

**COMPARISON OF CRISIS MANAGEMENT STRATEGIES OF
TWO BUSINESSES DURING THE COVID-19 PANDEMIC**



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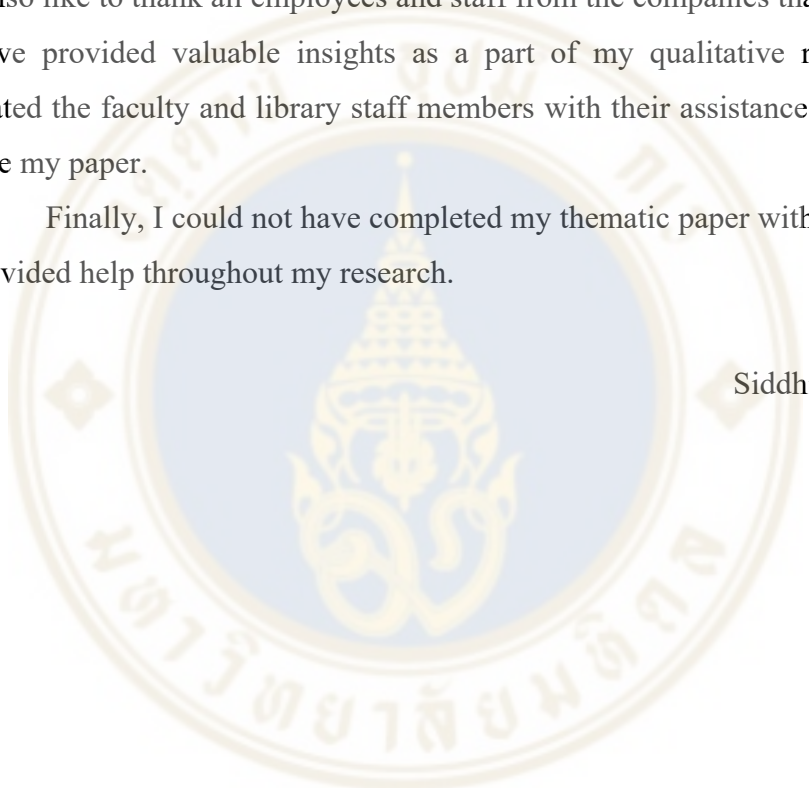
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ABSTRACT

This study investigated the differences in crisis management strategies between two businesses during the Covid-19 pandemic. One is an engineering company that faced a negative effect from Covid-19 and the other is a sanitary gel manufacturing company that faced a positive effect. Literature and studies of the crisis management strategies and business continuity management have been reviewed. Qualitative research data were gathered through conducting interviews with 4 representatives from the engineering company and 4 representatives from the manufacturing company. The similarities and differences in crisis management strategies of both companies were found, analyzed, and summarized. Recommendations to the representatives of both companies have been summarized along with the recommendations to other businesses regarding crisis management handling.

KEY WORDS: Crisis Management Strategies/ Covid-19/ Business Continuity Management/ Businesses during pandemic

27 pages

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CHAPTER I

INTRODUCTION

One of the biggest crises that shook the world; COVID-19, originated in Wuhan, China near the end of 2019. The evitable spread of Coronavirus had become a global concern in 2020, where the World Health Organization (WHO) have declared the situation to be a Public Health Emergency of International Concern (PHEIC). PHEIC meant that the outbreak of the disease had created serious health risks at the international level and required actions to be taken globally (WHO, 2020). The way of living has been changed and people have to adjust their daily habits to cope with the crisis. Our actions are now being limited to having a distance apart from each other, as well as separation of countries where international flights are limited. Masks must be worn at all times to prevent airborne viruses and hands must be washed to stop the spread of the virus through physical contact.

The economy also took a big hit, Ozili and Arun (2020) pointed out the connection between the outbreak and the economy as: (1) The virus leads to a halt in businesses which eventually bring the financial market to a stop. (2) The anticipation of the economic crash leads to a tight spending behavior, everyone is more careful in their investments and the economy slows the pace down. Furthermore, the outbreak had limited the travel of Chinese tourists to almost none in which the factor that remains high is the cancellations of any related bookings such as hotels, flights, and events with a total estimated value of up to two hundred billion dollars (Ozili & Arun, 2020).

Cambridge dictionary (n.d.) defines crisis management as “*the actions that are taken to deal with an emergency or difficult situation in an organized way*”. The definition is from a general perspective however, this paper will focus on the business perspective and the approach would be on business continuity management (BCM). BCM includes crisis management as a continuity plan while using the capabilities of each business organization to continue on their businesses despite any interruptions (Okuna, 2014). Many businesses have to put their continuity plan to the test as a way to

cope with the Covid crisis, plans that include ways to continue their business in the socially distant world. There are businesses that face strong impacts, some can survive the hit but unfortunately some file for bankruptcy. We are used to the negative impacts of the Covid crisis on businesses but there are also companies that are affected positively from the situation.

