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COVID-19 Thrive Playbook

Five opportunities to help organisations
Respond, Recover, and Thrive in a post-
COVID-19 world

June 2020

Times are changing.

Widespread systemic shocks are comparatively rare in human history, however when they do occur they tend to abruptly shake the norm.

COVID-19 is no exception to the rule and its impact on industries is far-reaching. Airlines, airports and border agencies in particular are feeling the repercussions of COVID-19 and are all facing huge challenges.

This playbook is designed to help organisations explore the common challenges brought on by the shake-up of COVID-19. Now, more than ever, the need for collaboration between airlines, airports and border agencies to address and resolve these challenges is paramount.

It's time to think about transforming your organisation so that it can thrive into the future when the environment around you allows it to do so.

We hope this gives you some food for thought.

We have identified five key opportunities for you to consider...

The merging of travel, borders and health
Health is now at the top of the agenda and the whole travel ecosystem could play a key role in defining requirements and procedures that balance meeting government standards with passenger needs.

Creating contactless passenger experiences
Airlines, airports and border agencies could collaborate to accelerate the move to a contactless passenger experience.

Increased collaboration & data sharing
Airlines, airports and border agencies could explore ways of working together and share data (both across stakeholders and internationally) to overcome challenges and realise opportunities in a post-COVID world.

Increased organisational resilience
Organisations in this ecosystem need to create flexible operating models, with flexible resources and digital solutions, that can easily be adapted to the changing environment.

Innovation of commercial models
The aviation industry should consider innovating their commercial model to diversify revenue streams.

How you take advantage of these opportunities will change depending on the stage of the pandemic...

Organisations will go through three key phases of handling the pandemic1:
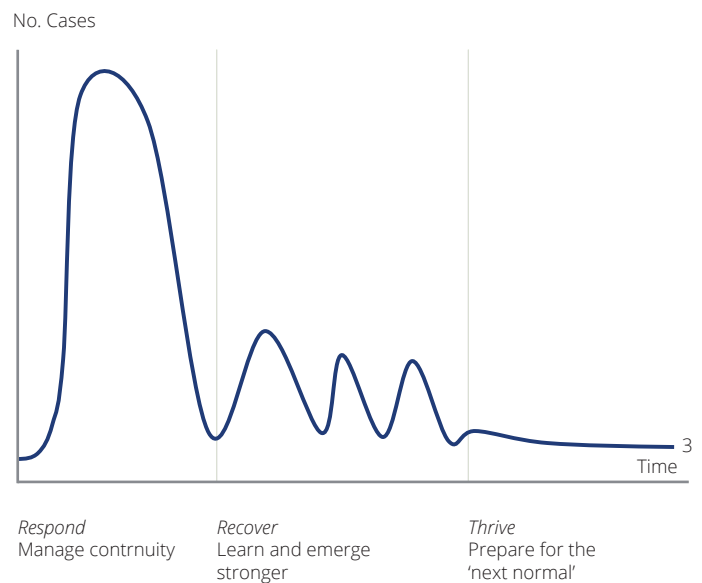
Phase 1 – Respond
In the Respond phase, organisations need to focus on managing continuity, handling restrictions on the movement of people and almost non-existent demand.

Phase 2 – Recover
In the Recover phase, organisations need to be flexible and learn rapidly from changing market and consumer behaviour, as they handle virus suppression policies and suppressed demand.

Phase 3 – Thrive
In the Thrive phase, organisations need to establish their role in the 'next normal', re-designing their products and services to meet new expectations and market conditions.

No. Cases

Time

3

Respond
Manage contrnuity

Recover
Learn and emerge stronger

Thrive
Prepare for the 'next normal'

Deloitte economists expect the UK to remain in the *Respond* phase for the next 4-6 months, followed by a 10-18 month Recover phase2. However, in a worst case scenario we could see the *Respond* phase lasting much longer or seeing repeat waves.

