

How Businesses are Overcoming Crisis with Analytics

2020 PANDEMIC RESPONSE REPORT

React. Recover. Reimagine.



ABSTRACT

CCG gathered data from multiple sources to get a snapshot of how businesses in the US had been impacted by the COVID-19 pandemic, how they were adapting to those impacts, and what role analytics played in their recovery. We also wanted to see what critical business needs could be addressed through analytics – both now and in the future.

Combining our survey results with anecdotal reports from business leaders across a range of industries, we discovered that while the crisis has had an overall negative impact, there is optimism around how the crisis has accelerated innovation and technology. Additionally, we learned that businesses felt they could most benefit from crisis scenario planning, customer experience insights, and supply chain resiliency planning to help them through the new challenges this pandemic has created and to help them better prepare for what's next. Read the full report below.

In an effort to help our customers navigate crisis and prepare for an uncertain future, we've been doing a lot of listening.

We've been listening to stories of how organizations have responded to the COVID-19 and subsequent economic crisis. How prepared were they? How quickly were they able to adapt? And how has data and analytics played into their recovery?

“CCG was critical in helping us implement some analytics tools that we live and breathe by as a business, and as a result of that, we were very quickly able to know that this thing was much bigger than we were hearing on the news.”

-- Lee W. Crump, PMP, CIO and Group Vice President, Rollins, Inc.

We've been listening because we can all learn from each other. And we wanted to know what you needed from us. What could we do to help businesses like yours survive this crisis and thrive in the future?

So, we did what we're best at: we started gathering and analyzing the data – in this case, the voice of the customer through multiple channels. And from that we've gained insights that will hopefully help your business regain your footing and navigate the winding road ahead.

METHODOLOGY: ADAPT WITH ANALYTICS

We had to come up with our own response to the pandemic and determine the best ways we could help our customers evolve as the business world turned upside down. We created [ADAPT](#) (an acronym for Analyze, Decide, Act, Protect, and Triumph) – an initiative where we curate insights, solutions, and answers from and for our customers and community.

Our crisis ADAPT team is working to continuously listen, learn, and adapt to the marketplace. We've been listening in many ways – via an ongoing [online customer survey](#), a series of one-on-one interviews with our customers, and through a [Virtual Forum](#) series featuring panel discussions from business leaders across a range of industries.

The insights we've gained from our customers have enabled us to focus on the topics that are most important to them, and equip them with the prescriptive and predictive analytics that best address their most pressing concerns. Our results-oriented strategies can help you make more informed decisions today and accurately plan for tomorrow.



FEATURING KEY INSIGHTS FROM:

- 1 CCG Customer ADAPT Survey
- 2 1:1 Interviews with Business Leaders
- 3 CCG Virtual Forum

SURVEY RESULTS

Our Customer ADAPT survey has made one thing very clear; few businesses are emerging from this crisis unscathed. In fact, more than 72% of those surveyed said that COVID-19 has either had a severe or moderate negative impact on their business. Nearly 35% said that they'd seen a severe drop in revenue risking short-term liquidity and long-term viability, and nearly 38% said that they'd experienced a dramatic impact on profits and losses over a sustained period with uncontrollable disruptions.

72.41%

OF THOSE SURVEYED SAID THAT COVID-19 HAS EITHER HAD A **SEVERE** OR **MODERATE** **NEGATIVE** IMPACT ON THEIR BUSINESS



48.27%

OF THOSE SURVEYED HAD **NO ACCESS TO DATA** AND ANALYTICS CAPABILITIES OR **ONLY HAD THE MOST BASIC ANALYTICS.**

Only 3.45% of businesses reported a positive impact from the crisis.

Bottom line, as expected, this crisis has put an end to business as usual and it's possible that it will never go back to what it was.

"When we walked into the COVID-19 crisis, we quickly looked at cash preservation...that became imperative to really understand inventory and what we own currently...What do we absolutely need to drive the business, and what are the things that are most important to our consumers?"-- Chris Fitzpatrick, VP of Business Analytics & Strategy, vineyard vines

Additionally, when asked, "What is your confidence regarding your company's access to data and tools needed to navigate this crisis?", over 48% responded that they had no access to data and analytics capabilities or only had the most basic analytics.

Only 17% of businesses felt they had advanced analytics capabilities in place, enabling management to apply prescriptive analytics to inform major business decisions.

As these businesses were faced with economic crisis, the ability to see beyond a basic operations report, for example, meant spending a number of cycles struggling to pull data from disparate systems. Of those 48.27%, a majority stated that the automation of analytics and self-service alleviated strain across the departments and allowed them to make essential decisions quicker. Those that leveraged advanced analytics capabilities were able to reach key insights in less than half the time as those with basic analytics capabilities in the same industry.

