



# THE PATH TO RECOVERY

HOW DATA CAN LEAD THE WAY  
TO PROFITABLE GROWTH

**Exasol**  
The analytics database

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# THE PATH TO RECOVERY

## HOW DATA CAN LEAD THE WAY TO PROFITABLE GROWTH

### EXEC SUMMARY

**ORGANIZATIONS ARE FACING UNPRECEDENTED CHALLENGES DUE TO THE IMPACT OF COVID-19. THE UNCERTAIN AND FAST-CHANGING NATURE OF THE PANDEMIC IS AN UNCOMFORTABLE ROLLERCOASTER RIDE FOR BUSINESS LEADERS.**

Of course, the health and safety of employees and enabling crisis response must be the overwhelming immediate priority. But as the situation stabilizes, organizations need to focus on how they are going to rise to the challenge of safeguarding the long-term viability of their business in the 'new normal'.

Cloud-based data platforms and data analytics have a large role to play during the pandemic, from stabilizing the business, to laying the foundations of new processes and predicting what's next. It is critical therefore that businesses have short, medium and long-term data-driven plans in place as quickly as possible to help them make informed decisions.

This paper outlines the three key data-driven pathways — resilience, realignment and recovery — that businesses should be following. By optimizing existing data and analytics processes, automating tasks, reducing total cost of ownership of data platforms and embracing artificial intelligence, businesses can maximize their chances of emerging from the Covid-19 crisis on a positive trajectory of profitable growth.

## THE UNPRECEDENTED GLOBAL BUSINESS IMPACT OF COVID-19

As the world contends with the Covid-19 pandemic, and its profound impact across regions and industries, companies are looking for ways to safeguard their people and customers but also their business' long-term future. Making good decisions that see the right response made at the right time will be critical to how well businesses survive this crisis. This will also be a pivotal factor in how well they can position themselves on a trajectory of future profitable growth when things begin to return to a new normal.

## THE WINNERS AND LOSERS OF COVID-19 DISRUPTION

In every crisis situation there are winners and losers. According to IDC's EMEA Covid-19 impact survey, 61% of businesses surveyed expect to see a decline in revenue for 2020. Conversely, 24% of businesses expect to see an increase in revenue during the year ahead.

Those industries benefiting from the current situation include pharmaceuticals, personal protective equipment (PPE), medical equipment/supplies, education, digital entertainment and gaming, home exercise equipment, gardening equipment/seeds, food groceries and logistics. All of which have seen demand spike as businesses and consumers take preventive measures, order daily supplies from online channels and partake in education and entertainment pursuits indoors.

However, many businesses have seen a dramatic drop in consumer confidence and severe supply chain disruption as the full force of the current global lockdown is felt. Major industries such as travel and tourism, public transportation, hospitality, bricks and mortar retail and recreation are experiencing huge business disruption as a result of governments all over the world enforcing mass lockdowns, business closures and quarantine rules.

## THREE PATHWAYS TO PROSPERITY

Whatever your business, the current crisis will require you to act at speed and tailor your response and strategy according to fast changing macro conditions.

This will mean planning for three distinct phases: resilience, realignment and recovery.

- Resilience – developing a robust immediate response to the crisis today
- Realignment – responding to the severe economic pressures and pivoting as required
- Recovery – embracing digital technologies and data analytics to assist future growth

The duration of each phase will vary based on geographic and industry context, and it's more than likely that phases will merge as many businesses find themselves operating across more than one phase at a time.

PHASE  
01

**Resilience** – developing a robust immediate response to the crisis today



PHASE  
02

**Realignment** – responding to the severe economic pressures and pivoting as required



## PHASE 1: RESILIENCE —STABILIZE AND PROTECT THE BUSINESS

As the shock of the pandemic upturns supply chains, disrupts consumer/customer demand and upends established business and IT processes, it becomes imperative to ensure operational resilience as an immediate response to the crisis.

While many industries are focused on near-term issues of cash flow, managing liquidity and solvency during a temporary period of a lockdown, a number of other factors to stabilize and protect the business need to be considered. Disrupted supply chains will need to be re-evaluated, the productivity of remote workforces assessed and the feasibility of moving services online where possible addressed. Organizations will also need a robust, resilient and high performing IT infrastructure to underpin all of this.