Sources: 1 – Respond, Recover, Thrive, Deloitte, 2020. 2 – Governments' response to COVID-19, Deloitte, 2020, 3 – DTTL Economics, 2020

The merging of travel, borders and health

What we are seeing...

01. Customers have said they will prioritise health and safety post lockdown, so providing them with confidence will be crucial.

Heathrow airport have trialled a number of technologies including facial recognition thermal screening, UV sanitation and contactless security procedures.[4]

Airlines are also taking steps to provide confidence, with some requiring cabin crew and passengers to wear face masks on flights.[5]

02. Invasive testing methods are further eroding customer confidence and in some cases putting customers off travelling, suppressing demand yet further.

Customers have told us "I would not want to have a blood test in an airport, it's too risky"[6] and needle phobia is estimated to affect at least one in 10 people.[7]
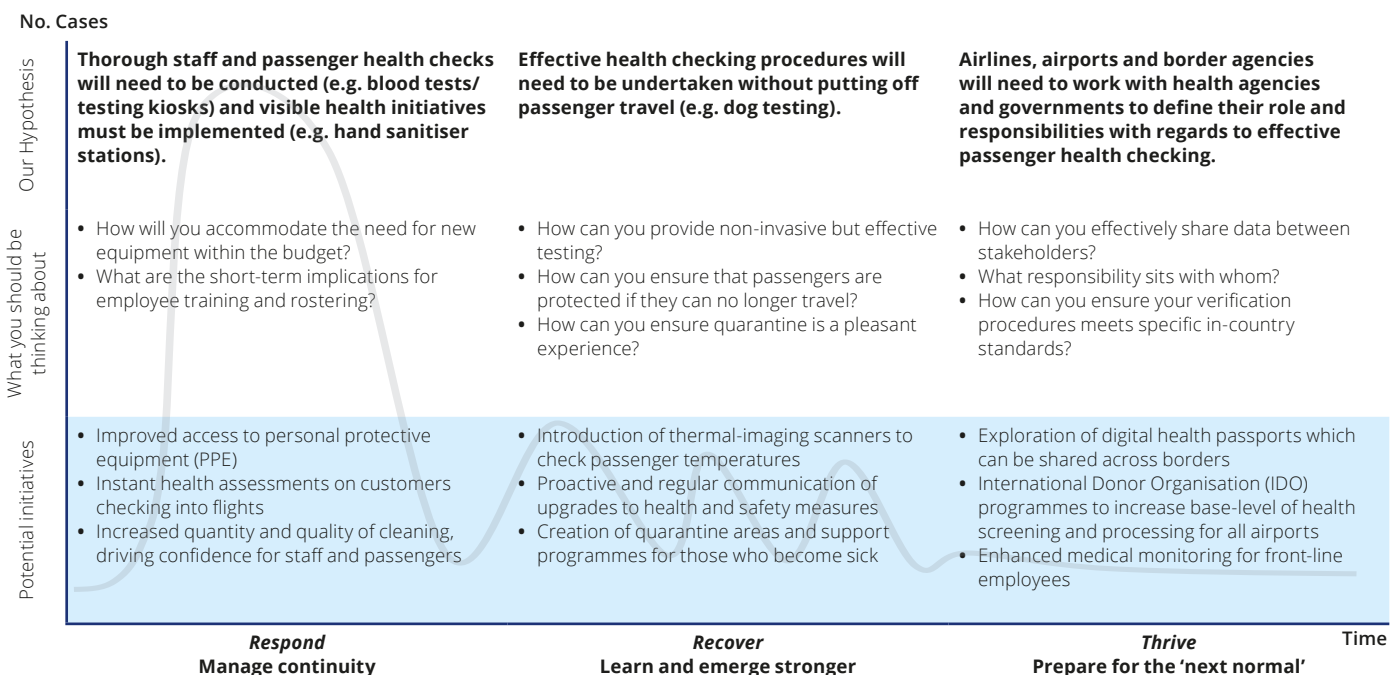
03. New measures are being implemented to allow for social distancing as the industry looks to protect individuals, all which come with wider implications.