I would like to analyze two businesses from two different industries to see how they dealt with the current Covid crisis and compare them. Both companies that I chose had very little time to make a decision to make a change to cope with the situation. I will analyze the actions that each company does whether what has changed and what remains as the traditional way that each does business. The only similarity between the two is that they are both affected by Covid crisis. The difference is where the Covid crisis favors one company and nearly destroys the other one.

The first company I chose to study and interview is an engineering company. The outbreak has affected this company a lot, resulting in a big situation that entangled the company in a difficult position. The management team has to act fast and steer the company towards a new direction.

The second company I chose to study manufactured sanitary gel and alcohol. The Covid crisis favors the sales for this company. Demand has been rushing in and the products are on a long line of waiting lists. Although the increase in sales seems promising, this company has faced some difficulties and the management team has to settle the difficulties and steer the company towards the right direction.

CHAPTER II

LITERATURE REVIEW

2.1 COVID-19 Outbreak

COVID-19 outbreak has spread to all over the world and forced us to be more careful on how we live our lives. What started as a sickness in a part of China turns out to be a global crisis that millions have to suffer. The table below shows data of the reported cases of Coronavirus, where I have gathered the information from the Worldometers webpage as of 6th February 2021:

Table 2.1 Worldometers Coronavirus Cases

Country	Total Cases	Total Deaths
World	106,006,733	2,311,078
USA	27,408,865	470,712
India	10,815,222	154,956
Brazil	9,449,088	230,127
Russia	3,951,233	76,229
UK	3,911,573	111,264
China	89,681	4,636
Thailand	23,134	79

Source: <https://www.worldometers.info/coronavirus/>

The World has witnessed over one hundred million cases of Coronavirus, with the United States of America responsible for a quarter of the world's reported cases. There are a total of just over two million reported deaths from the outbreak since the end of 2019. This has become a serious issue. Looking at Thailand's number of reported cases and deaths, alone will not tell the whole picture, since the aforementioned countries are one of Thailand's top trading partners. With each country trying to protect and handle their own crisis, trading is now disrupted. Since Thailand relies heavily on exports, the economy of Thailand has come to a halt. Businesses are forced to slow down their activities, according to Abdul et al. (2020), a weakened trade and production sectors lead to a big shock in both demand and supply sides which trigger businesses to slow their activities down and shift their spending to the healthcare sector.

2.2 Crisis Management

To summarize what Hayes (2019) said about crisis management: Crisis management helps us identify the externalities or threats that any organization has obtained and how an organization uses their own methods to deal with these issues. The challenge is that the threats and externalities cannot be predicted therefore an organization must be prepared and make drastic changes. The unpredictable outside forces forced decision making to be concrete and decisive, the longer the wait, the bigger the impact would be to an organization. Even though threats are unpredictable an organization needs to be prepared with a plan nonetheless.

2.3 Business Continuity Management

Kenton (2020) mentioned a plan that a business organization has to set, in order to use them in times of crises. This plan is a part of business continuity management and it is called business continuity plan. It is difficult to anticipate what is coming towards you but business continuity plans help identify the potential threats and provide a system of actions whether it is preventive or corrective actions.

The United States Department of Homeland Security (DHS) launched a campaign called “Ready” back in 2003 which aims to help people living in America prepare, respond, and mitigate unfortunate events such as natural disasters and other emergencies (Ready, 2020). Ready (2020) also contains guidelines for businesses to prepare for such unfortunate events since they believe that a business continuity plan is essential for a business to continue on despite being disrupted. They have developed a four-step guideline process (Figure 1) for businesses to follow in order to create business continuity plans.



Figure 2.1 Four-step Guideline Process

Source: <https://www.ready.gov/business-continuity-plan>

To first identify the potential threats, a company must do *Business Impact Analysis* (BIA). According to Ready (2020), BIA gathers all the necessary information to predict the disruption and their consequences on a business, this information will then be used in the development of recovery strategies. The impacts on a business that should be considered include the negative effect on sales and income, an increase in expenses, damaged facilities, penalties from inability to fulfill the contractual agreement, defects and dissatisfaction, and failure in commitment between suppliers to deliver (Ready, 2020).

The *Recovery Strategies* aim to help companies recover their business operations from threats to an accepted level while maintaining recovery time as one of the top priorities (Ready, 2020). As a part of *recovery strategies* from Ready (2020), companies should do a resource gap analysis, there should be no gap in terms of people, production facilities, materials and equipment, and information technology. The gap

would identify any resources that are being affected by the crisis and require attention or relocation to decrease the gap.

The *Plan Development* step is after analysis of the impact and set up recovery strategies, the following analysis would help a company identify the focus points that require more attention (Ready, 2020). At this stage tools such as work process diagrams that include sequential work orders, external and internal interactions, and intervention points are beneficial guidelines for employees.

The last *Training and Testing* step helps set up scenarios for the disruptions. Training helps employees be more familiar with their roles and responsibilities and prevent panic and chaos when unfamiliar disruptions occur (Ready, 2020).

