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Question:

In every threatening situation, there is an inherent opportunity. In this era of COVID-19 Lockdown, evaluate rigorously the production/service opportunities in this situation

ANSWER

INHERENT OPPORTUNITIES IN THE DIGITAL SERVICE SECTOR

The outbreak of Covid-19 crisis has caught most enterprises by a sudden shock for which they are not prepared. Corporates were going through with the biggest challenge with the governments announcing lockdowns across the globe to protect citizens. Countries and corporations around the world are tirelessly fighting Covid-19 with different approach. The business world is facing a new reality where traditional work practices are being challenged. However some sectors in the economy are at booming due to the Covid-19 lockdown. Digitization has emerged as the single most important factor for an organization to remain future-ready.

In the struggle to prevent the economy from shutting down completely, the federal government of Nigeria has encouraged, and where necessary, recommended business continuity plan, especially in sectors delivering critical services such as the financial, and telecommunications sectors, among others.

For instance, the Central Bank of Nigeria (CBN) and the Nigerian Communications Commission (NCC) have charged banks and telecoms companies under their supervision respectively to make their services available to their customers and subscribers throughout the lockdown period.

While the lockdown and restrictions in movement continue to hold sway in the country as the most viable measures to control further spread of COVID-19, most activities across the various sectors will be backed by digital mode of operations, and also, the policy for a Nigerian economy functioning with COVID-19 being developed by the ministers can only be executed by leveraging on digital options, which align with the digital economy drive of the country.

More times than can be counted, application and softwares such Skype, Zoom, WhatsApp video, among others, have been used in Nigeria to conduct trainings and virtual classes since the global health challenge started raging.

For the same reasons of staying safe and at the same time sustaining learning, e-learning has received a fillip as institutions, ranging from primary, to secondary to tertiary settings, are putting resources in place to promote e-learning in the country

Digital Economies

Digital economy is defined as an economy that focuses on digital technologies. It is based on digital and computing technologies. It essentially covers all business, economic, governance,

social and cultural activities that are supported by the web and other digital communication technologies.

Digital economy, according to experts, promotes use of the Internet with the attendant possibility of most daily office works performed on the Internet. It leads to rise in e-commerce. Particularly, The businesses that adapted and adopted the internet and embraced online business in the last decade have flourished and the digital economy has pushed the e-commerce sector into overdrive.

Deepened adoption of digital economy is also meant to promote e-governance and transparency in the corridor of power, even as it connects the people more conveniently with the government, leading to efficiency in management of public resources.

In recent times however, the Federal Government of Nigeria has channeled commendable efforts towards turning the tide to put the digital economy drive of the country on a top gear. The President directed Isa Pantami, communication and digital economy minister “to create a digital transformation technical working group that will work with the Ministry of Communications and Digital Economy to ensure seamless and coordinated implementation of projects, programmes and policies”

Nigeria has also advanced plans to deepen broadband penetration in the country to 70 per cent by 2025 as the digital economy ambition of the country rides copiously on broadband connectivity.

Indications are rife that the much anticipated post-COVID- era will present a different terrain to play for private and corporate individuals in Nigeria, with paradigm shift in mode of operation hopefully in favour of further adoption of digital solutions.

The escape opportunities provided by adoption of digital solutions during COVID-19 may have opened the door for a drastic change and improvement in digital economy drive in Nigeria, as the current refuge and solace found in the digital world may outlive the global pandemic.

Opportunities in Some other Service Sectors;

Healthcare and health technology :

It is no longer new that this is a boom period for businesses in the healthcare industry and its value chain. A lot of medical products and services are in high demand, such as surgical masks, hand sanitizers, disinfectants, vitamins and supplements, home healthcare and medical supplies, with many healthcare companies struggling to meet demands. Though saving lives is paramount in times like this, that has not stopped healthcare companies from smiling to the bank.