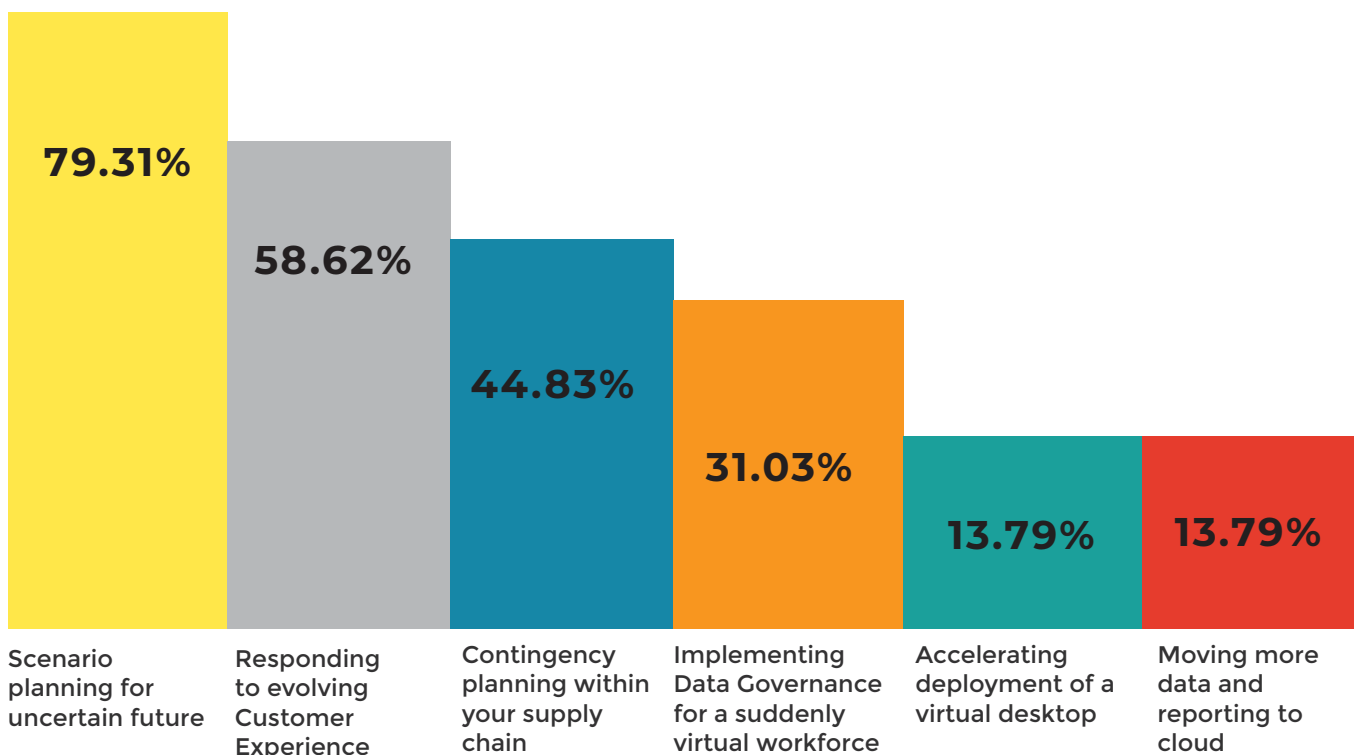
SURVEY RESULTS (CONT.)

Despite those numbers, and this may show that many businesses are focused on cash preservation right now, none of those surveyed said they expected to increase their analytics spending in the upcoming year. In fact, the majority (51.72%) expected analytics spending to be cut, while 48.28% expected it to stay the same.

While this is understandable in a climate when many businesses see cutting costs as the only way to survive, it's also troublesome, as we've seen how advanced analytics can help customers understand and predict customer behavior, grow market share and drive revenue -- during crisis and beyond. Not to mention the fact that companies now must redefine how to manage their business [when historical data is irrelevant](#).

Finally, we asked which areas are currently most critical to your organization (respondents could select multiple answers). Almost 80% of respondents said that "Scenario planning for an uncertain future" was their highest priority, with nearly 59% wanting to "Respond to evolving customer experience", and 49% concerned with "Resiliency planning within their supply chain."

Additional concerns, which arose from the sudden transition to a remote workforce, included implementing Data Governance, accelerating the deployment of a virtual desktop, and moving more data and analytics reporting to the Cloud.



LET'S FOCUS ON THE TOP THREE PRESSING CONCERNS.