2.4 Leading Business Through Coronavirus Crisis

Reeves, Lang, Carlsson-Szlezek (2020) mentioned that companies are adjusting and seeking ways to respond to the economic impact of Covid-19 crisis but still lack the preparedness among companies, hence they have shared the insights from analysing and consultation with their customers. Their insights include the aspect of information extraction, communication and response.

Information extraction refers to the extraction of the news and information that are being shared through the available news sources. In times of panic, organizations tend to jump to conclusions and overreact on situations that arise instead of taking a step back and recalibrate the viewpoint and analyze whether the information was extracted carefully (Reeves et al., 2020). The employees within an organization will be exposed to multiple new sources and develop their own understanding of the situation. This is where *communication* will come in and prevent employees from developing different assumptions. Reeves et al. (2020) suggested that leaders have to create and share information regularly by having a discussion and update the situation on a daily basis since daily communication between leaders and employees was believed to be more effective and to align the perspective and ensure that every person in the organization understands the situation the same way. Communication can be a slow process in an organization with high bureaucracy, Reeves et al. (2020) point out that it

is more effective to form small leading teams and let the leading teams spread out information and provide rapid decision making.

Reeves et al. (2020) describe *response* as actions that leaders must balanced over seven dimensions:

1. *Communications*: As mentioned earlier, employees are exposed to multiple new sources and tend to get confused and make different assumptions, leaders have to provide prompt and clear policies for employees to further develop into their own understanding.

2. *Employee needs*: Employees will need access to health care, education on the situation, and daily precautions. Leaders have to foresee and develop plans to meet employee needs while creating an information center for employees to find information on their specific needs.

3. *Travel*: Leaders must provide clear policies to limit and control the travel of their employees to avoid being exposed to the virus.

4. *Remote Work*: Leaders have to set a clear work schedule for employees to work from their own premises. Each employee must receive clear responsible roles and clear scope of their remote work.

5. *Supply-chain stabilization*: There must be a development plan to work with suppliers or necessary stakeholders to adjust the supply chain to cope with the situation and avoid bottlenecks.

6. *Business tracking and forecasting*: Leaders have to track their business more frequently. Business reports should be done monthly or as frequent as possible to understand the performance of the company during the outbreak. The sooner the issues are being taken care of the higher the chance for organizations to survive the crisis.

7. *Being part of the broader solution*: Leaders have to take a step back and contribute to support others businesses in the supply chain. In desperate times, companies might have to support competitors so that the industry remains healthy.

In summary of the research findings, businesses need good planning to tackle the crisis that they are facing. That plan is called a business continuity plan and is a part of the business continuity management. The reason that every business should have a business continuity plan is because threats are unpredictable and a plan would be used as a guideline for a business to continue on despite having to face new externalities.

However, businesses will panic if they do not have a plan in mind and Reeves et al. (2020) suggest that leaders should consider the seven dimensions of response to lead their business through times of crisis. This paper would like to find out how businesses managed the crisis, through in-depth interviews with interviewees from two businesses and then compare their strategies according to the guidelines. One business is negatively affected from the Covid crisis and the other business sees the crisis as an opportunity to grow.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Primary Data Collection Method

The theoretical data analysis from the literature review chapter provides a general guideline of the procedures for businesses in times of crisis, however, it remains a theory that lacks real world factors. The example from a real-life case would help clarify how businesses can survive the crisis by using the guidelines or what they have been doing differently. The recent Covid-19 outbreak is still an ongoing crisis in which a qualitative data collection method would be more suitable and it would be the primary data collection method for this research. An in-depth interview will be conducted among representatives from two different companies, who had recently been affected by Covid-19 outbreak. The qualitative research would help answer the question regarding how businesses managed the crisis in comparison to each other, in which this study focuses on.

3.2 Interview Method

Data collection would be done through interviews which will be conducted by the author. The interview would provide in-depth information from the interactive questions and answers session. The details of the interview are as followings:

3.2.1 Sample Selection

The sample group for this interview consists of eight interviewees, all of them are employees that work for Thai companies that have recently been affected by the Covid-19 crisis. Four of the interviewees work for an engineering company (Company A) where they have faced negative effects in their line of work. The other four interviewees experience positive effects from the crisis since they are from a

company that manufactures sanitary gel and alcohol (Company B). The table below shows the list of interviewees and their details:

Table 3.1 Interviewees Information

Code	Company	Position	Gender
A	Company A	Managing Director/Human Resources	Male
B	Company A	Engineering Sales Manager	Male
C	Company A	Engineering Coordinator	Female
D	Company A	Sales/Procurement Coordinator	Male
E	Company B	Assistant Managing Director	Female
F	Company B	Human Resource Manager	Female
G	Company B	Production/Warehouse/Sales Coordinator	Female
H	Company B	Procurement Coordinator	Female

3.2.2 Interview Questions

The questions developed for the interviewees will be open-ended, allowing the interviewees to share their experience facing the Covid crisis with flexibility. The questions will be starting with general questions then narrowing down to more specific questions towards the end. The table below shows the list of questions:

