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11K CONSULTING:
THOUGHT LEADERSHIP ARTICLE

COLLECTIVE WISDOM FROM 18 BUSINESS LEADERS IN ASIA AND EUROPE:

3 Important Business Lessons Coronavirus Has Taught Us



TOP INSIGHTS:

1. Risk management and diversification is key to the survival and longevity of a business, of any size, across all sectors. Having sufficient cash reserve for 6 to 12 months at any time is vital.

2. Regular communication and collaboration between teams, companies and countries is more important in times of and after a crisis. The circumstances surrounding Covid-19 present a real opportunity to foster a better team culture and corporate transparency.

3. In every crisis lies an opportunity. Covid-19 presents new markets, new opportunities, and new money, especially in the digital marketplace and in Asia.

May 2020 (London) – “What does not kill me makes me stronger,” the German philosopher Friedrich Wilhelm Nietzsche said in 1888.

Covid-19 has been devastating to not only economies around the world but to individual people; it has taken too many lives, young and old. Many families now exist without a family member. Does Nietzsche's quotation apply to this situation? It is difficult to see any positives amidst so much suffering. Nonetheless, many people around the world are coming out of the situation caused by Covid-19 stronger; families have spent more time together than ever before, relationships have been tested and strengthened, communities are closer. Businesses that have survived have similarly been tested; they have adapted, improved communication while face-to-face has not been possible.

Key to this article is how, despite the economic hardships caused by Covid-19, the virus has offered businesses an opportunity to emerge stronger, tougher, and better.

International data showed estimated falls in GDP in Q1 2020 ranging from 1.2% in the US (which locked down late and, in some states, only partially) to 9.8% in China (which was hit earliest). In the Eurozone, total GDP fell by 3.8% in Q1 2020; the declines were more significant in France, Spain and Italy, and less significant in Germany. A survey conducted between 6 April and 19 April by the UK's Office for National Statistics (ONS) showed that around 58% of businesses still operating had suffered falls in sales since the lockdown started, with around a quarter of companies seeing a reduction of over 50%. On the other side of the coin, Covid-19 has also created new markets, new perspectives and new opportunities. It has prompted us to re-build better societies, better businesses, and better selves, that can stand the test of time and crisis.

For this 11K's Thought Leadership Article on Coronavirus (Part 2), **18 respected business owners, CEOs and industry experts** across different sectors ranging from art, interior design, architecture, real estate, construction to retail, travel, biotechnology and digital healthcare in China, Asia and

Europe, were interviewed to share their top business lessons learnt from the Coronavirus pandemic over the past few months.

High-profile interviewees include: Alan Vallance, CEO, **Royal Institute of British Architects (RIBA)**; Chris Godfrey, Global Principal, **HBA Residential**; Freya Simms, CEO, **The Association of Art and Antiques Dealers (LAPADA)**; Dario Acconci, Managing Director – South East Asia, **Hawksford**; Tommy Lui, CEO Greater China, **DynoSense**; Richie Yung, Chairman, **The Asian General Chamber of New Retail (ANR)**; Clinton Leeks OBE, Chairman, **Hong Kong Society North East**; Arlo Brady, CEO, **Freuds**; Addy Wong, CEO – Asia Pacific, **Centaline Property Agency Ltd**; and Mark Schaub, International Partner, **King & Wood Mallesons** (see Notes to the Editors for the full list of interviewees).

The majority of the business leaders interviewed believed that Covid-19 has already triggered a global recession and is causing a very significant global economic downturn. There are regional variations, but global and local economies are now all so interlinked that even the strongest and most resilient will not emerge unscathed.

It is predicted that the only nuance will be the different paces of recovery that different countries will experience. As an example, Asia was better prepared to swiftly implement measures to curb the spread, given its history with the SARS pandemic in 2003. Asia is also well-prepared to resume economic activities in the current time, as the appetite for the growth of China and the ASEAN economies is a very powerful driver to get back on track. It is envisaged that Asian economies is likely to restart faster to trade or invest with each other than other regions.

So, what are the key business lessons that we all can learn from this period of crisis to win in a new world?