Social Media: Social media consumption has risen sharply across the world since the onset of the coronavirus crisis. According to a survey by the London-based market research firm, Kantar, in 30 economies between March 14 and 24, instant messaging giant, WhatsApp, has seen a 40% increase in usage due to the COVID-19 pandemic. Similarly, social networking platform Facebook has witnessed a 37% bump in usage since the crisis began.

Telecommuting: Organizations, including businesses, government agencies and religious bodies, have been forced to modify the way they operate in order to simultaneously keep their employees safe and ensure that their operations do not grind to a halt during the

pandemic. More people than ever before are now working remotely. This phenomenon has elevated telecommuting platforms once considered luxuries to bare essentials of the work setting.

While stock markets have crashed and sent shares of travel and logistics companies like Uber and Lyft plummeting, the valuations of telecommuting companies like the video calling app Zoom have skyrocketed. The estimated net worth of Zoom's founder, Eric Yuan, has increased by more than \$4 billion since the start of the coronavirus crisis.

Gaming: The entertainment industry generally is among the worst-hit industries in the coronavirus crisis. Movie studios have suspended production, sporting events have been cancelled, cinemas are shut.

But the surge in demand for home entertainment has particularly benefited one niche business in the entertainment industry: online video gaming. US telco, Verizon, revealed in a recent report that video gaming traffic on its internet network during peak hours has spiked by as much as 75% since the shutdown in the United States began, and similar figures have been reported by other sources across other gaming hubs around the world.

E-learning: For many, this lock down is an opportunity for self-improvement. And they have seized it to develop their knowledge and expand their skill set by taking online courses in software development, cooking, makeup, fashion design, foreign languages and entrepreneurship, among others. Parents have also enrolled their children in online academic programs while waiting for schools to resume.

In all, apart from businesses in the healthcare industry, the biggest winners are online-based and oriented businesses. A key takeaway for entrepreneurs during this economic gloom and doom should be the need to embrace the digital economy.

Other opportunities

However, several companies are not silently watching – they have adapted to the situation and stretched their brand, reshuffled their production lines, and catered to new needs. In short, they have listened to the market and taken a risk or two, making COVID-19 the main propeller for new growth in some sectors and reviving dormant potential in others. Even the judiciary system in Nigeria is going online – filings and hearings are increasingly digitized, which could enhance the speed of executing work and get rid of some of the backlog. In the realm of **productivity**, we have seen a strong rise in cloud services for collaboration, solutions to minimize paperwork and physical contact, reimbursement apps and digital solutions for accounting, and the growth of contact-less devices for an infinite number of environments.

Going sector-wise, we are also seeing opportunities in the below:

Food – fresh groceries and meat, cold storage, high quality foreign food and beverage, cooking appliances.

Entertainment – gaming industry, new ways of disseminating content and promoting small businesses, online cooking classes, and virtual visits to landmarks.

Education, sports, and well-being – virtual classrooms, online fitness classes.

Services industry – contact-less systems, enhanced delivery services, remote banking services.

Electrical appliances – dishwashers and washing machines, sterilization machines, sweeping robots.

Office cost reduction opportunities – office rent is expensive and flexible work arrangements are yet to be explored in their full functional scope. This will open up opportunities across multiple and linked sectors, such as office space redesign, building remote work systems, software platforms, and cloud-based services – all of which will likely see significant gains once the world economy goes into post-COVID-19 recovery mode and employers keep their office space costs in check in case their staff will need to work from other locations.

Opportunities in the Production of:

1. Hand Sanitizers and Face Masks ; Barely a day after the Federal Government confirmed the first case of Coronavirus in the country, owners of pharmaceutical stores and supermarkets have increased the prices of face masks, infrared thermometer and hand sanitizers between 150% and 300%

The Coronavirus, Covid-19, outbreak has led to a huge uptick in the demand for hand sanitizers globally.

The demand for hand sanitizers has been steady for the past two months since the outbreak of the virus in China, but a sudden spike in demand was observed in recent days as the cases surged in the U.S., Italy, UK and other countries.