Table 3.2 Interview Questions

Finding Factor	Interview Questions
Impact	- How has your company been affected by the crisis?
	- Do you consider it a threat or an opportunity to your company?
Preparation	-Could you describe the crisis briefing that your company did?
	- How often does your team have a meeting? (before and during the crisis)
	-What are the changes or newly established policies regarding the crisis?
	- Have you(company) prepared for the situation? What did you(company) do?
	- Please share your preparation methods in detail.
	-How was your company's forecast on the supply and demand of your products?
Challenges	- What are the challenges in your business due to the Covid crisis?
	- Can you describe the changes in your work life during the Covid crisis?
	- What do you think changes the most in your company?
	- What are the effects on your company resources due to the crisis?

Table 3.2 Interview Questions (cont.)

Finding Factor	Interview Questions
Challenges	-How often does your company discuss performance reports?
	-How badly were your supply chain affected by the pandemic?
	-What help have you provided to other businesses in your supply chain?
Recovery	- Please briefly describe your next step plan to do business while Covid still exists?
	- What are the adjustments and lessons learned from the past experiences?

3.2.3 Probing Questions

The prepared interview questions will be used as a basic structure of how the interview would be conducted. Since the interviewees are from two industries that faced opposing effects of the Covid crisis, the author will have to use the probing technique to gain the right information. The probing technique requires two-way communication where the author has to develop a series of follow-up questions based on the answer or topic that interviewees have addressed.

CHAPTER IV

DATA ANALYSIS

After conducting the qualitative research through in-depth interviews with the employees from the two companies, data obtained would be summarized into four main topics: impact, preparation, challenges, and recovery.

4.1 Impact

Company A is a Thai engineering company that offers engineering services and construction equipment for industrial usage. The main customers are other businesses who need the equipment and machines or seeking to invest in construction of new facilities. An external force such as the spread of the virus creates threats to whomever had an investment plan in mind, company A's clients are one of those that reduce their spending and investments on new projects. The pandemic is also a threat to company A as all four responses from the interviewees suggest that they have been operating for nearly two months without generating any revenue for the company. Their business faced a difficulty when their potential customers cut back on investments since the customers were also affected by the Covid crisis. In addition, one of the interviewees said that he got turned down with anger when trying to contact new clients.

Company B is a Thai manufacturer of cleaning products who also manufactures sanitary gel and alcohol sanitizer. Their main business involves cleaning products such as floor cleaner, detergent, and car wash shampoo. They started with alcohol gel manufacturing not long before Covid entered into Thailand. Alcohol sanitizer and alcohol gel is one of the must-have items during the Covid-19 outbreak, everyone needs them to clean their hands and their contact surface. Since the outbreak of the virus, company B has received a tremendous amount of demand for their sanitary products allowing them to grow while many other companies suffer. They had to stop

production of some of their current products to transfer manpower and rearrange the factory to produce more sanitizing products.

4.2 Preparation

4.2.1 Communication

Every interviewee from company A responded in the same direction, they perceived that there was no communication about the crisis in company A. The interviewees said that there were no briefings about the situation, both in general and the situation that contributed to the company. Ms. C said with a laugh during the interview that “My colleagues and I were joking around about probably being infected with the disease since the news on social media said there were cases within our area”. This was more serious than thought, the employees were not feeling safe at work. This joke was then backed up by the response from Mr. D that the employees had an unofficial discussion during lunch and break time which turned into a minor panic attack since each employee kept adding information on the crisis without screening. Above all, Mr. A mentioned that he did not organize any briefings about the situation as he expected that his employees were up to date on the news and as the boss, he did not want his employees to panic by having a talk.

In company B, Ms. E, the assistant managing director, responded when asked about the briefing of the crisis that she had called in a meeting among all employees as soon as Covid-19 entered into Thailand. She then spared no time to plan her employees’ activities and used Line group as a source for updating the situation of the crisis. She mentioned that she tried to stay ahead with the news from multiple sources and conclude them in the Line group throughout the day. Ms. F, the human resources manager, said that she re-ensured that everybody understood the same thing during the crisis by going to different work teams and had a small discussion during the start and the end of the day. She made sure that informing staff was part of her newly adjusted work routine. Ms. G and Ms. H further elaborated that employees under their department were not nervous and in panic because they felt secure with their boss’s actions.

4.2.2 Employee Needs

In company A, the response from all four interviewees suggest that the company had some precautionary preparation. Mr. A handed out sanitary alcohol spray and gel to other employees by himself to make sure that his employees are well protected from the disease. Mr. B, working at the site, also provided sanitary alcohol and prepared multiple boxes of masks for the contract workers. However, Mr. B preparation was out of his own expense as he said that the company hadn't taken any actions towards precautions on site. Ms. C and Mr. D soon were telling a similar story that led to a conclusion that they were given alcohol spray and gel since the early stage of the outbreak and haven't received any additional refill once their bottle ran out. They believed that their company had prepared to protect the employees, but still needed to improve since face masks were not distributed to the employees operating in the headquarters.