While companies are focused on an immediate response it's important that they pay attention to future decisions and remember this initial phase will be temporary.

## PHASE 2: REALIGNMENT — ADJUST PROCESSES AND LAY FUTURE FOUNDATIONS

In order to survive the strong recessionary economic headwinds that will follow Covid-19, businesses will need to be laser focused on increasing business value while reducing operating costs. This means prioritizing bottom line benefits and improving the return on investment (ROI) for both business and IT investments.

This might mean businesses take the stance to concentrate on existing products and customers as a source of revenue, driving product adoption and aggressively pursuing upselling and cross-selling opportunities.

Similarly, cost containment measures will be put in place by many companies to streamline core operations, redesign processes to capitalize on digital efforts, and generate efficiencies so that they are as lean as possible. All while placing more stringent controls on cash and expenses. Again, this will run across both business and IT operations.

But simply relying on budget cuts and headcount reductions alone is not enough to sustain business throughout and beyond the crisis. Bringing financial discipline and rigour to securing value from technology investments will also be critical.

According to IDC's EMEA Covid -19 impact survey, 71% of digital projects will be revaluated to deliver larger ROI and drive more efficiency, of which, 24% of those digital projects will only be maintained if they demonstrate a secure and consistent ROI.

## PHASE 3: RECOVERY — ACCELERATE GROWTH TO WIN IN THE NEW NORMAL

With experts predicting that the economy will rebound at some stage, companies must also take time to prepare for when the recession subsides. In this 'new normal' it's likely that more and more of our lives will be digitized than ever before.

Businesses should look towards sustainable innovation, specifically by harnessing the opportunities presented by digital technologies such as artificial intelligence (AI) and machine learning (ML) to steer and achieve recovery and growth.

Indeed, according to a BCG study, companies in every industry have the opportunity to emerge as winners after the crisis. Its **analysis of company performance over the past four recessions** identified that 14% of companies were not only able to accelerate growth but also **increase** profitability.



PHASE  
**03**

**Recovery** – embracing digital technologies and data analytics to assist future growth



## THE ROLE OF DATA-DRIVEN DECISIONS ON THE PATHWAY TO PROSPERITY

As mentioned earlier, decision-making is extremely important in times of crisis but it also becomes more challenging; especially during periods of stress and where there is still so much uncertainty about the future.

For organizations to remain successful, data must underlie every aspect of the business, providing critical input to readjust plans and predictions as well as guide and automate decision-making.

Indeed, data has already played a significant role in the response to the crisis. Healthcare providers for instance are leveraging data from countries that were affected earlier by the pandemic to forecast needs for hospital beds, masks and ventilators. Grocery retailers are utilizing point-of-sale (POS) data to help distributors identify and ship the items most important to their customers. And Telcos are using network traffic data to monitor and manage network capacity, build predictive capacity models, identify bottlenecks, and prioritize and plan network expansion decisions.

While many businesses are not short of data, getting rapid access to timely and relevant data can be more of a challenge. However, this is of paramount importance to inform both short-term decisions and necessary medium to longer term adjustments to business strategies and operational plans. Those companies that have invested in a CDO (Chief Data Officer) are well positioned. Part of the executive management team and the owner of enterprise-wide governance and utilization of data, organizations with a CDO show the strategic intent to effect change through the use of data – both during the crisis response and in the new normal that follows.

## APPLYING DATA ANALYTICS TO EVERY PHASE OF YOUR CRISIS STRATEGY

Exasol's recent report, **Data Strategy and Culture: Paving the way to the Cloud**, shows that organizations are striving to make data and analytics a centrepiece of their culture and way of doing business – with 83% of respondents saying that work is being done to establish a data-driven culture in their organization.

In these uncertain times, businesses are likely getting even more practice using data and analytics to make decisions on the back of crisis-related data and situations.

According to a recent Forrester poll, 75% of business intelligence, analytics, data science and data professionals are working harder / longer hours now than before the pandemic.

Here are our thoughts on the best ways to apply data analytics to your crisis strategy:

### PHASE 1: RESILIENCE — FINE TUNE YOUR DATA PLATFORM AND LEVERAGE THE CLOUD

During the immediate response, data and analytics professionals will need to revisit their resilience plans for their data platform to ensure it stands up in the current operating environment. Ensuring that performance doesn't suffer is paramount, especially where workloads have increased, and maintenance is essential – automating key tasks such as database tuning, automated indexes, data distribution and compression.