As the virus has began to spread widely across the globe, people have started to “panic-buy” hand sanitizers as a preventive measure. The Nigeria Centers for Disease Control and Prevention “lists alcohol-based hand sanitizer (with an alcohol content above 60 percent) as a tool in preventing the virus spread, but says that washing with soap and water is a better defense.

The major hand sanitizer manufacturers have increased their production since January 2020 in anticipation of the increase in demand. However, the sudden spike in demand in the past few days have been quite significant and majority of the retailers and chemist stores have run out of stock. The suppliers are currently operating at full capacity and working on adding additional capacity as early as possible by leveraging their third party manufacturers and other small scale suppliers, also Nigeria’s hydroalcoholic gel business booms amid the COVID-19 pandemic. In this edition, we speak with Dr. Stephanie Sodangi, who set up a local gel manufacturing plant in her clinic in Abuja.

High demand for sanitary products such as hydro-alcoholic gels and facemasks following the Covid-19 pandemic has led to the emergence of startups.

2. Hand Gloves ;The worldwide impact of the COVID-19 outbreak has placed increased demand on personal protective equipment (PPE). Many news reports have focused on N95 respiratory facemask shortages, but other PPE sectors have been impacted as well. Several factors are contributing to an eventual glove shortage that needs to be addressed.

Many PPE sectors, such as coveralls and facemasks, can increase production with relative ease, in a short period of time, as they require minor capital investments and have few

regulatory requirements. In contrast, single-use gloves require significant capital investment and EPA regulatory approvals to increase production.

3. Disinfectants; Recently some companies engaged in the production of disinfectants achieved record sales growth in the first quarter and predicted a stronger than expected performance in 2020 as customers stocked up on Lysol disinfectants, Mucinex cough syrup and Dettol soap ahead of the coronavirus lockdowns. The boom in demand has come as the company had been battling intense competition in the health and hygiene industry, for example Reckitt's sales increase was also bigger than at Dove soap maker Unilever ([ULVR.L](#)) and Dawn detergent producer Procter & Gamble ([PG.N](#)), which also are getting a boost from people buying more soap during the crisis.

They have also seen strong consumer demand, particularly in March and April but the split between defensive buying and higher levels of underlying consumption is unclear

In addition to all these the delivery services in Nigeria are also massively booming. Now let's take a look at JUMIA

JUMIA is only in full operation but has even expanded its scope of operations in order to satisfy its customers during the period of the lockdown. Jumia's customers can log on to its platform and do all the shopping they need, including food, medicines, water and other essential goods, pay for them and have them delivered to their doorsteps using a contactless approach, all in the comfort of their homes. Jumia and, maybe, other e-commerce platforms, are assisting owners of micro, small and medium scale enterprises (MSMEs) stay afloat in this period of the lockdown – running their businesses and providing for their families by doing so.

Here are some initiatives implemented by Jumia

1. **Price slash & free delivery on hygiene products;** Under its 'Stay Safe' Campaign, Jumia entered a partnership with Reckitt Benckiser and Procter & Gamble (P&G) to enable customers to have access to hygiene products on its platform for Nigerians during the COVID-19 lockdown.
2. **Contactless Delivery and Cashless Payment:**
3. **Support for the health system in Africa:** Jumia offered African governments to use its last-mile delivery network for the distribution of supplies to healthcare facilities and workers.
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5. **Hygiene sensitization:** In partnership with Lagos State Government, Jumia Nigeria launched #MyHandsAreSafe Challenge to help Nigerians learn and imbibe thorough and regular hand washing habits which is a very potent tool in the fight against COVID-19 pandemic

6. **25% cut off co-founders salary:** The two co-CEOs and co-founders of the company, Jeremy Hodara and Sacha Poignonnec, voluntarily accepted a 25% salary cut to support the company during the COVID-19 crisis.