In company B, Ms. G oversees the production, warehouse, and sales of Company B, and she said that "we would like to see our products out there, helping people with the Covid-19 virus but also we have to make sure that the employees are safe so they can help us produce the goods." She went on to talk with Ms. E about supplying the sanitary gel and alcohol to the employees and their families, which Ms. E agreed and had to make sure that the employees were covered. Ms. G and Ms. H also added that the company was producing at the maximum capacity since the demand skyrocketed but the company will always supply the gel and alcohol to employees first. Furthermore, Ms. E had told her employees that "if anyone feels sick, do not hesitate to go and see a doctor." She was willing to cover the healthcare expenses so that her employees can work with their full potential to help her deliver products to the society. Leaders at Company B again show signs of responsibility by ensuring their employee needs are met before tackling the Covid crisis.

4.3 Challenges

4.3.1 Travel

In company A, according to Mr. A, travelling was not limited due to the ongoing projects that forced them to travel to other provinces to the work site. He went on to add that he was concerned with employees' safety so he told Mr. B to figure out the travelling schedule for other engineers since Mr. B would be the one who visited all the work sites. Mr. B stated that he had announced some travel limitations to the engineers that were stationed in the other work sites. He also added that his team of engineers were to remain at the sites and should not travel back to the office in Bangkok unless necessary. Ms. C mentioned that there was no strict policy to limit the travel of employees because she believed that it was hard to really control people but every employee had cooperated. Mr. D told a story about his situation that made him feel unsafe since he had to visit a supplier for one of the ongoing projects, which happened to be located in the area where there was a highly infected case of Covid. Before visiting he made an assumption that Mr. B already knew about the location of the supplier and chose to not act upon it so he decided to visit that supplier. After coming back, he told this story to his friends and finally the words reached Mr. B and Mr. A, they were also shocked.

For company B, all four responses provide an understanding that the employees had strict travelling policies. Ms. E had ordered the delivery drivers to avoid risky areas and prevent her workers from entering into high clusters of infection areas. She also added that she set up an area in the factory for the customers in the risky zone to come pick up their orders since she had prohibited her drivers to enter the area. Ms. F sent out and updated the information regarding the travelling during the situation on a daily basis. Ms. H added that she received orders from Ms. E to look for face masks since at the time the market faced a shortage and prices were too high for the employees to afford. Ms. H had to order masks that would be handed out to the employees, she said that Ms. E wanted her employees to stay safe and travel safe so the company prepared face masks for everyone and especially in the delivery trucks. Ms. E had asked her

employees to collaborate during their personal travel by avoiding risky areas and crowded places. She knew that she could not control the personal travel of her employees, so what she did was she always updated the risky areas into the Line group and had warned some employees since she remembered where her employees were staying.

4.3.2 Working Remotely

Working remotely was another challenge for company A since engineering work must be done at the site. The real challenge was according to Mr. B, nearly all clients had asked all employees from company A to leave their premises to avoid outsiders contaminated with virus and that work can be continued online. He elaborated that it was worse than it sounds since work was on hold during the time of the pandemic and the project deadline was postponed and so was the payment schedule. Mr. A added that payment delay for this company was troublesome since cash flow is a problem and also the bank would not appreciate it at the time of loan. However, not all work in company A was on hold during the pandemic, Mr. D pointed out that his routine work can be done from his home since he is not an engineer and did not work at the site. He added that the boss might have forgotten that his tasks can be easily done remotely and had no policy regarding his work so he just came to work normally.

In company B, Ms. F elaborated the situation as; the management shifted their focus into manufacturing sanitary gel and alcohol instead of their current products, some employees were transferred to help but they had to ask unnecessary employees to stay home. Ms. E responded that her company has working from home policy but not the manufacturing, if certain product lines were temporarily shut down then some employees were asked to temporarily stop working for certain periods of time. At the peak of the outbreak, Ms. E put delivery on hold therefore the delivery drivers were asked to stay home with pay. She explained that the delivery driver receives a monthly salary on a regular basis and earns more through trips delivered, so in this case they only received the basic monthly salary. Ms. G added that her sales team were assigned to work from their own premises along with the procurement team from Ms. H. Ms. E added that departments were grouped into necessary and unnecessary. Necessary

departments include the production and warehouse while the unnecessary include the human resources, sales, and delivery team.

4.3.3 Supply Chain Stabilization

All of the responses from interviewing with company A led to an understanding that the company requires machines and equipment from abroad. Mr. D, who was the coordinator of procurement, informed others in the company regarding the delay in manufacturing of equipment from Europe since many suppliers are located in the area where the disease is widespread. Mr. B said that he had to adjust his work schedule to fit with the suppliers from European countries and had to find new suppliers as a backup plan. It was unfortunate as Mr. B explained that the machines and equipment that his company had to order are mainly custom made to fit the design data from his team members. It is impossible to forecast the demand and order in advance and in some situations the customer limits the specification to certain brands. Mr. B then had to postpone the deadlines from the customers or suggest alternative solutions which are suppliers from India and China who can deliver the equipment as promised. Mr. B explained that he had to keep suppliers in contact even if he had no projects on hand. Mr. B further elaborated that he had to keep adjusting the specs and tried to maintain the relationship so he could continue from their conversation in case the situation returned to normal.