Airlines have opted to leave the middle seat open on flights to allow for social distancing.[8]

IATA believe that removing this seat and thus reducing passenger capacity could see fares rise between 43% and 54% from 2019 just to enable airlines to break even.[9]

There is an opportunity to take the front foot and play a role in defining health requirements and procedures that balance meeting government standards with passenger needs.

What this could mean for you...

No. Cases

Our Hypothesis	Thorough staff and passenger health checks will need to be conducted (e.g. blood tests/ testing kiosks) and visible health initiatives must be implemented (e.g. hand sanitiser stations).	Effective health checking procedures will need to be undertaken without putting off passenger travel (e.g. dog testing).	Airlines, airports and border agencies will need to work with health agencies and governments to define their role and responsibilities with regards to effective passenger health checking.
What you should be thinking about	• How will you accommodate the need for new equipment within the budget? • What are the short-term implications for employee training and rostering?	• How can you provide non-invasive but effective testing? • How can you ensure that passengers are protected if they can no longer travel? • How can you ensure quarantine is a pleasant experience?	• How can you effectively share data between stakeholders? • What responsibility sits with whom? • How can you ensure your verification procedures meets specific in-country standards?
Potential initiatives	• Improved access to personal protective equipment (PPE) • Instant health assessments on customers checking into flights • Increased quantity and quality of cleaning, driving confidence for staff and passengers	• Introduction of thermal-imaging scanners to check passenger temperatures • Proactive and regular communication of upgrades to health and safety measures • Creation of quarantine areas and support programmes for those who become sick	• Exploration of digital health passports which can be shared across borders • International Donor Organisation (IDO) programmes to increase base-level of health screening and processing for all airports • Enhanced medical monitoring for front-line employees

Respond	*Recover*	*Thrive*	Time
Manage continuity	**Learn and emerge stronger**	**Prepare for the 'next normal'**	

Creating contactless passenger experiences

What we are seeing...

01. Capacity limits and appropriate flow control measures are being imposed on airports and airlines to limit contagion of the virus, reducing the numbers of possible passengers and requiring new border agency processes.

The Standard Operating Procedure, being formulated by the Directorate General of Civil Aviation (DGCA), will make it mandatory for airlines to keep all middle seats and last three rows empty to minimise contact.[10]

02. Passengers view aeroplanes and airports as places where they are highly likely to get the virus. They want to see that organisations are evolving and taking active steps to protect them and to minimise the risks they are exposed to.