TOP INSIGHTS:

1. Risk management and diversification is key to the survival and longevity of a business, of any size, across all sectors. Having sufficient cash reserve for 6 to 12 months at any time is vital.

As the impact of the Covid-19 pandemic becomes clear across the globe, organisations are finding themselves in different, and sometimes, multiple stages of the crisis management lifecycle. Lessons are being learned hard and fast. What is certain is that risk management and diversification will be operational for much of 2020.

Tommy Lui, CEO Greater China, DynoSense (a leading AI-powered digital medical technology for remote care management), said that the biggest business lesson he has learned during the Covid-19 crisis is how important it is that the business guards against risk, even when everything is fine.

Lui used the face mask industry, which is estimated to surpass USD 21,210 million by the end of 2026, as an example to show the importance of conducting regular risk analysis. In 2020, the size of the worldwide face mask industry was recorded at USD 4581.9 million, and the market is anticipated to depict a compound annual growth rate (CAGR) of 24.2% through 2026, according to Market Study Report.

Lui said: “I was in the face mask business before, and it was amazing to witness how the world, governments, and private enterprises alike, are fighting for face masks in the last two months, crossing line of conduct to over-bid, cut corners, deal under the table, switch commitments or twist arms to secure the desperately in-demand products. I won’t go further into these as they are the lessons that I want to unlearn...

“I saw many face mask factories coming painfully to a standstill while they have piles of orders on hand because they have run out of a critical

material. If they had carried out risk analysis before, they would easily have recognised this weak link in the supply chain and would have secured supply contracts with multiple material suppliers in multiple countries, though at a higher cost. However, how many face mask buyers and manufacturers would have this simple foresight? So far, I haven’t seen one. Why? It’s about how we look at the time dimension of profitability.”

Addy Wong, CEO – Asia Pacific, Centaline Property Agency Ltd (one of the largest property agencies in Hong Kong with over 2,000 offices in 39 cities in Mainland China, Hong Kong and Macao), said a risk management mindset is important to an enterprise, something that was revealed during the SARS epidemic and is even more apparent now.

“I think every company, no matter the size, should have 10% of its revenue as fiscal reserves in response to sudden outbreaks or changes. Online marketing and technology are essential to property agencies and most other companies. We will continue to invest in those areas.”

Siqi Faissat, CEO, Celestial Globe Group Ltd (a leading Chinese property investment and asset management advisory firm in the UK and China), agreed with Wong adding that, besides diversifying risk, cash is king to keep a business going in times of crisis for a few months or longer.

“Any business should make sure to have 6 to 12 months’ cash reserve. Keep cash before you need to get help externally. For example, even big companies such as Virgin Airlines and British Airways had financial difficulties when this pandemic hit hard. No matter how big the business is in size, it depends on cash to survive during challenging times like Covid-19.”