Company B required more careful and delicate planning with their suppliers. In the time where sanitary products received tremendous demand and were facing a shortage, supplies of ingredients were attractive to many manufacturers. Ms. E, Ms. G, and Ms. H had a meeting discussing the supply of their products and can be summarized into two parts; the planning for their current cleaning products and the planning for sanitary products. First, Company B plans to move the stocks of their cleaning products to the customer warehouse. Ms. E contacted all of the customers on hand telling them in advance that the company will stop the production of cleaning products and will resume after the Covid situation eased up. Her goal was to plan for production and procurement of cleaning ingredients but will not push her customers to buy more. What she did was to move the remaining stock to the customer warehouse, if they use them, she will charge later on but if not, then her company will go and collect the stock back

to the company. Due to the good relationship with their customers, Company B was able to clear their inventory of cleaning products to be stored at the customer warehouse and gain more space to store raw materials for the sanitary products without incurring more costs. The second plan was to manage the raw materials of producing sanitary products, Ms. H explains that the raw material prices varied throughout the day and usually showed an increasing trend. In the past she ordered the raw materials from their suppliers on Thursday to be delivered on the next Monday, for the current situation she said that she ordered on a random schedule based on different suppliers' schedules. She had to order from many suppliers to ensure that the manufacturing department had raw material to produce sanitary gel and alcohol. She added that the suppliers of the products that they stop producing temporarily wouldn't be happy with the decision but upon talking with Ms. E this was the strategy that company B implied and was the strategy that will benefit the company.

To stabilize their supply chains during the crisis, both company A and company B need to seek for new suppliers. The difference is that company A had to come up with the interests to buy from suppliers in order to maintain their conversation while company B needed all of the extra supply that they could find. Company A chose to maintain their conversation because it is part of their recovery strategy to gain an advantage once the projects are back on, having to start over with the supplier would be a set back for company A. Company B however, had shifted their production line to accommodate the increasing demand therefore letting some suppliers go to gain more suppliers in the products that were in demand. The benefit of the new suppliers exceeded the costs of letting some go so they went with the strategy with the benefit of the company in mind.

4.3.4 Being part of a broader solutions

Mr. D, the procurement coordinator of Company A, received approximately 20 to 30 calls a day from different suppliers offering discounts to machines and equipment hoping that he would buy from them. Mr. A said that every part of his supply chain was suffering from the pandemic, clients cut down on investment, suppliers seeking for hope of buyers buying their products and contractors looking for jobs. Company A faces tough times as well so they decided to redirect their offerings from

the private sector to the government sector. The strategy from Mr. A was to participate in the bidding for government projects to seek an opportunity to receive income during the pandemic and to help suppliers with new equipment purchasing and work for contractors. Mr. B responded to Mr. A's strategy by adjusting work processes to fit with the government projects, one of which was to form an alliance with competitors. Mr. B said that he and his team had to go through a lot of adjustments to work with partners who used to be competitors. The reason for forming the alliance was to stop the competition among companies that would eventually create price war and result in a lose-lose situation. This aim for a win-win result would provide the best outcome for both companies and the industry. Ms. C added that when skills and resources were shared, work could be completed very easily, if the management team continued with this strategy she believed that they could win more project bidding in the future.

Company B's situation was a little different. Their business is in the market with very high competition. Ms. E had to admit that they will not develop relationships with other competitors but rather develop relationships with suppliers and new partners instead. She said that with the pandemic occurring, her competitors are also doing the same thing which is to gain resources and gain shares in the market. For Ms. E, she made it clear to her employees that the price will not increase even if the raw material prices increase every day. She said that she worked closely with Ms. H to source high quality materials without disrupting their current prices. Ms. H told a story about an opportunity that arose during the crisis, a new partnership was formed with a Chinese sourcing company. She said that the new partner who came in at the right time, helped Company B to get access to high quality raw materials. Company B, even if they did not develop relationships with competitors in the industry, they did form a partnership that will help them provide the highest quality products into the market with a price that can be accessed easily.

4.3.5 Business Tracking

Mr. A mentioned that there were monthly performance assessments in company A before the crisis. Performance assessment meetings were arranged on the first Monday of every month to monitor the team situation on their working projects. However, Mr. B explained that performance assessment meetings that had been done in

the past were not based on a fixed time schedule and were usually correlated with different project schedules. Mr. B added that the meetings happen when there are ongoing projects but without a project there will be no meeting. Ms. C and Mr. D responses point in the same direction as Mr. B, where the performance reports were usually based on projects and could occur twice a week if there were drastic changes. During the Covid crisis, Mr. A said that he called in meetings weekly with all teams to prepare for project bidding. He further explained that as a part of their plan to turn to the government sector, they had to monitor the bid announcement and evaluated the capacity of the teams to participate in the bid. A more frequent meeting, according to Mr. A, would help the company make the right decision in such a critical period.

