

BUSINESS DURING COVID-19 RECESSION - HOW TO SURVIVE?

Some of the possible scenarios

SCENARIO 1 - IT WILL PASS SOON



Global COVID-19 pandemic is successfully stopped thanks to social distancing and/or the cure/vaccine is found. After 6-12 weeks of self-isolation people are going back to work. That period varies depending on the country so cross-border movement will be restricted a little bit longer. After a few months, the economy is recovering.

SCENARIO 2 - FINALLY, IT WILL PASS

Social-distancing does not work as expected or not enough people follow the restrictions. The virus spreads at new places and causes severe problems for healthcare and the economy. Social distancing needs to be kept for longer - 12-18 months. The economy is starting to recover but not earlier than in the second half of 2021



SCENARIO 3 - IT WILL LAST LONGER



Despite social distancing, the virus is spreading and mutating or we found out that people who had recovered before are not 100% immune. The economy is in a deep crisis. Healthcare systems in many countries have huge problems.

OTHER SCENARIOS ARE POSSIBLE

Who is gonna be hit first?



TOURISM

We can see that already the entire tourism, travel, and HoReCa sector has been hit by the COVID-19 crisis



RETAIL

Small business that is unable to quickly transfer to e-commerce already has trouble. That will cause problems down to the supply-chain,



CONSTRUCTION

Next we will see the drop in demand in the construction sector. People will postpone their property buying decision for a better time. Office space will not be as needed as before.

Regardless of the scenario, many people will lose their job, global demand will drop and recession will grow. Governments' reactions may slow it down but will most probably fail to stop it.

WHAT CHANGES FOR STARTUPS? WHAT YOU CAN DO?

Startups



INVESTMENT

Despite the scenario it's going to be hard to raise new founding at that moment. Investors will be more risk-aware than before. Only reliable products or the ideas that answer new current needs have chances to succeed in raising capital. Bootstrapping is an option.



PIVOT?

Some products will become obsolete in the new reality. Also, new opportunities appear for existing products. If you see that your product idea might be easily adjusted to the current reality it is your chance.



CONSUMERS BEHAVIOR

People's behavior and habits are changing because of social distance and other restrictions. Even if the situation will be solved in a couple of weeks some people will change their habits. If the situation will last longer then the probability of the permanent change in consumer's behavior is higher.



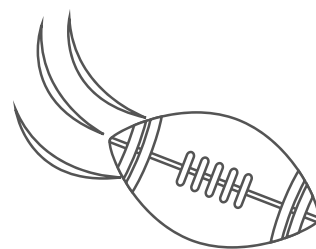
OLD GOOD IDEAS

Some product ideas that failed in the past might shine nowadays. We already see a rise of for example video-conferencing tools, virtual events platforms, remote work apps, remote learning, food delivery, e-commerce, etc. Some of those products had no chance to succeed a couple of months ago.



NEW MARKETS

New consumers' behavior opens the opportunity for a totally new market. Products that would never be used before just because people used to do the job in another way, now could succeed. Considering permanent consumers' behavior after the social distancing period those new products can succeed also in the long term.



SPEED MATTERS

Now the speed matters. Lightweight startups who learned how to move fast and quickly change priorities will find their way out. Those who still had fixed-price/fixed-scope projects' mindset will have trouble now to adjust their scope and adapt to the new reality.

Check our product guidebook on how to go live in less than three months here: <https://pragmaticcoders.com/product-development-guidebook/>

WHAT CHANGES FOR SCALE-UPS? WHAT YOU CAN DO?

Scale-ups



SLOW DOWN

Scale-ups (if they are not in the market that benefits on this crisis) will now slow down a little. This is a good moment to look at the efficiency of the process you have in place and think about how to lean your entire organisation.



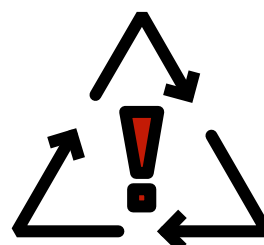
TALENTS

Recession will cause layoffs of many talented people out there. Now scaling your business by hiring great talents might be much easier than before.



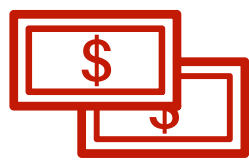
GO REMOTE

Since you are most probably already working remotely, think about its efficiency. Your company will be working remotely for a long time. It might be from 3 to even 18 months or permanently. If your people struggle with that, search for help or hire those who are experienced in such a work model.



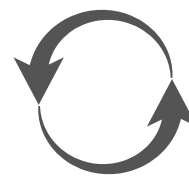
ANY OPPORTUNITIES?

Where most people see problems only, try to search for opportunities for your business. Look for new functionalities or new product lines that may answer new needs of your current customers. Think about how your users' behaviors will change. Leverage your user base.



SAVE MONEY

It is a good time to think about money-saving and cost-cutting. Since remote work becomes a fact, maybe it is a good moment to look for external, cheaper partners?



GO LEAN

It is the best time to look for better ways of doing things. Lean and Agile methods are well known and battle-tested. Now you finally have time to try them out and benefit from higher efficiency.

Check some options here:

<https://pragmaticcoders.com/services/dedicated-software-development-teams/>



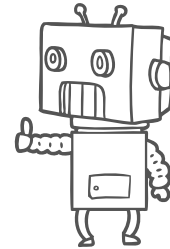
WHAT CHANGES FOR PRODUCT & SERVICES COMPANIES? WHAT YOU CAN DO?

Product & Services



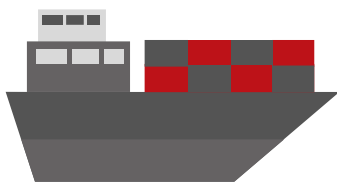
E-COMMERCE

Standard way of person to person sales is strongly disturbed by social distancing. It is a great time to start providing e-commerce services. Default platforms are an option if your sales can be adjusted to the standard e-commerce models. If your sales process or services requires something special you may need a custom platform for that - check more [here](#) >>



AUTOMATION

Limited possibilities of using labor work open the needs of wide automation. Both in production and services, you may find a lot of opportunities for process automation. That includes manual production work automatized by robotics as well as manual processes that could be digitalized thanks to the software.



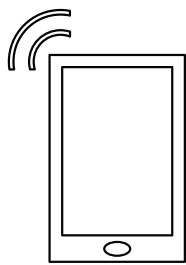
SECURE SUPPLIES

Be sure that you have resources need to continue your production. On-demand supplies might not be as easy as before. Monitoring your supply chain is crucial now. Contact your suppliers and discuss possible scenarios and options Search for new possibilities and optimisation.



CUT COSTS

Leaning your business is now more important than ever. Review your cost structure. Is there something that you do not need at the moment? Think even about small things that can sum up together to a big number. Even turning off the air-conditioner at the office that none is visiting might save something.



GO DIGITAL

It is the time for new methods and tools. The way you served your clients before the pandemic might not be an option for the next couple of months if ever. It is time to shift your business and go through digital transformation



GO GLOBAL

Digitization opens new possibilities. Now you can have access to an entirely new user base. Recommendation: if you have not been using the English language in sales now it is time to switch your marketing to bi-lingual.

Check some possibilities of building custom software products that scale globally here:

<https://pragmaticcoders.com/services/dedicated-software-development-teams/>