The ability to rapidly onboard new data and provide access to real-time insights will also grow in importance. As will the ability to maintain the security and integrity of data during periods of remote working. This too is where the flexibility of cloud will play its part as businesses look to scale-up their data infrastructure.

The cloud is a powerful tool when it comes to allowing large numbers of people to access large volumes of data in real-time. Not only does it improve the ease of access and shareability of data it also increases agility and flexibility. This means businesses can not only turn data into value faster than ever before but also quickly adapt as the market and wider economic landscape evolve.

### PHASE 2: REALIGNMENT — OPTIMIZE AND MODERNIZE YOUR DATA AND INFRASTRUCTURE

The use of data and analytics during this phase is critically important if businesses are to navigate the rocky waters of a recession. Data and analytics enable companies to objectively evaluate multiple business situations, such as how to manage uncertain supply and demand, assess and mitigate supplier risk, adjust to disruptions in operations and supply chains, and adapt to sharp changes in consumer confidence and priorities.

Understanding the changing patterns of consumers is top of mind for many of the industries most impacted by the pandemic as multiple changes in behavior are already evident. Amazon has dramatically ramped up its fulfilment capacity while online grocery marketplaces have had to adapt to huge increases in deliveries of fresh vegetables to meet demand. Movies and films are being released for digital streaming without being released in cinemas or theaters, and fitness companies such as Peloton are launching digital home-fitness services. While demand for staying in touch with colleagues, friends and family has led to the increase in video conferencing software such as Zoom and interactive chat apps such as House Party.

Optimizing existing data and analytics processes – such as developing a 360-degree view of the customer or product, or consolidating data on to a consistent platform or into a set of processes – can be effective.

tive to streamline decision making. Additionally, modernizing data architectures and moving to the cloud can also reduce costs, drive efficiencies and deliver a greater ROI.

### PHASE 3: RECOVERY — INVEST IN TOOLS THAT FOCUS ON SPEED, PERFORMANCE, SCALE AND FUTURE GROWTH

While cost reduction is an important priority, adapting the business model through data and analytics in the long-term will position companies better for growth.

When businesses shift toward recovery, more companies will need to start to ramp up their deployment of AI-enabled solutions to boost revenue and renew top-line growth. AI and ML provide the ability to analyze data from vast numbers of sources that can discover emerging trends and anticipate potential future shocks.

Analyzing immense volumes of data to learn underlying patterns, enables organizations to make complex decisions and predict human behavior, among many other things. AI-enabled systems also continuously learn and adapt,

which means they can optimize the insights and predictions they produce over time.

As we spend more and more of our daily lives online, both as workers and consumers, we expect ML and advanced data analytics to be put to use to detect new consumption patterns and deliver hyper-personalized products and services. This requires businesses to be able to analyze data at scale to unlock the true value of it, and operate in an agile manner with the right supporting IT infrastructure (most likely cloud-based), as well as open up data and eliminate any silos.

### A REMINDER TO PRIORITIZE TCO

To be flexible enough to meet end users' fast and changing demands, or weather the storm if your industry is not facing a boom, optimizing IT spend and reducing total cost of ownership (TCO) of data platforms is crucial to limit budgetary pressures and constraints.

Fortunately, there are a number of different ways TCO can be reduced:

- Decreasing the hardware footprint of a data platform (without impacting performance)

- Reducing the time to value through the use of techniques such as in-memory data analytics
- Utilizing cloud deployments to start small and scale as required
- Offloading data from slow legacy systems on to a more cost-effective data platform to save on hardware and software costs
- Automating key data administration and maintenance duties to enable skilled personnel to work on higher value activities

### GET THE MOST OUT OF YOUR DATA

When organizations unite and analyze data from various sources into a centralized cloud-based data platform the numbers can do the talking. This foundation enables organizations to solve complex challenges and run smarter – driving change with actionable insights at unprecedented speeds.

This speed to value is critical in such a fast-moving uncertain economic outlook to harness prosperity. Now is the time to push the boundaries of what's possible with data at every step of your Covid-19 crisis strategy to ensure you emerge positioned for future profitable growth.

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