For company B, performance reports or discussion are often done monthly before the crisis. Ms. E would ask all managers to meet and discuss the company performance every first Wednesday of the month. She then talked to employees that were not performing well to find a solution. The Covid crisis had altered their meeting schedule, Ms. E kept her monthly meeting on schedule but ordered all department heads to set up meetings weekly within their own department. She explained that this way her employees can solve the problem that would arise faster without her approval, some problems could be taken care of within the department. Ms. E asked her managers to provide updates throughout the day on the performance of the company during times of crisis and usually through short conversation rather than written reports. Ms. F will keep Ms. E updated on the employees wellbeing and problems concerning employee's health. Ms. F would observe and collect information from all department heads on a daily basis then take the issue to consult with Ms. E on their weekly meeting. As for the warehouse, production, and sales department, Ms. E required more frequent updates from Ms. G. There was an issue with a batch of sanitary gel as told where the lid was not properly installed, the warehouse workers reported the issue to Ms. G and immediately Ms. G inform Ms. E.

Company A and company B both adjusted their meeting updates on the situation of the company to become more frequent during the crisis. Company A decided to focus on the performance that gears towards sales and revenue generation since finding a new project was their priority. On the other hand, company B tracked their

business more frequently for every department and every aspect and for the critical department, an even more frequent meeting and updates were required.

4.4 Recovery

4.4.1 Future Crisis Plans

Company A had a plan in mind to increase their business offerings to the government sector. They admit that there was nothing else that they could do to improve the situation besides finding a new source of income. Their plan for future crises was to search for a stable source of workstream which was to participate in the government bidding projects. Government work was a lot more complicated than their current work as said by Mr. A. There were nearly three times as many documents that needed to be prepared to bid for government projects. The good thing about government projects were the stable revenue regarding the economy and the very little effect that crises such as the Covid outbreak had on the continuity of the project. To make this plan happen, he would also need to hire more engineers. Therefore, Company A's plan was to find a stable source of revenue and to hire more talented engineers to join the team.

Company B strategies to tackle the current Covid crisis were already satisfying according to Ms. E. She had two areas that could be improved and would be included in their future crisis planning strategies, which were to form more partnerships with suppliers and to better anticipate the demand. Ms. E said that forming good partnerships with suppliers would help them gain access to better raw material sources and to have backup plans when supplies face shortages. A pool of multiple sources of raw material could be a driver in pushing her company to be more agile and adapt to situations better. The second plan was for her employees, especially the department heads to improve their strategy to anticipate the demand of the customer. If they could predict the demand well then they can manage their inventory well so that the cleaning liquid production would not have to stop just to produce more sanitary gel and alcohol.

CHAPTER V

CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

The seven guidelines from Reeves et al. (2020) backed up by in-depth interviews with the two companies help identify the strategies taken by both companies in comparison to each other, as a part of their crisis management strategies.

Communication is the first and most important dimension of this framework. The interview shows that company A overlooked the importance of communication and tends to struggle in finding a good strategy to continue their business in times of crisis. Employees in company A are making assumptions and conclusions without having an information center to rely on. However, for company B, they had better communication strategies. They were able to express the right intentions that the management team has towards the employees. The employees were well informed and up to date on the current news, everyone had the same level of understanding of the situation with the crisis.

Employee needs must be met for them to concentrate on their work. It is also an important dimension that a leader should consider as a guideline. Company A had a good start in making their employees feel secure by providing protection equipment but the actions were not enough for their employees to feel totally protected. Some actions need a follow up such as the distribution of sanitary gel and face masks. Company A leaders should put more focus towards the needs of their employees during the crisis situation and they should appreciate the time that employees sacrifice to help the business even though they are concerned about their own health. On the contrary, company B was able to make employees feel secure. In times where sanitary products were facing shortages, company B did prepare part of their finished products for their employees and the employees' family to protect them from the virus.

Travel is hard and sometimes impossible to control. Companies can control and limit the travel during work hours to avoid employees being exposed to the virus.

However, companies cannot limit and control the employee's personal life. Company A had no clear policy to limit the travel of their employees to other places for work, the main reason was because of the nature of an engineering company where work sites are located in the customer premises. They did ask for collaboration from the employees to remain at the work sites to prevent the travel. For company B, they had planned routes for the delivery drivers to avoid travelling to highly contaminated areas and at certain times stop all deliveries and instead asked customers to pick up from their warehouse.