The most important elements of airport satisfaction for customers post COVID-19 outbreak are airport cleanliness and passenger processing speed/ efficiency.[11]
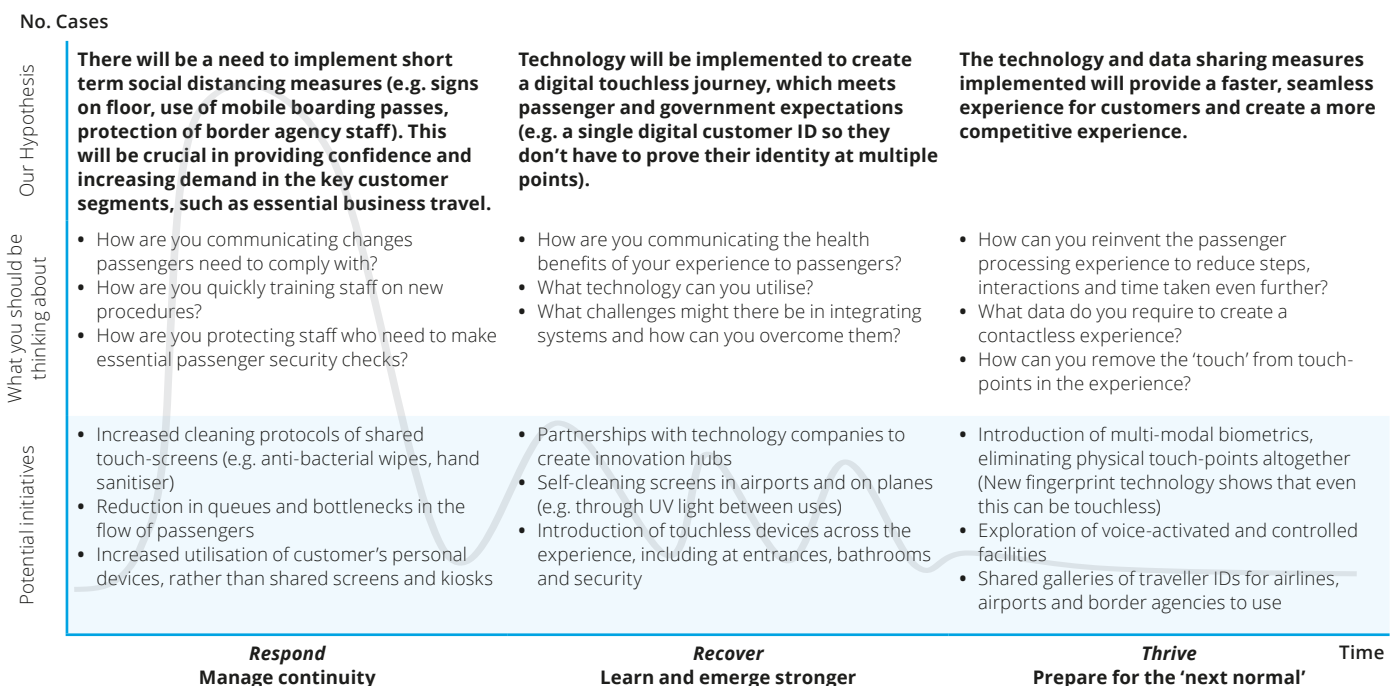
03. With advancements in technology and the rise in contactless processes in other industries (e.g. retail), there is a growing expectation of a seamless digital experience, which is driving the industry to innovate and replicate.

Q1 2020 has seen a reported 40% rise in contactless payments.[12]

"Although we aren't an international hub...our passengers ...compare us to the world's most sophisticated Airports" UK Tier 2 airport.[13]

There is an opportunity to accelerate the move to a contactless passenger experience.

What this could mean for you...

No. Cases

Our Hypothesis	There will be a need to implement short term social distancing measures (e.g. signs on floor, use of mobile boarding passes, protection of border agency staff). This will be crucial in providing confidence and increasing demand in the key customer segments, such as essential business travel.	Technology will be implemented to create a digital touchless journey, which meets passenger and government expectations (e.g. a single digital customer ID so they don't have to prove their identity at multiple points).	The technology and data sharing measures implemented will provide a faster, seamless experience for customers and create a more competitive experience.
What you should be thinking about	• How are you communicating changes passengers need to comply with? • How are you quickly training staff on new procedures? • How are you protecting staff who need to make essential passenger security checks?	• How are you communicating the health benefits of your experience to passengers? • What technology can you utilise? • What challenges might there be in integrating systems and how can you overcome them?	• How can you reinvent the passenger processing experience to reduce steps, interactions and time taken even further? • What data do you require to create a contactless experience? • How can you remove the 'touch' from touch-points in the experience?
Potential initiatives	• Increased cleaning protocols of shared touch-screens (e.g. anti-bacterial wipes, hand sanitiser) • Reduction in queues and bottlenecks in the flow of passengers • Increased utilisation of customer's personal devices, rather than shared screens and kiosks	• Partnerships with technology companies to create innovation hubs • Self-cleaning screens in airports and on planes (e.g. through UV light between uses) • Introduction of touchless devices across the experience, including at entrances, bathrooms and security	• Introduction of multi-modal biometrics, eliminating physical touch-points altogether (New fingerprint technology shows that even this can be touchless) • Exploration of voice-activated and controlled facilities • Shared galleries of traveller IDs for airlines, airports and border agencies to use
	Respond **Manage continuity**	*Recover* **Learn and emerge stronger**	*Thrive* **Prepare for the 'next normal'** — Time

Increased collaboration & data sharing

What we are seeing...