NO. 1 CRISIS SCENARIO PLANNING

Scenario planning is just what it sounds like – the ability to model cause and effect through simulations or scenarios to predict outcomes. In a crisis like the current COVID-19 pandemic, this becomes more important than ever, as our customers indicated. This analytically driven activity informs strategy in every aspect of every business, spanning inventory projections, labor forecasting, operational risk management, and profitability and loss projections.

In an interview with Chris Fitzpatrick of vineyard vines, he said scenario planning was crucial for the company right now.

79.31%

OF THOSE SURVEYED SAID **SCENARIO PLANNING FOR AN UNCERTAIN FUTURE WAS THEIR HIGHEST PRIORITY.**

Another one of our customers reported when the crisis hit, they immediately did scenario planning for every leader in every business department. They ran scenarios regarding staff reductions as well as evaluating the size of their real estate footprint. Discovering how their business would be impacted if certain steps were taken enabled them to make difficult decisions with confidence.

Crisis Scenario Planning is vital to helping businesses plan and act to secure their future viability, but businesses trying to do this on their own face unique challenges right now:

HISTORY IS OBSOLETE AS A PREDICTOR

Many cause-and-effect algorithms govern how businesses plan for growth. But there has never been a pandemic of this nature. So, making business decisions based on historical comparisons (such as year-over-year sales) is obsolete and requires massive retooling.

REAL-TIME IMPERATIVE

Conditions on the ground are changing daily. New data sources like CDC, Fed Funds Rate, and S&P futures are suddenly much more valuable to business planning than historical supply and demand data. Agility and the ability to synthesize data in real time, both internal and external, is crucial.

EXPERIENCE GAP WIDENING

Scenario Planning delves into an area of prescriptive analytics that most companies are ill-equipped to handle in normal times. In adverse times, it's even more complicated and specialized resources are essential.

By addressing these issues, your business can increase its viability, speed and flexibility, while giving your stakeholders and leaders greater visibility into how the crisis is impacting your business. This can help inform better decision making and help your company spot and avoid potential roadblocks.

NO. 2 PRIORITY: CUSTOMER EXPERIENCE INSIGHTS

During our Virtual Forum, Chris Dieringer, Sr. Director Retail & CPG at Microsoft, spoke about how the pandemic has dramatically changed consumer demand. To adapt, businesses have to shift their understanding of how to provide the best customer experience, while also ensuring the safety of their customers and employees.

"Businesses must do as much as they can to deliver services and products outside of stores, or limit time in stores, while still providing great customer experience. Those who have invested in their digital practice will be successful and not just able to react and plan their recovery, but able to shape the new normal."

--Chris Dieringer, Sr. Director Retail & CPG at Microsoft

This flips traditional retail philosophy on its head which used to be all about keeping customers in-store for as long as possible.

Since the pandemic started, the rise in e-commerce has been staggering, along with "contactless" processes, curbside pickup, and services like grocery delivery. And Dieringer believes that even after the immediate threat of COVID-19 passes, the consumer shift is likely to stay.

"In 1929, we had the Great Depression. In 2008, we had the Great Recession. COVID-19 is going to be known as the Great Acceleration."

-- Chris Dieringer, Sr. Director Retail & CPG at Microsoft

129%

**YEAR-OVER-YEAR
GROWTH IN U.S.
& CANADIAN
E-COMMERCE
ORDERS AS OF
APRIL 21ST.**

--[FORBES](#)



NO. 2 PRIORITY: CUSTOMER EXPERIENCE

Customer experience analytics typically include how a company's website, purchasing, delivery and service help or hurt a customer's experience with a brand. The fundamental shift in how we are now buying as consumers – as opposed to a few short months ago – shows how dynamic this area of measurement has become. Customer experience analytics can provide you with insights that help you address some of the current challenges posed by changing customer behavior, such as:

UNPRECEDENTED CHURN

Many companies have shut down their physical locations which is impacting customer shopping behavior, while cash-strapped customers may be more reluctant to spend. On the B2B side, many companies suddenly have clients who are no longer paying invoices or are teetering on bankruptcy.

EVOLVING CUSTOMER EXPECTATIONS

There has been a paradigm shift around what consumers expect from the companies. Companies must adapt, in real time, to classifying these new moments of truth that can make or break a sale today, as well as retaining a customer tomorrow. For example, businesses that invest billions into virtual experiences online leveraging artificial intelligence. Retailers are competing to ensure their online customers receive the same great customer experience they enjoyed in-store.

ADAPTING TO CHANNEL PREFERENCES

E-commerce has become the primary buying experience, with delivery and pick-up the preferred methods of receiving goods. Businesses that invested in location-based experience, or who have limited online insights are at a disadvantage in understanding their customer experience.