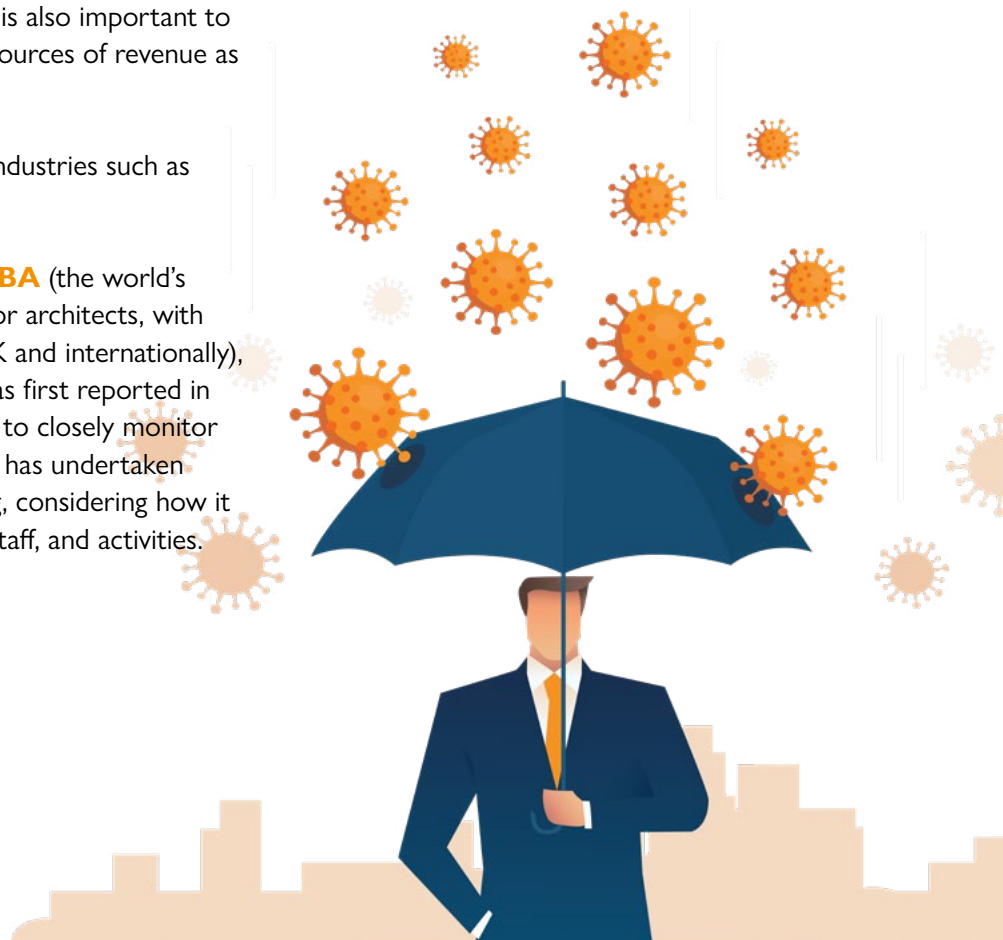
Jimmy Tao, CEO, Vitargent (International) Biotechnology Ltd (a pioneer and award-winning biotechnology company in Hong Kong), shared the same sentiment and said that it is necessary to realise that crises will evolve into ‘conventions’, which may occur every 10 years. On this basis, in addition to preparing anti-epidemic materials, it is necessary to reserve sufficient cash flow to deal with crises for at least one year. These measures include the reduction of non-core departments and the conducting of outsourcing in response to any crisis. It is also important to keep looking out for new sources of revenue as part of risk diversification.

This also applies to other industries such as architecture and PR.

Alan Vallance, CEO, RIBA (the world’s leading professional body for architects, with 44,000 members, in the UK and internationally), said that since Covid-19 was first reported in China, RIBA has continued to closely monitor the spread of the virus and has undertaken extensive scenario-planning, considering how it might affect its members, staff, and activities.

“Every business must have a crisis continuity plan. It needs tried and tested measures and systems to ensure it can operate during unforeseeable circumstances. Investing in our technical systems and encouraging flexible working arrangements in recent years enabled us to adapt quickly to lockdown rules and ensure we are able to operate by staying connected.”

Arlo Brady, CEO, Freuds (an independent, global top-40 PR agency with 250 staff), said: “Covid-19 will provide us with many lessons, some of which will not be apparent for many months to come, but foremost amongst those will be the importance of preparing for the unexpected, exploring risk, having contingency plans in place, and making use of technology to provide greater agility and flexibility.”



2. Regular communication and collaboration between teams, companies and countries is more important in times of and after a crisis. The circumstances surrounding Covid-19 present a real opportunity to foster a better team culture and corporate transparency.

The Coronavirus pandemic has had a profound impact on how work gets done, and the longer-term implications for employers and employees are far-reaching. This is a defining leadership moment for many organisations and countries.

Ezri Carlebach, Associate Partner, GW & Co (a consultancy of strategists and creatives across Europe), said that thanks to Covid-19, the concept of corporate transparency has had a massive boost. Forward-thinking businesses understand that 'honesty is the best policy', and consumers are now much less likely to tolerate glaring disparities between what a company says publicly and what goes on inside.