01. Consumers are becoming more willing to share their data for public health benefits, which opens up greater possibilities for collaboration, however there will always be some with concerns.

Just under half of all Germans have said they would be willing to install a COVID-19 app that informs people you have been in close contact with if you test positive for COVID-19.[14]

02. There have been an increasing number of partnerships and collaborations to help tackle the virus as organisations unite towards a common goal.
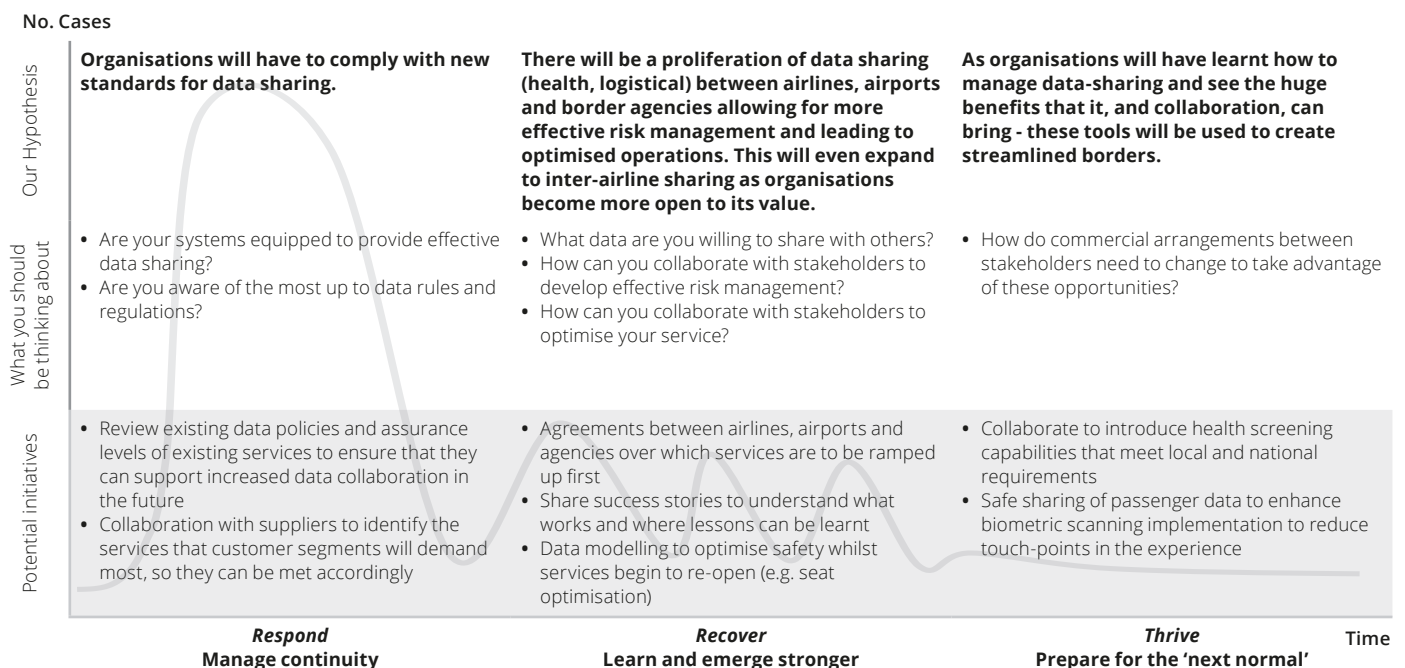
Leading technology competitors Apple and Google launched a Joint Venture to digitally track the spread of COVID-19.[15]

03. We are seeing a relaxing of competition regulation to promote collaborative efforts in the retail industry. With other industries following suit, there could be an opportunity for inter-airline collaboration.