Customer experience analytics can help your business separate the customers you've truly lost vs. those whose needs may have just changed temporarily, gain powerful insights around consumer demand, and grow market share.

"Double down on hardening your digital acceleration. Consumer behaviors and appetites have changed, so be relevant. We've seen giants in this space fall."

--Chris Dieringer, Sr. Director Retail & CPG at Microsoft.

NO. 3 SUPPLY CHAIN RESILIENCY

Many businesses first felt the impact of the COVID crisis when they started having issues with their supply chain.

We're in the manufacturing sector, and our earliest signal that something was wrong was from our supply chain. We had shifted to foreign suppliers and got some early warnings from them.
-- Rusty Kennington, Chief Information Officer, Corsicana Mattress Company

Supply Chain optimization attempts to balance the ordering of products, carrying costs, timely fulfillment, and other factors to ensure that the right products are at the right place at the right time with the right margin. We've all seen what happens as supply chains break down, and demand cannot be met. Analytics can provide the insights you need to adjust and adapt to supply chain issues and plan for unexpected events, by preparing for issues like:

BROKEN LINKS IN CHAIN

The chain that spans manufacturing, shipping, ports, distribution centers, transportation, and stores has broken down starting with China's shutdown and extending into other links impacted by quarantine measures, making it much more difficult to project inventory levels required to meet customer demand.

LOST SALES

When products cannot be delivered on-time or the product a customer wants is not available (and the business fails to make an appropriate recommendation for a substitution), that customer is likely to abandon their cart and look elsewhere.

TRANSFORMED CONSUMER DEMAND

More customers are moving to ecommerce channels, decreasing discretionary spending, and buying only essential goods.

EXCESS INVENTORY

Many retailers have suddenly seen their greatest asset - inventory - piling up on store shelves, and are scrambling to determine what to do with it and how to mitigate massive losses.

The benefits of Supply Chain Resiliency Planning include building resiliency to better respond to shocks in the market, estimating more accurate inventory levels to prevent out-of-stock situations, having faster order fulfillment, improving customer experience and ultimately informing better decisions.

SUMMARY

“There’s just something about Americans. It’s unbelievable how quickly we can make things happen when we need to. It is amazing how people in the US have responded. It makes you feel proud.”

-- Lee W. Crump, PMP, CIO and Group Vice President, Rollins, Inc

At CCG, our mission is to bring great people together to do extraordinary things. And this is an extraordinary time. We’ve listened to the many voices of our customers and learned what is most important to them right now, and like you, we’ve adapted.

Whether you need help with Crisis Scenario Planning, Customer Experience Insights, Supply Chain Contingency Planning, Data Governance, Supporting a Virtual Workforce, Cloud Migration, or anything else that can enable you to leverage the power of data and analytics to your advantage, we’re here for you.

Talk to our [ADAPT crisis experts](#) today and we’ll listen to your specific concerns and help you come up with a plan to get out of crisis mode and start regaining market share and growing revenue. And when the next crisis comes around, you’ll be ready.



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RELATED RESOURCES & RESEARCH

CCG Resources

[ADAPT with Analytics](#)

[Virtual Analytics Forum: React, Recover, and Reimagine Your Business During the Pandemic \(Webinar\)](#)

[How Businesses React, Recover, Reimagine and Drive Revenue During COVID and Beyond](#)

[Rats and Roaches Don't Read the Wall Street Journal](#)

Crisis Scenario Planning

[McKinsey: COVID-19 Implications for Business](#)

[eMarketer: The Biggest Business Impacts of COVID-19](#)

[Forbes: A Coronavirus Strategic Plan](#)

[Reuters: Business Inventories Post Biggest Drop](#)

[Politico: What the Coronavirus Means for Labor Forecasting](#)

[FTI: Is Your Company Prepared for the Pandemic](#)

Customer Experience Analytics

[VWO: Optimize Customer Experience by Optimizing Trust](#)

[eMarketer: The Biggest Business Impacts of COVID-19](#)

[Entrepreneur: How Managers Can Weather the Impact of the Coronavirus](#)

Supply Chain Optimization & Analysis

[HBR: How Coronavirus Could Impact the Global Supply Chain by Mid-March](#)

[CNBC: Coronavirus and markets business won't be back to normal for months](#)

[McKinsey: Supply Chain Recovery in Coronavirus Times - Plan for Now and the Future](#)

[Johns Hopkins: Covid 19 Coronavirus Impacts Global Supply Chain](#)



THANK YOU

ADAPT WITH A TRUSTED PARTNER

Curating insights, solutions, and answers FROM and FOR our customers and community.

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