



COVID-19

Accelerate digitization to increase resilience

Current digitization strategies typically focus on *increasing* productivity of a company. *Maintaining* productivity is, however, equally important as the COVID-19 pandemic demonstrates. A robust technical infrastructure and end-to-end digital processes (“paper-less”) are a key element to safeguard productivity during disastrous events. First-response actions such as implementing business continuity plans and stabilization of business operations should be accompanied by proactive measures: companies should rethink and accelerate their digitization strategy to *increase resilience and optimize business processes* at the same time. Contractual arrangements with IT service providers should be revisited, data privacy and security topics as well as industry-specific regulations must be kept in mind. Although companies are now busy responding to the COVID-19 challenge, we will soon face a recovery phase that will once again show the importance of a holistic and sustainable digitization strategy. Using “lessons learned” is key to prepare for and thrive in the future.



Maintain productivity while keeping it safe and economically sustainable

Ensuring business continuity and cost cutting are some of the foremost concerns of every company in these days. However, at the same time, they should not lose sight of the long-term implications of the crisis. Once the situation has been stabilized, companies must rethink their digitization strategy and put measures in place that establish sustainability for the future challenges to come.

- Business continuity
- Cost cutting
- Rethink digitization strategy
- Establish sustainability



Respond – Recover – Thrive

Respond to the new situation by **proactively tackling pressing issues**. Do not wait too long.

Develop the means to **adapt existing processes and strategies**.

Identify digitization potentials to increase resilience and cut costs at the same time.

Implement those new processes and strategies and **establish sustainability** by assessing (the risk) of future crises.



Recommended action



Respond

Contact IT providers you are concerned about regarding **business continuity and scalability**. Consider the provider contract regarding service reduction (e.g. force majeure clause or statutory law), up- and down-scaling and how you can compensate any deterioration of the service quality. Closely monitor SLAs and enforce service level credits or penalties.

Adapt the costs of providers by identifying and exploiting savings potential, e.g. pausing/terminating services or switching to pay-per-use. Discuss “creative” solutions, e.g. longer fixed terms for reduced fees. Invest in infrastructure for **remote working**. Consider obtaining more bandwidth, hardware, cloud capacity etc. Ensure that the required licenses for remote work are available.

Ensure **data privacy & security** and keep your **data protection** organization up and running. Make sure that essential compliance processes are working.



Recover

Evaluate and update your own and your providers’ **business continuity plans**. Renegotiate, where necessary, and ensure that your provider distributes (where possible) the costs among all customers.

Rethink and accelerate your digitization strategy. Put focus on resilience and scalability of business critical functions in case of disasters. Keep in mind that, in those events, providers are confronted with numerous similar requests. Prioritize good-value-for-effort and quickly-implementable measures.

Develop new remote working concepts, such as the provision of sufficient soft- and hardware. Train the workforce and prepare manuals and Q&As to solve IT problems fast. Perform stress tests to assess the systems resilience. Consider disastrous events in agreements with the workforce (different from business-as-usual).

Define compliance and business critical **data privacy & security** topics and measures for different crises scenarios.



Thrive

Implement a digitization strategy by procuring the required technology. Make sure the contracts protect your interests (scalability at all times, sufficient SLAs/penalties, force majeure clauses, termination rights, exit support etc.). Digitize your processes, but keep data security & privacy standards, as well as industry specific regulations (e.g. EBA Guidelines) on your radar.

Prepare for the future and establish sustainability by (risk) assessing your organization on future disasters. Test the preparedness of your organization and technology based on different potential scenarios. Detect issues and define measures to optimize your preparedness.

Implement and test guidelines, including measures and reporting processes, within your **data protection organization** and **IT department** to optimize your response to different crises scenarios.

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