The UK have relaxed competition laws to allow supermarkets to work together in response to COVID-19.[16] Similar steps have been taken by the European Commission with regards to the health sector and other essential products.[17]

Airlines, airports and border agencies have an opportunity to collaborate and share data to overcome challenges and realise opportunities that will create new business value in a post-COVID-19 world.

What this could mean for you...

No. Cases

	Respond Manage continuity	**Recover** Learn and emerge stronger	**Thrive** Prepare for the 'next normal'
Our Hypothesis	**Organisations will have to comply with new standards for data sharing.**	**There will be a proliferation of data sharing (health, logistical) between airlines, airports and border agencies allowing for more effective risk management and leading to optimised operations. This will even expand to inter-airline sharing as organisations become more open to its value.**	**As organisations will have learnt how to manage data-sharing and see the huge benefits that it, and collaboration, can bring - these tools will be used to create streamlined borders.**
What you should be thinking about	• Are your systems equipped to provide effective data sharing? • Are you aware of the most up to data rules and regulations?	• What data are you willing to share with others? • How can you collaborate with stakeholders to develop effective risk management? • How can you collaborate with stakeholders to optimise your service?	• How do commercial arrangements between stakeholders need to change to take advantage of these opportunities?
Potential initiatives	• Review existing data policies and assurance levels of existing services to ensure that they can support increased data collaboration in the future • Collaboration with suppliers to identify the services that customer segments will demand most, so they can be met accordingly	• Agreements between airlines, airports and agencies over which services are to be ramped up first • Share success stories to understand what works and where lessons can be learnt • Data modelling to optimise safety whilst services begin to re-open (e.g. seat optimisation)	• Collaborate to introduce health screening capabilities that meet local and national requirements • Safe sharing of passenger data to enhance biometric scanning implementation to reduce touch-points in the experience

Time

Sources: 14 – Germany gradually warming up to COVID-19 tracking app, DW.com, 2020. 15 - Apple and Google partner on COVID-19 contact tracing, Apple, 2020. 16 – Supermarkets to join forces to feed the nation, gov.uk. 2020. 17 - European competition law and Covid-19: exceptional rules for business cooperation, Osborne Clarke, 2020.

Increased organisational resilience

What we are seeing...

01. There is a need for flexibility, with regular changing passenger and border processing methods, which are likely to continue evolving as governments adjust lockdown policies.

ICAO has created a contingency coordination website to help governments and aviation organisations conduct safe operations in light of COVID-19.[18]

02. Organisations that have flexible operational models have been able to adapt to the pandemic and perform valuable services, similar flexibility is essential to the airline industry's survival.