Alan Vallance, CEO, RIBA, said collaboration with other businesses and organisations is vital. "This is a global pandemic, and sharing experiences with architecture institutes internationally, from Denmark to New Zealand, has proved incredibly helpful to us as an organisation as we navigate uncertain times. There is a lot that can be learnt from the experiences of our members in China, and we will continue to share their business lessons and advice with other members worldwide."

Chris Godfrey, Global Principal, HBA Residential (a world-leading interior design and architectural company specialised in designing exquisite homes for the world's most distinguished individuals and developers), said that Covid-19 provides a real opportunity to foster a better team culture.

Godfrey said that at a team level, there is a greater appreciation for each individual's circumstances. "One can lose sight of what is happening to people outside of the studio and the effects that may have. This has brought a

greater degree of mindfulness; an awareness of other people's personal circumstances and challenges. I think from everyone in the team there is an empowering sense of solidarity. People are willing to work the hours and be flexible to help achieve difficult tasks – because we are in it together. This is inspiring."

He said that the situation has created a new office dynamic, adding:

"We are naturally decentralised, and in a certain way, there is a sense of parity. Everyone's context is both unique and the same; there is a 'levelling of the playing field'. Certain people - some of those with perhaps a quieter presence in the studio – have found their voice and come to the fore. Some people are evidently more comfortable operating outside of the group; displaying more character than others and revealing new attributes. This is something I have acknowledged and will foster in the post-Covid-19 studio."

Clinton Leeks OBE, Chairman, Hong Kong Society North East (a non-profit organisation that provides focus for individuals and organisations with an interest in Hong Kong, and that fosters and maintains social, cultural and professional links between Hong Kong and the UK), said it is critical to “communicate, to your staff, your customers, your supply chain, and your stakeholders. You should not be expected to know all the answers, but it is crucial in a time of crisis to show openminded willingness to engage and cooperate on finding solutions; and to show your staff that you care.”

Leeks pointed out that this crisis is not “the new normal”. “Man, and especially ‘Economic Man’, is a fantastically resilient species, even in face of huge dangers. Businesses will come up with solutions, they will adapt, they will bounce back. We crave new opportunities, new markets, and new customers. Ways will be found, with or without vaccines, testing and tracing regimes, to get the world back into work; and not only at two metres distance, or behind a glass screen, or locked in a stream of virtual e-conferences.”

Mark Schaub, International Partner, King & Wood Mallesons (a multinational law firm headquartered in Hong Kong), echoed: “No matter what the populists argue we are all in this together. Countries, business and people are interconnected. In today’s inter-connected world, you can be dramatically affected by what happens on a different continent. Countries cannot prosper on their own but need their neighbours and partners. Global problems need global solutions. Populist arguments sound appealing with their simplicity, but sadly complex problems cannot be solved by simple measures.”

Schaub added that people and businesses are adaptable. “People have for the most part pulled together and have followed government guidance even though it was extremely disruptive to their normal lives. Also, thanks to

advances in technology, many of us are able to work seamlessly from home. In a nutshell, most people can be trusted to do the right thing.”

Freya Simms, CEO, LAPADA (the largest association of professional art and antiques dealers with over 550 members in the UK), said that Covid-19 has fostered more supportive and profound relationships between companies and clients, which will be retained well into the future.

“A crisis of this kind can in many ways damage the market, but it can also concentrate the mind and help accelerate activities to find new routes to market for customers. Lockdown helps you focus on what is really important for your clients rather than your balance sheet.”



Dara Huang, Founder, Design Haus Liberty (a London-headquartered architecture and interior design studio for developers, funds, office groups, retail and hoteliers), said being in a situation like Covid-19 made her appreciate people even more.

“You realise that the company really is the sum of its parts and not the office at all. I think we’ve done a really great job sticking to teamwork, and team energy and vibe is really high. We also appreciate each other’s presence more because it is a really nice pick me up when everyone says ‘good morning’ on WhatsApp or ‘good afternoon’, you realise you are in this together.”

Ricardo Gato, Managing Director, Cookson Adventures (a company which combines adventure and luxury in travel experiences), said that, like so many others, Cookson Adventures has had to postpone or cancel many trips during this period. He also emphasised the strength of the individuals who make up the company.

