

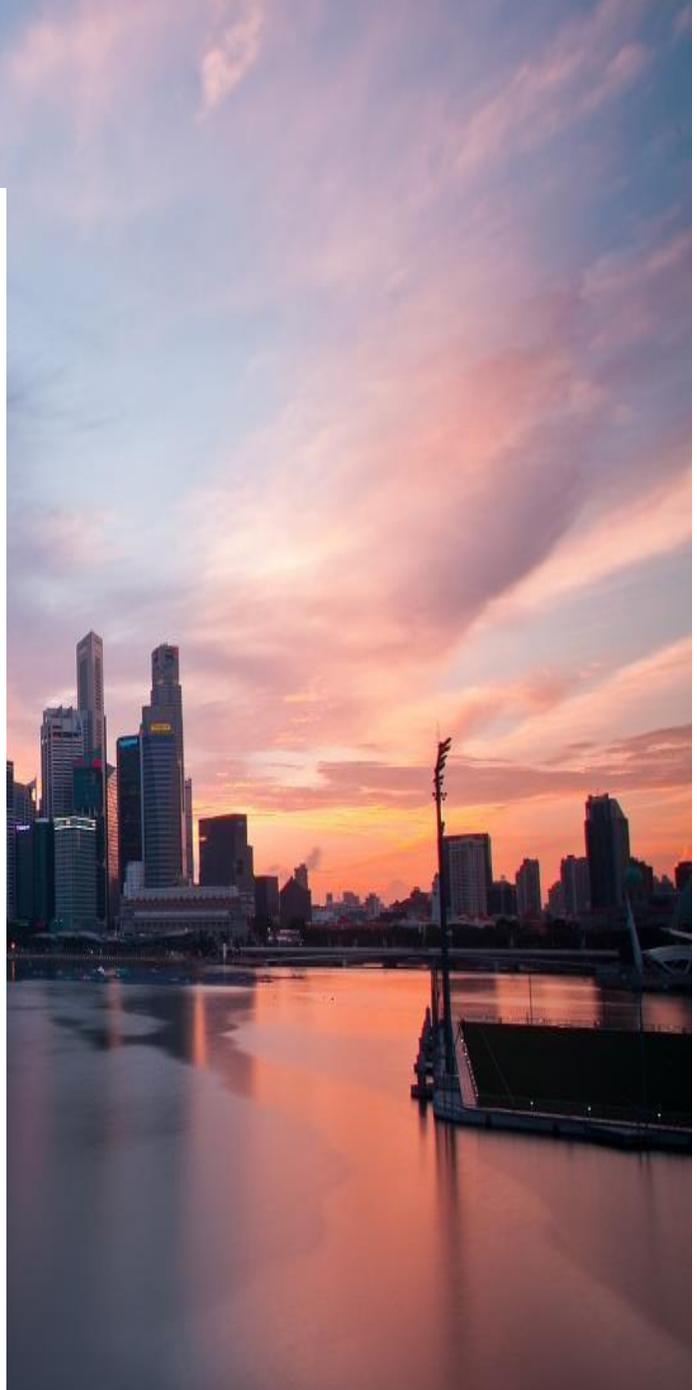
COVID-19 Survival Guide for Singapore Enterprises

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Singapore Productivity Association



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The COVID-19 Situation in Singapore

It has been about two months since the first cases of COVID-19 were detected in Singapore.

Policymakers and economists are projecting a full-year GDP recession of between -1% and -4% for 2020. There is a possibility that the economic activity will continue to be subdued in 2021, depending on how the situation evolves domestically and globally.

Globally there has been lock down of cities and entire countries. This has led to disruptions to both demand and supply side, a dent on investors confidence and consumer sentiments. Business owners, particularly of Micro-SMEs and SMEs in lifestyle and tourism sectors, are feeling the impact on the viability of their businesses and for the workers, the security of their job and the livelihood of their dependents.

The Singapore government has addressed the issues head on with 2 rounds of stimulus packages announced by Deputy Prime Minister Heng Swee Keat over the last five weeks. In total some SGD\$55 billion in support has been made available for households, enterprises and workers which also involves a draw-down of SGD\$17 billion from past reserves.

The Singapore Productivity Association has put together this survival guide, consisting a “5C” framework (i.e. Compliance, Cashflow, Culture, Communication, Capability) to help enterprises deal with impact of COVID-19 and the willing and able one to better prepared themselves for the eventual economic upturn once the crisis has abated.

During this time, productivity may seem to be the last thing that comes to mind for businesses. On the contrary, it is paramount that while businesses tap on the many assistance offered to ride through this storm, they must not take their eye off the need to drive for continual productivity improvements.

There is no better time than now take a hard look at existing business models and how to transform them, to harness new technology, processes and to redesign jobs, to build the capability to rebound when the time is right.