Workforce-related strategies geared towards the following 5 actions: reflect, recommit, re-engage, rethink (work, workforces and workplaces) and re-boot (HR priorities), lay the foundations to thrive in the aftermath of COVID-19.[19]
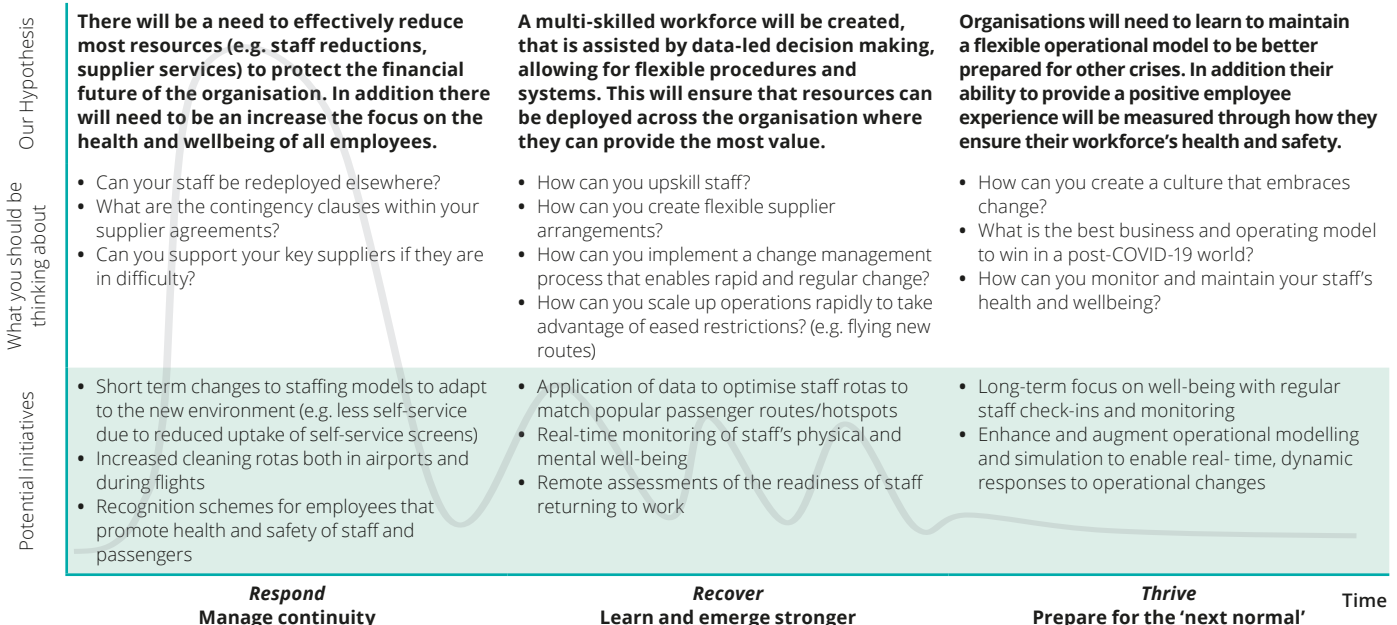
03. Crises happen every few years and are likely to happen in the future and so organisations need to be set-up to adapt to evolving challenges.

"Almost all businesses expect to face a crisis. And how they deal with them really counts".[20]

There is an opportunity to create an organisational resilience with flexible resources and digital solutions that can easily be adapted to the changing environment.

What this could mean for you...

No. Cases

	Respond Manage continuity	Recover Learn and emerge stronger	Thrive Prepare for the 'next normal'
Our Hypothesis	There will be a need to effectively reduce most resources (e.g. staff reductions, supplier services) to protect the financial future of the organisation. In addition there will need to be an increase the focus on the health and wellbeing of all employees.	A multi-skilled workforce will be created, that is assisted by data-led decision making, allowing for flexible procedures and systems. This will ensure that resources can be deployed across the organisation where they can provide the most value.	Organisations will need to learn to maintain a flexible operational model to be better prepared for other crises. In addition their ability to provide a positive employee experience will be measured through how they ensure their workforce's health and safety.
What you should be thinking about	• Can your staff be redeployed elsewhere? • What are the contingency clauses within your supplier agreements? • Can you support your key suppliers if they are in difficulty?	• How can you upskill staff? • How can you create flexible supplier arrangements? • How can you implement a change management process that enables rapid and regular change? • How can you scale up operations rapidly to take advantage of eased restrictions? (e.g. flying new routes)	• How can you create a culture that embraces change? • What is the best business and operating model to win in a post-COVID-19 world? • How can you monitor and maintain your staff's health and wellbeing?
Potential initiatives	• Short term changes to staffing models to adapt to the new environment (e.g. less self-service due to reduced uptake of self-service screens) • Increased cleaning rotas both in airports and during flights • Recognition schemes for employees that promote health and safety of staff and passengers	• Application of data to optimise staff rotas to match popular passenger routes/hotspots • Real-time monitoring of staff's physical and mental well-being • Remote assessments of the readiness of staff returning to work	• Long-term focus on well-being with regular staff check-ins and monitoring • Enhance and augment operational modelling and simulation to enable real-time, dynamic responses to operational changes

Time

Sources: 18 – ICAO launches COVID-19 contingency coordination tool and new measures to ensure safe operations, ICAO, 2020. 19 – 2020 Global Human Capital Trends, Deloitte, 2020. 20 – Business Leader Corporate Crisis, World Economic Forum, 2019

Innovation of commercial models

What we are seeing...