“A company is only as strong as those that work for it, so we needed to keep our staff motivated and curious to learn. We’ve set up training webinars, encouraged self-development and remembered to remain positive with our messaging. Fear can spread like a disease. Internal communications can sometimes take a backseat when it comes to marketing activities, particularly in a small office, but this swiftly changed when we had to adjust to working from home in isolation.”

Yongyi Neathercoat, Chartered Financial Planner (a London-based wealth manager at Neathercoat Financial Planning), said that Covid-19 has taught her to think more for the long term than short term for both her clients and her own business. “The pandemic is a disruption on our journey to achieve our long-term goals, not a destruction. Clients’ investment goals have not changed. They still want to invest tax efficiently, they still want to have a comfortable retirement, they still want to pass a legacy to the next generation. So, my job it to ensure that they stay on course to achieve these goals,” Neathercoat said.



3. In every crisis lies an opportunity. Covid-19 presents new markets, new opportunities, and new money, especially in the digital marketplace and in Asia.

While the Covid-19 crisis poses challenging questions, it also presents some unique opportunities from which we can learn. In many industries, business shifted to 100% digital overnight.

Eric Kwong, Brand Founder and Managing Director of AluHouse (a global leader in Aluminium Modular Integrated Construction), said that it is essential for any company to diversify its products or services in order to survive and thrive in the long term. He believes the Coronavirus pandemic only had a major adverse impact on some industries, such as airline, hotel, retail, catering, and tourism. On the other hand, it has created new opportunities for Internet e-commerce, online platforms, online office software, and the insurance industry. The pandemic has further changed consumption habits, and more people have moved from physical stores to online consumption.

Kwong said: “During the epidemic, we combined our own technology and product advantages, and successfully built some modular quarantine wards that meet medical needs, so that the company’s products are no longer limited to tourism, commerce, and commercial building. Ultimately, Covid-19 allows companies to turn crises into opportunities.”

Richie Yung, Chairman, The Asian General Chamber of New Retail (ANR) (an organisation which brings together global professionals to communicate and facilitate retail success in Asia and China), said that, looking back, one sector that was born and then flourished after SARS was domestic e-Commerce in China, including companies Taobao and JD.com, two of the biggest Chinese e-commerce giants. Yung believes that history will repeat itself, and that during the Covid-19 crisis and the recovery period after, the retail sector in Asia will thrive, although in a different manner to how it did during and after SARS.

“This crisis will accelerate the digital transformation of enterprises, and New Retail transformation will be integrated into their international corporate strategy. At ANR, we saw 300% increase in in-bound enquiries, i.e. 400 call meetings over the past 3 months, asking for advice about how to enter or penetrate Asian markets – especially China’s – in a new retail approach, and seeking advice and partner referral.

“Many offline retail stores, shopping malls, and factories are all sourcing for other channels besides their traditional marketing and sales channels, such as social commerce, live streaming, retail tech, etc.. After Covid-19, I believe cross-border eCommerce will grow and boom in the next 5 to 10 years; and it should be backed up with new retail roadmap and corporate strategic blueprint.”

Sunny Sun, CEO, myMoney (a leading cross border payment solution provider in Europe), said, since the outbreak of the Coronavirus, myMoney business has dropped significantly due to lockdown policy and restrictions on global travel. Nonetheless, the outbreak has also presented new opportunities, and new money.

“As a payment provider for retailers, we have been affected heavily by the suspension on all the offline retail stores. However, our online merchants are delivering the best performance ever at this time. This has well-demonstrated

how important an online channel is for businesses nowadays. As a fintech company, we are now re-allocating our resources to invest more into our online payment products, which will not only increase our competitiveness of products, but also enable our clients to benefit from the convenient and vast online market.”

Arlo Brady, CEO, Freuds, said that the PR agency has been focussed on the redeployment of resources to products and services that are in particular demand since the start of the Covid-19 outbreak.

“We are seeing a significant level of interest in internal communications, especially for large multinational corporations. Our social media and influencer business is much sought after as the world becomes fully ‘digital native’, and perhaps, as might be expected, our crisis communications and Health and Behaviour Change team are fast expanding.”

