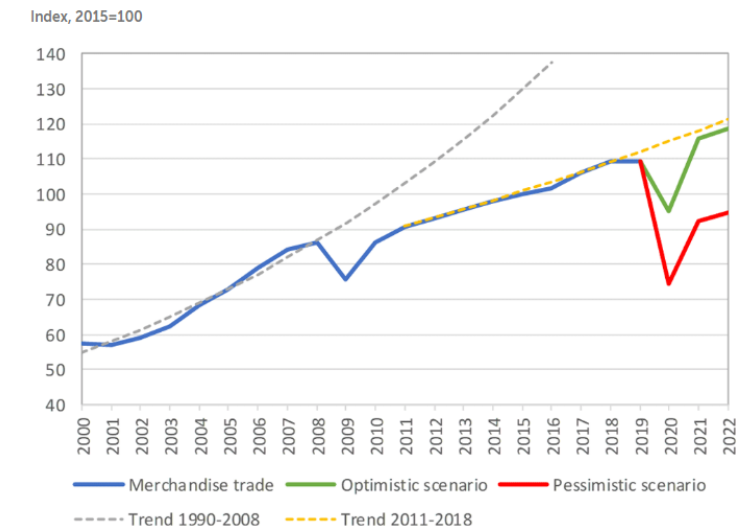
Trends

- World merchandise trade is expected to fall by **13% to 32%** in 2020
- Most countries will suffer **double-digit declines** in trade volumes in 2020
- Trade will likely **fall steeper** in sectors with **complex value chains**
- First signs of **increasing protections**

Conclusion

- As the world has entered lockdown, manufacturing has slowed down significantly and supply chains are being severely disrupted, especially the ones relying on foreign resources. This trends will ripple through the economy, starting at the manufacturing hub, China
- Shortages of vital raw materials could squeeze output, leading to cash flow problems and, in the worst scenario, bankruptcies

World merchandise trade volume, 2000-2020 (WTO)



How to act

- Perform scenario analysis to assess risks in a best, realistic and worst-case scenario
- Reassess your supply chain and spot the weak points
- Make a risk assessment of your suppliers
- Try to diversify (alternatives/backup sources) and shorten your supply chain where possible

Expect a wave of innovation

“Don't let a crisis go to waste”

Trends

- Crises accelerate evolution, a fast moving world just geared-up
- Consumers are changing their behaviour at the speed of light, which creates opportunity for innovation
- Governments are heavily supporting companies and individuals in their pursuit of innovation

Conclusion

- Turbulent times are the perfect opportunity to challenge the status quo, to take your business and to look at it from all different angles, to ask yourself the question: “Are we missing something?”
- We see four domain where the rate of innovation will increase due to the Corona outbreak:
 - The future of work
 - Data and AI
 - Trust and supply chains
 - Medical and bioengineering

Headlines from Forbes and BBC

CEOs Lead The Coronavirus Response With Unparalleled Innovation

Why Coronavirus Will Stimulate Innovation

The European Commission calls for startups & SMEs to bring innovative solutions against Coronavirus outbreak

Coronavirus: The new inventions inspired by a pandemic

How to act

- Shortlist the innovations which will bring your company a cutting edge and design a plan on how you will be able to leverage them