01. Reduction in demand for international travel is likely to continue for an extended period, causing potentially permanent changes to working norms and practices.

Emmanuel Macron has warned that external EU borders may be closed until September.[21]

02. Consumer demand will likely remain suppressed due to lowered consumer confidence in the wake of the pandemic and vulnerable people avoiding travel until a vaccine is available.

Since the outbreak, consumers are spending less[22] and spending forecasts are being downgraded.[23] Studies show that in periods of high stress, consumers increase money saving activity as a form of control.

03. COVID-19 is having an existential impact on all aspects of the aviation industry and there is likely to be a yet unknown shift in the airline landscape. This could see further impacts to demand as prices rise and behaviours change

ICAO estimate that there could be a reduction of up to 59% of seats offered by airlines in 2020, with a reduction of 867 million international travellers over the course of the year.[24]

The industry has an opportunity to innovate its commercial model to diversify revenue streams.

What this could mean for you...

No. Cases

Our Hypothesis	The industry will be operating well below passenger capacity, with only essential travel, so there will be a need to find immediate alternative revenue streams.	As lockdowns are lifted, but with passenger numbers still down, there will be a need and an opportunity to diversify commercial models to provide new revenue streams.	The market will have drastically changed with reduced demand. The industry needs to create value propositions that thrive in this new environment, attracting and retaining passengers and airlines in the next normal.
What you should be thinking about	• How can you repurpose your assets to support the pandemic effort? • How can you double down on services that are still running?	• How can you diversify your commercial model? • How can you repurpose your assets for long term reduced capacity?	• What does new market structure look like? • What role should you play in the new market? • What value propositions can you provide?
Potential initiatives	• Strengthen and expand cargo offerings • Encourage pre-ordering of services (e.g. food) to match supply and demand • Exploration of models for government and private sector financing to support key organisations in the system	• Revisit planned investments to confirm that they align with the post-COVID-19 passenger needs • Introduce short-term incentivisation of domestic travel • Explore pricing models to attract key corporate travellers and frequent fliers	• Implement new operating models to reflect the changed demand • Model and analyse future scenarios to create a commercial model that is robust against future challenges

Respond
Manage continuity

Recover
Learn and emerge stronger

Thrive
Prepare for the 'next normal'

Time

Sources: 21 – Schengen Visa Info, 2020. 22 – "UK consumer spending drops over a third during lockdown", FT, 2020. 23 – The Deloitte Consumer Tracker Q1 2020. 24 – Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis, ICAO, 2020

The following next steps are recommendations to help your organisation prepare itself to thrive in a post-COVID-19 world.

Understand the partners that you will need to collaborate with in order to resume services effectively. This could include ensuring health screening capabilities are set-up, suppliers are ready to resume or that key staff are able to be accredited.

Identify and prioritise the key questions and challenges that your organisation is facing and, through the application of data, understand which of these will deliver the greatest value or operational efficiencies.
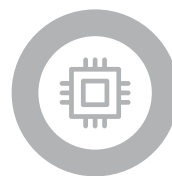
Ensure that you are aware of your data protection and cyber security requirements and have the technical infrastructure in place to enable collaboration and integration with other organisations.

Measure and monitor the physical and mental wellbeing of your staff, supporting them where necessary, to ensure that your workforce is in the best position to ramp-up and tackle the upcoming challenges.

Re-visit planned investments and any existing transformation programmes to ensure that these are still appropriate, as well as considering any new tactical initiatives that equip the organisation for the demands of a post-COVID-19 environment.

Want to know more?
Get in touch.

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