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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/services opportunities in this situation.

ANSWER:

Firstly, what we do know is that the corona virus epidemic has led to a total shutdown worldwide, businesses and normal everyday activities has been put on hold. Everyone is now observing mandatory self isolation. Now, this doesn’t mean that people would not eat or at least carry out their businesses in order to earn an income.

To contain the spread of COVID-19 virus, most business owners have thus chosen to have their employees self-isolate and work from home.

The short-term impact of the corona virus outbreak on Nigeria’s economy is inevitable, especially in labor-intensive industries. Enterprises still have to pay employee salaries and rents during the suspension of work. Foreign Invested Enterprises are affected as well.

Despite the short-run downward pressure, on the positive side, we can expect a rebound in consumption in some hard-hit sectors, such as tourism, film and television, entertainment, catering, and retail industries, once the outbreak is over.

Based on our observations, this outbreak is also providing opportunities for the industries mentioned below.

**Online medical care, medical supplies, pharmaceuticals, insurance, and health-related industries**

During the epidemic, online medical platforms have provided free online diagnostic services for citizens. This helps to screen out suspected COVID-19 patients from common cold patients, alleviate the shortage of offline medical resources, reduce the cross-infection risks caused by human contact, and enable more citizens to experience online medical treatment.

The outbreak also stimulates the growth of telemedicine.

People’s awareness of life and health has been enhanced. This will promote the development of medical equipment, medical supplies, and pharmaceutical industries and stimulate domestic demand for health care products and life and medical insurances.

**E-commerce**

Now, to avoid being infected by the COVID-19 virus, consumers who have formed the habit of online shopping are becoming more likely to order food and choose daily necessities and fresh food online instead of going to an offline supermarket. Fresh food e-commerce is seeing an explosive growth. Consumer demand for the following products has also increased significantly:

* Disinfection cabinet;
* Dishwasher;
* Sweeping robot;
* Auto wash phone;
* Ultraviolet disinfection lamp; and
* High-quality imported food and health care products

**Online Entertainment**

The “home economy,” indirectly driven by the COVID-19 outbreak, not only boosted online shopping but also promoted online games and live webcast**.** A large percentage of people have turned to the internet for entertainment thereby making online entertainment a major service opportunity in this period.

**Online education**

As schools will start later, they have started to introduce online teaching and clock-in programs for students so as not to delay the teaching schedule. Softwares like Zoom and Jitsu meet have aided in this regard Zoom software provides video telephony and online chat services through a cloud-based peer-to-peer software platform and is used for teleconferencing, telecommuting, distance education, and social relations. Zoom timely supported the online demands of schools in Nigeria. In order words thousands of schools in Nigeria has chosen to learn through Zoom’s cloud meet.

**Telecommuting related industries**

 At this time telecommunication companies also provide an important service that people require. Many companies have also opted for telecommunication.

 This will facilitate the growth of the telecommuting related industries, including remote office tools, such as cloud services, voice over internet protocol (VoIP), web video conferencing, multi-person collaboration platform, and digital services, as well as IT staff remote services.

It should be realized that for all industries, the outbreak is a “crisis” and an “opportunity,” bringing short-term pressure on some industries as well as opportunities to adjust the structure of the entire industry to meet newer needs. The “winter” hits some businesses, but those that survive can gain a larger market share “when spring comes”. Under the epidemic, FIEs can take advantage of their advanced technologies, mature remote online service system, and other strengths to think about new service models and turn challenges into opportunities because for multinationals with global business interests, the impact is relatively minor. Sales that cannot be completed in the first quarter will just be delayed to the second and third quarters. The multinational group can quickly shift production elsewhere and balance financial pressures internally.

RESPONSES TO THE COVID-19 PANDEMIC

In response to COVID-19, we are strengthening the Nigerian economy by providing a combined stimulus package of about N3.5 trillion in targeted measures to households, businesses, manufacturers and healthcare providers. These measures are deliberately designed to both support the Federal Government’s immediate fight against COVID-19, but also to build a more resilient, more self-reliant Nigerian economy.

We do not know what the world will look like after this pandemic. Countries may continue to look inwards and globalization as we know it today may be dead for a generation.

Therefore, as a nation, we cannot afford to continue relying on the world for our food, education and healthcare. The time has come to fully transform Nigeria into a modern, sophisticated and inclusive economy that is self-sufficient, rewards the hardworking, but protects the poor and vulnerable, and can compete internationally across a range of strategic sectors.

In order to achieve this goal, we must begin immediately to support the Federal Government to:

1) Build a base of high quality infrastructure, including reliable power, that can engender industrial activity;

2) Support both smallholder and large scale agriculture production in select staple and cash crops;

3) Create an ecosystem of factories, storages, and logistics companies that move raw materials to factories and finished goods to markets;

4) Use our fiscal priorities to create a robust educational system that enables critical thinking and creativity, which would better prepare our children for the world of tomorrow;

5) Develop a healthcare system that is trusted to keep all Nigerians healthy, irrespective of social class;

6) Facilitate access to cheap and long-term credit for SMEs and large corporates;

7) Develop and strengthen pro-poor policies that bring financial services and security to the poor and the vulnerable; and

8) Expedite the development of venture capitalists for nurturing new ideas and engendering Nigerian businesses to compete globally.

WAYS COVID-19 BRINGS FOR BUSINESSES IN NIGERIA

Since the outbreak of corona virus (AKA COVID19) in December 2019, we have seen different styles of leadership play out in response to the crisis: the swift, slow, and reactive.

The virus has also taken a toll on world economy: Manufacturing companies and supply chains are being asphyxiated, millions of people are losing their jobs, and stocks and oil prices have become volatile. Non-essential service workers have been forced to accept the Furlough rule; 'no work, no pay'. Most companies are reducing their staff strength, retaining only staff critical to their daily operations.

Companies that have embedded technology in their processes and operational scalability would come out of this crisis stronger because they are prepared. Companies that have been prudent in operational costs, as opposed to excessive overheads also have a higher chance of pulling through these dynamic times.

The economic package of the Central Bank of Nigeria is too tiny to matter; the Nigerian economy is on course for a recession in the third quarter of the year. The United States is also reporting record job losses. All these factors are shaping up for a global recession, starting in the second quarter and continuing through the first quarter of 2021.

What businesses should do to make use of these opportunities

* Make risk management part of strategic planning and rethink global strategies to be more resilient. There will be more low-probability/high impact events such as disease outbreaks, severe weather events, earthquakes, and social unrest. By making risk management part of their strategic planning, companies can routinely simulate how such events—as well as other variables—could disrupt their businesses and use those insights to design their operations and resource distribution.
* Technology is an enabler, and has been seen as a game changer in either creating more jobs or wiping out the pool of manual labor resources even before pandemic. Organizations must reinvent their processes and see technology as a core factor in their business framework. It's almost impossible to take away this fact: If technology cannot drive your business growth; there is no chance of its survival in our reality.
* Companies backed by technology are in reinvention mode, while the companies with a finite mindset are in survival mode. Regardless of how much money they have, it is the mindset: How are we going to get through this? VS how are we going to change to get through this?

Lastly, it is vital that leaders not only demonstrate empathy but also open themselves to empathy from others and remain attentive to their own well-being.

As stress, fatigue, and uncertainty build up during a crisis, leaders might find that their abilities to process information, to remain level-headed, and to exercise good judgment diminish. They will stand a better chance of countering organizational declines if they encourage colleagues to express their concerns—and heed the warnings they are given.

By investing time in their well-being, leaders will be able to sustain their effectiveness over the weeks and months that a crisis can last.