Remote working can only work for certain jobs. The in-depth interview with an engineering company and a manufacturing company provides an understanding that both companies required work to be done physically at the company premise. Company A faced high difficulties in working from a remote area since their work requires hands-on application where they need to be on the job site. Company B also faced high difficulties since manufacturing work requires work to be done at the factory, their production line still requires many people to complete. What company B did better was to separate work into necessary departments and unnecessary departments. Necessary departments meant that they have to be there at work and unnecessary departments meant work can be done remotely.

Supply chain stabilization strategy for company A was to maintain the conversation with many suppliers even if there were no projects on hand. What they had to do was to pretend to show mild interests to keep updating the suppliers. This was their strategy to gain advantage once their business returned to normal. As for Company B, with the demand kept increasing, they had to seek for suppliers where possible. Their ordering schedule varies throughout the day and therefore hard to anticipate. Their strategy was to find as many suppliers as possible as a backup plan.

Business tracking is a dimension that was done well from both companies. Company A had meetings more frequently to discuss their business strategy. They had to prepare themselves to bid for government projects, and there were new projects announced weekly. This forced Company A to meet and discuss more often about their directions or which project to pursue. Company B focused broader on every department of their company. They set up new meeting updates to fit the schedule of each department, the department heads would track the performance of their own team and

also track errors. Problems could then be taken care of more quickly and done by the right person.

Being part of a broader solution meant drastic changes for company A. The industry was suffering due to the lack of investments so their competitors were affected as well. Company A had to form alliances with their competitors to share resources and decrease the competition in the market. However, for company B competition was also strong but instead of working with competitors they used their resources to become partners with suppliers instead. The crisis had introduced them to new suppliers whom they developed good relationships with.

5.2 Recommendations

The recommendations for the business owner and managers for Company A, an engineering company, can be summarized as below:

- Communication should be done more frequently and openly from the managers to the employees.
- Managers should have opportunities for employees to raise concerns with their actions during times of crisis.
- Leaders should not make their own assumptions of the understandings of their employees. Therefore, leaders should ask their employees.
- Employees' needs must be met for them to feel safe and secure from the viruses.
- Employees have to be appreciated and taken care of since the business relies on them to provide engineering services.
- Managers should provide an information center to keep every employee on the same page and updated during crises.

The recommendations for the business owner and managers for Company B, a manufacturer of sanitary gel and alcohol, can be summarized as below:

- Managers should better utilize the workforce during crisis.
- Maintain the good communication practices between managers and employees.

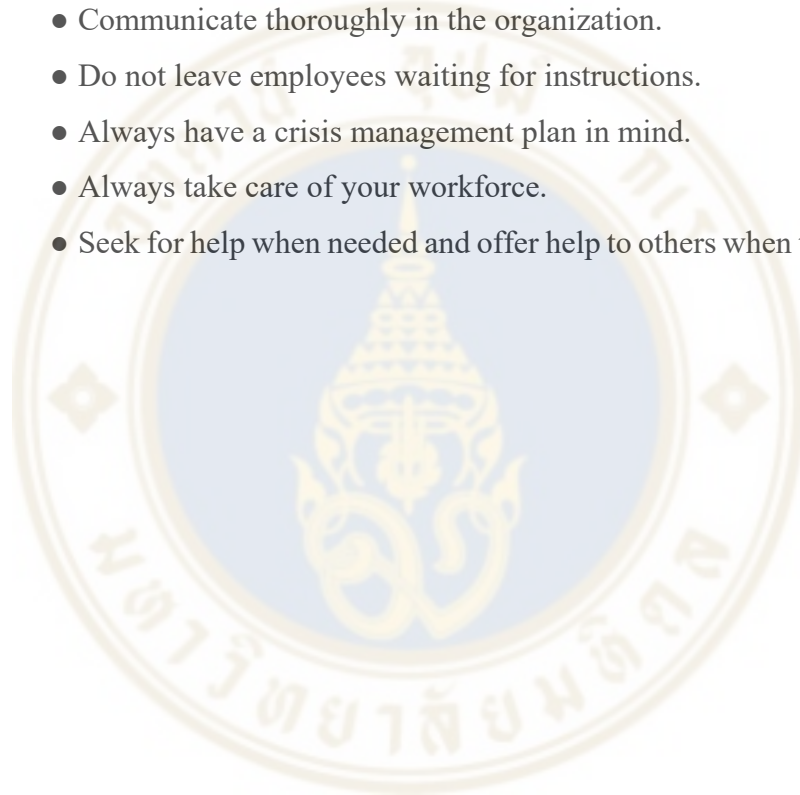
- Whenever the company faces challenges, continue on with the effort to keep employees updated.

- Managers should continue to supply employees with their sanitary products as for their own goods and for a way to test products.

- Managers should continue on treating the employees as valuable assets.

Furthermore, the recommendations for businesses in handling a crisis are summarized below:

- Be quick to address the issue. The longer the wait the larger the impact.
- Communicate thoroughly in the organization.
- Do not leave employees waiting for instructions.
- Always have a crisis management plan in mind.
- Always take care of your workforce.
- Seek for help when needed and offer help to others when there is a chance.



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