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Commercial

COVID-19: Leveraging the great lockdown 2020

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Over the last three months, the world has changed drastically. The COVID-19 pandemic has altered not only personal but even the business dimensions significantly. One such segment that has been grimly impacted is the Micro, Small, and Medium Enterprises.



The current global crisis affects the lives and livelihood of people. Moreover, it has impacted almost all the spheres of the Indian economy, including the Micro, Small, and Medium Enterprises (MSMEs). In a recent revelation, the sector had witnessed a 20-50 percent impact on the earnings due to the disruptions led by the pandemic.

In order to deal with the challenging times, the Indian MSME sector needs to address the following factors-

Sustainable business planning

The majority of businesses in India have been able to handle the crises related to enforced curfews, flood, and earthquake well. But, it is difficult to execute business planning under severe national circumstances, such as COVID-19. Therefore, in light of the current situation, the business plan must be checked and improved thoroughly.

Resource optimisation

The current crisis will lead to creative approaches to work. The service sector may reduce their usage of commercial space and continue work-from-home—for those who can afford it. This can contribute towards saving of rent and maintenance costs. During the period of turbulence, rationalising costs would be of utmost importance.

With limited resources, the social media platform has emerged as the most powerful and effective tool for marketing and communication, even for the real estate domain. We should learn and use this platform carefully to reach out to the audience.

Technology adaption

With restrictions of large gatherings and travel, the concept of virtual meetings has gained much prominence. This needs to be further continued as it will help reduce the operation cost and maintain the prescribed norms for social distancing. The companies who have adopted technology, such as AI, IOT, Big Data Analysis, and Virtual Reality are in a better position for future disruptions. The infrastructure and the real estate sector are in the process of implementing various [technologies such as BIM](#) and CPM to reduce the cost and time of the project. The future of business will depend upon data-driven insights, which will give a competitive edge. These investments in technology are beneficial for long-term planning.

Risk management

The companies are experiencing a modern approach that solves issues of crisis management and cyber threats hand-in-hand. The business houses must take risk management practices and procedures seriously. It should not be limited to the financial sector only. This will lead to coordinating the actions and help protect company assets.

Liquidity Management

Many short-term and long-term disruptions, including demonetisation, the [introduction of GST](#), REIT and RERA, have impacted the companies in several sectors over recent years. As these instances tend to be a new standard, the businesses must focus on liquidity management in order to fly through unpredictable periods. If unexpected events call for stability, cash is the king. Businesses with good cash flow control can only move through the cycle.

The Central Government, as well as, the respective States and RBI are taking various steps and releasing stimulus packages to ensure that the economy keeps running even in such difficult times. It is expected that the economy will take at least six months to be on track post the lockdown. Only those companies will survive who will provide quality products and solutions at a reasonable cost to the customers. In short, the competition is going to increase. We need to focus on the organisation's inner strength and work on new skills to compete in future.