Expect a change in the way we work

Working from home is the new normal

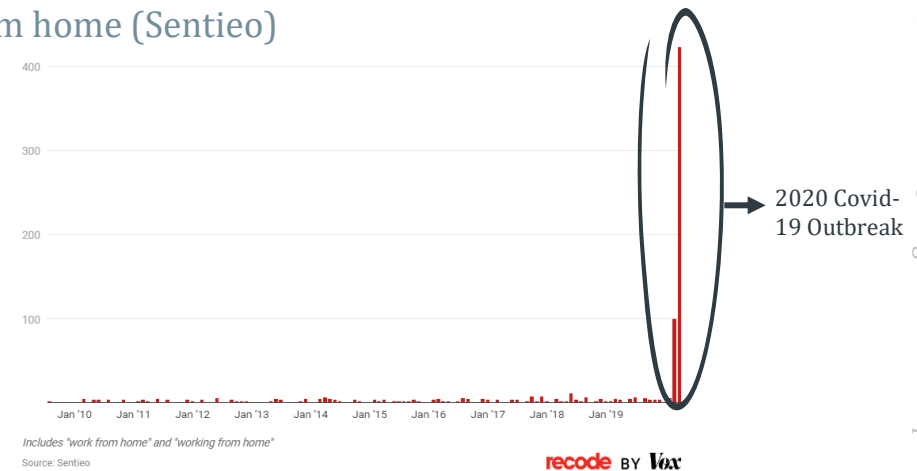
Trends

- Covid-19 accelerates the trend of home working
- Survey from UAntwerpen: ~50% of respondents mentioned working from home during the lockdown
- Companies and employees discover the benefits of increased flexibility and time gains

Conclusion

- Home working will become more accepted
- Working from home requires new ways of establishing informal bands, but also a more decentralized way of communication and management practices
- There are also a number of risks to be taken into account:
 - Potential loss of productivity
 - Loss of a sense of community
 - An overload of communication makes 'deep-work' challenging

Public company transcripts that mention working from home (Sentieo)



How to act

- Provide employees the optional flexibility to work from home when possible - e.g. 2 days/week
- Build a culture of trust and transparency
- Leverage all available tools to facilitate asynchronous work - e.g. Zoom, Slack, Trello,...
- Ensure that devices and data are secured: VPN, password managers, ect

Expect the Big Break of Sustainability

Sustainable companies outperform the market

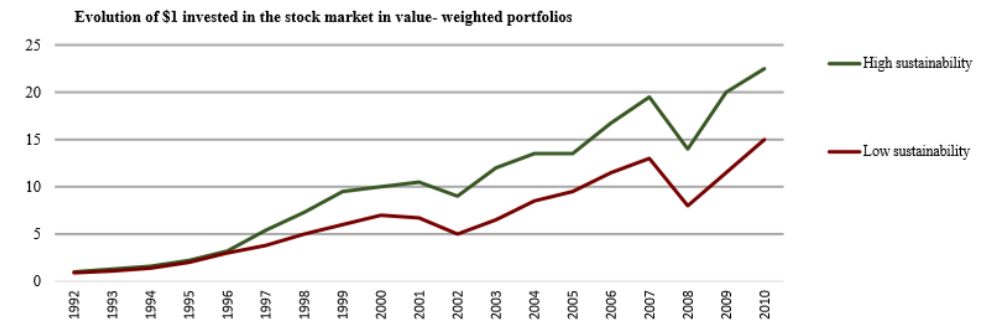
Trends

- Customer are concerned about the state of the world, and adapt their purchasing behaviour
- Countries are increasingly looking for sustainable recovery measures
- ESG stocks are outperforming their less sustainable peers and this trend is likely to be accelerated after COVID-19
 - [ESG Investing, 2019]: *“ESG stocks are up 32% on average so far this year compared with 22% for the S&P500.”*
 - *“It is not about picking winners, it is about picking survivors”*

Conclusion

- The general public expects sustainability on an economic, engagement and environmental level
- Companies that can offer the best solutions to these changing behaviours will establish a competitive edge in their sectors peers

ESG & Market Performance



Source: Robert G. Ioannis Ioannou and George Serafeim "The impact of Corporate Sustainability on Organizational Processes and Performance" Management Science 60 No. 11 (November 2014) 2835-2657.

How to act

- Start to plan a sustainable business transformation. Spot the quickwins and lay the foundations for a sustainable business model.
- Find an optimal balance between the environmental and financial aspects of your business
- Improve the sustainability in your overall value stream, from sourcing, production and your value proposition to the market