Dario Acconci, Managing Director – South East Asia, Hawksford (a leading provider of company formation, providing administration services and business support

in Asia and Europe), said that while it is quite certain that many things will change permanently in the way we conduct business, it is likewise certain that economies will recover. The pace of the recovery of the various regions of the world will be the variable, but Asia is widely envisaged to be recovering faster and better than other regions.

A recent McKinsey survey of 2,500 Chinese consumers indicates “cautious optimism” —a gradual regaining of confidence – which should increase spending. At this moment, strong public-health responses in China, Singapore, and South Korea appear to have been successful. Significant evidence indicates that the curve of cumulative confirmed Covid-19 patients or the community spread in Asia is flattening.

Acconci said: “With such assumptions, we would suggest international investors and companies to persevere with their Asia expansion by implementing lean, but commercially aggressive structures and subsidiaries in China as well as in advanced cross-road or market place jurisdictions like Singapore and Hong Kong to take advantage of the commercial expansion opportunities that most of Asian economies will continue to offer.

“In a world which will be characterised, with a high degree of probability, by more than one ‘lockdown – open up’ cycle, having a lean but reactive structure in Asia is the best way not to lose opportunities without exposing oneself to the financial risk of big investments.”



CONCLUSION:

Now, more than ever, while we are all trying to predict what the world might look like post Covid-19, is the moment to embrace the wise business lessons learnt during these times of crisis, and to collaborate in creating a better and more stable future for us all.

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Ezri Carlebach, Associate Partner, GW & Co, encouraged us all to read more science fiction.

The Covid-19 pandemic has confronted businesses and individuals with uncertainty; it has tested our ability to quickly adapt, innovate, and succeed in a hostile environment. But sometimes it takes a crisis to jolt the most innovative ideas into action, whether that crisis affects just the business, its industry or, in this Covid-19 case, the world.

“Smart people prepare for multiple possible futures by drawing on all aspects of human capability. That means using the imagination, as well as using statistics and strategies, and science fiction writers are at the forefront of applying human imagination to possible futures. The urge to predict the future is understandable, but misguided. Let’s create the future instead.”

NOTES TO THE EDITORS:

This Thought Leadership Article was conducted by 11K Consulting, one of the UK's leading full-service PR and communications agencies for property, interior design, architecture, luxury and lifestyle brands.

Here is a full list of interviewees who were interviewed for this Article – Part 2 (not in any order):

- 1. Alan Vallance, CEO, Royal Institute of British Architects**
- 2. Chris Godfrey, Global Principal, HBA Residential**
- 3. Freya Simms, CEO, The Association of Art and Antiques Dealers**
- 4. Dario Acconci, Managing Director – South East Asia, Hawksford**
- 5. Tommy Lui, CEO Greater China, DynoSense**
- 6. Richie Yung, Chairman, The Asian General Chamber of New Retail**
- 7. Addy Wong, CEO – Asia Pacific, Centaline Property Agency Ltd**
- 8. Arlo Brady, CEO, Freuds**
- 9. Clinton Leeks OBE, Chairman, Hong Kong Society North East**
- 10. Jimmy Tao, CEO of Vitargent (International) Biotechnology Ltd**
- 11. Siqui Faissat, CEO, Celestial Globe Group Ltd**
- 12. Eric Kwong, Brand Founder, AluHouse**
- 13. Yongyi Neathercoat, Chartered Financial Planner, Neathercoat Financial Planning**
- 14. Mark Schaub, International Partner, King & Wood Mallesons**
- 15. Ezri Carlebach, Associate Partner, GW & Co**
- 16. Dara Huang, Founder, Design Haus Liberty**
- 17. Sunny Sun, CEO, myMoney**
- 18. Ricardo Gato, Managing Director, Cookson Adventures**



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If you would like to speak to any of the interviewees above or to 11K about your Chinese PR and marketing strategy, please contact Sally Maier-Yip, Founder & MD, 11K Consulting, at **sally@11kconsulting.com** or **+44(0)7841377018**.

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