To this end, the competency unit of the association, the Singapore Productivity Centre (SGPC) is working closely with various government agencies to help businesses in the lifestyle sector transform their businesses, upskill workers and redesign jobs. You can find more about our services at www.sgpc.sg.

Singapore is a resilient nation and we will work together to ensure that we not only survive but emerge from the COVID-19 crisis, stronger, more confident and more productive.

Yours sincerely,



Tan Peng Yong

President, Singapore Productivity Association

Chairman, Board of Directors, Singapore Productivity Centre

1. Compliance

The Ministry of Health maintains and regularly updates a comprehensive listing of issued advisories to stem the spread of COVID-19 for both enterprises and individuals. (see <https://www.moh.gov.sg/covid-19/advisories-for-various-sectors>). Many of the measures stated (e.g. sanitization standards, social distancing) are meant for compliance.

Enterprise Singapore (ESG) and the Singapore Business Federation (SBF) have also put together a holistic guide to enterprises on Business Continuity Planning (BCP) for Covid-19. (see <https://www.enterprisesg.gov.sg/covid-19>).

2. Cashflow

The Resilience Budget acknowledges the importance of cashflow, with many measures announced to put more cash in the hands of businesses, while defraying manpower costs (with harder hit sectors getting more) to preserve jobs. Notable measures that provide cashflow support via loans at attractive rates include: the expanded Temporary Bridging Loan Programme (max \$5m), the expanded SME Working Capital Loan (max \$1m), the Enterprise Financing Scheme Trade Loan (max \$10m).

Beyond tapping on the above cost-saving measures and enhanced loan arrangements, enterprises are strongly advised to also take stock of their financial status and to develop an actionable financial plan. This entails taking a hard look at business activities and prioritizing core activities that will best enable the company to survive the downturn, while sieving out unnecessary expenses and prioritizing outgoing payments.

3. Culture

Foreign Minister Vivian Balakrishnan aptly described the Covid-19 pandemic as a test of trust between populations, governments and the public administration. This test of trust will inevitably trickle down to enterprises and employees, particularly with the looming specter of potential job losses and pay reductions as austerity measures. Concerns over financial viability may lead to low morale or even worse, employees keeping an active lookout for more secure work environments or greener pastures.

Business leaders will need to take a proactive role in both empathizing with their staff and finding a way to rally the organization. Leaders will do well in providing assurance that no one

needs to be laid off if all chip in and to clearly communicate and secure collective buy-in to management's plans to survive the coming downturn.

4. Communication

Effective and transparent communication at all levels will go a long way in enabling the enterprise to survive and ultimately thrive past the downturn.

With health advisories and social distancing measures constantly evolving to combat Covid-19, employees and consumers may struggle to make sense of the resulting impact to them. Enterprises are encouraged to proactively maintain open communications with both customers and employees, particularly via online and social media, to apprise on necessary changes and to provide assurance that the organization is ahead of its game.

5. Capability

Trade and Industry Minister Chan Chun Sing rightly states that with supply chains disrupted by COVID-19, companies will have to fundamentally re-examine the diversity and resilience of their supply chains. Global shifts and technology developments remain long-term drivers of change that will stay post COVID-19. Enterprises would do well to tap upon the various enhanced grants announced during the Resilience Budget and invest time in reviewing their business models, operating processes, digitalization efforts and building the necessary institutional and staff capabilities for the eventual upturn. Enterprises whom require assistance in navigating the grant landscape or expert advice in prioritizing developmental areas are welcome to contact the Singapore Productivity Centre (<https://www.sgpc.sg/contact/>).

About Singapore Productivity Association (SGPA)

The Singapore Productivity Association (SPA) was set up in 1973 as an affiliated body of the then National Productivity Board, now Enterprise Singapore (ESG).

Its objective is to promote the active involvement of organisations and individuals in the Productivity Movement and to expedite the spread of productivity and its techniques.

The mission of the Association is to raise the Productivity of Organisations and Individuals in Singapore.

About Singapore Productivity Centre (SGPC)

The Singapore Productivity Centre (SGPC) was set up by the Singapore Productivity Association as a competency centre under the aegis of the Future Economy Council (previously known as National Productivity Council) with the support of Enterprise Singapore and the Singapore Tourism Board. Its mandate is to help enterprises in the services sector to upgrade their capability, transform, grow and globalize.

SGPC provides a comprehensive range of services and solutions to help enterprises. This includes in-depth productivity consultancy, conferences and workshops on productivity-related topics, study missions, benchmarking and applied research. Besides its own competencies, SGPC partners other organisations both locally and overseas to bring the best productivity resources together for the benefit of Singapore enterprises.

For enquiries and more information on SGPC, please refer to www.sgpc.sg

To find out more, please contact SGPC at Tel : (65) 6745-5833 or email william_lim@sgpc.sg