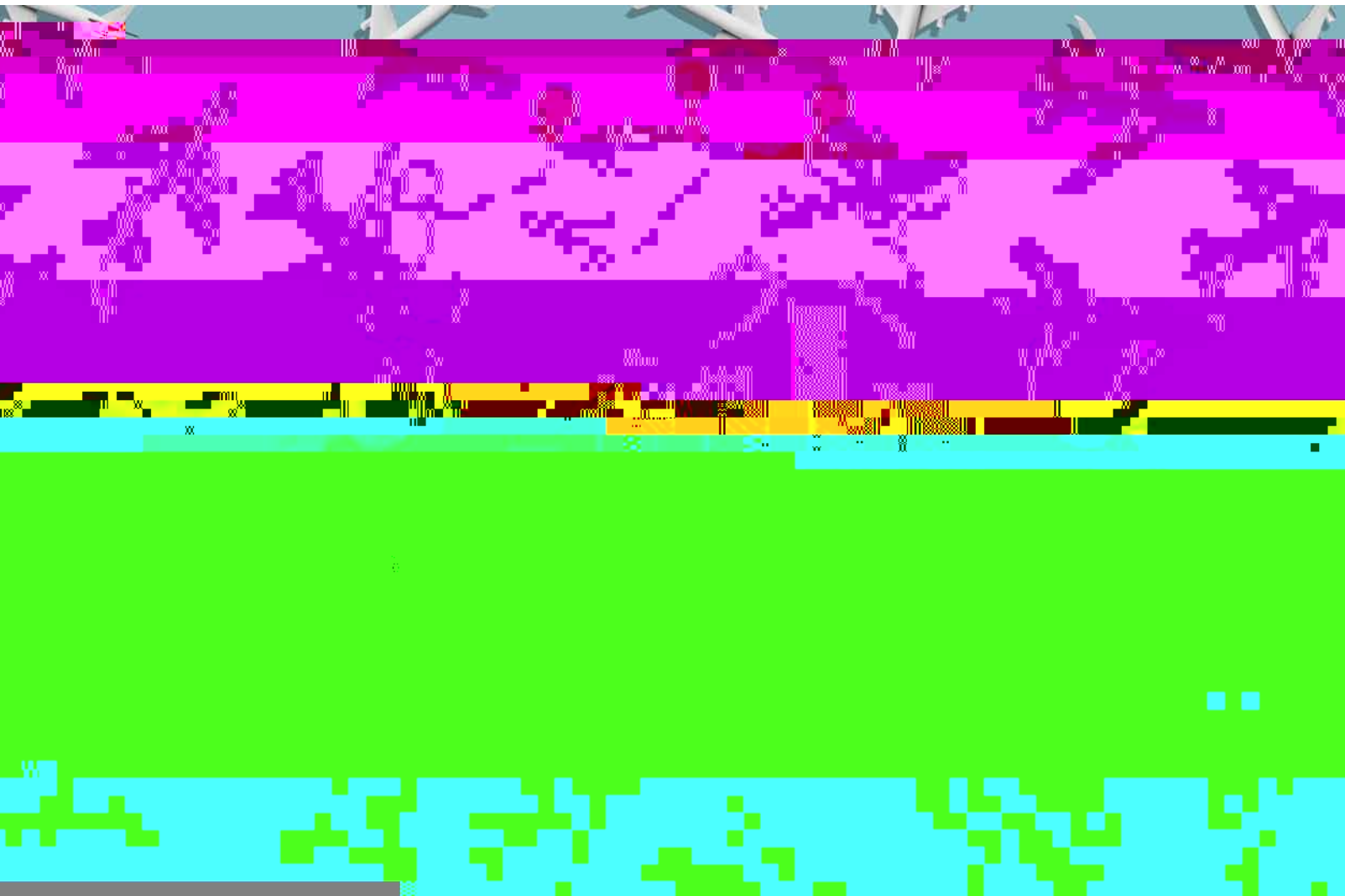


Passing the coronavirus

“stress test”

Whether for an individual, a company or a country, the outbreak of an epidemic can be like a stress test that exposes hidden problems and requires timely treatment. TheLINK gathered insights from eight CEIBS professors who shared their views on how companies and nations can ride out the crisis and turn it into opportunity.



01

How should we respond to the COVID-19 outbreak?

The COVID-19 outbreak has caused a global health crisis and a significant economic downturn. The World Health Organization (WHO) declared it a pandemic on March 11, 2020. The outbreak has led to the implementation of various public health measures, including social distancing, mask-wearing, and lockdowns, to reduce the spread of the virus.

The economic impact of the COVID-19 outbreak has been severe. Many businesses have closed, and there has been a significant loss of jobs. The global economy has contracted, and there is a risk of a global recession. Governments around the world have implemented various economic stimulus packages to support businesses and individuals affected by the outbreak. These packages include tax cuts, direct payments to individuals, and increased government spending on infrastructure and healthcare.

The COVID-19 outbreak has also highlighted the importance of a strong healthcare system. Many countries have struggled to contain the outbreak due to limited healthcare resources. This has led to a call for increased investment in healthcare infrastructure, including hospitals, laboratories, and medical equipment. It has also led to a focus on public health and disease prevention.

03

The plight of SMEs should not be taken lightly

Small and medium-sized enterprises (SMEs) are the backbone of the economy, providing jobs and innovation. However, they are often overlooked in government support programs. The current economic challenges have hit SMEs particularly hard, with many facing cash flow issues and reduced demand. It is crucial that governments and financial institutions recognize the unique needs of these businesses and provide targeted assistance to help them survive and thrive.

One of the primary challenges for SMEs is access to capital. Unlike larger corporations, SMEs often struggle to secure loans from traditional banks. This is where government-backed financing programs and alternative lenders can play a vital role in providing the liquidity needed for day-to-day operations.

Another significant issue is the high cost of doing business. Rising expenses for rent, utilities, and raw materials have squeezed profit margins. Governments can help by offering tax incentives, grants, and subsidies to offset these costs. Additionally, providing access to affordable business insurance and legal services can further reduce the financial burden on small business owners.

Marketing and sales are also critical areas where SMEs often lack resources. Government support through trade fairs, industry conferences, and digital marketing campaigns can help these businesses reach new markets and attract customers. Encouraging local procurement by government agencies can also provide a steady stream of business for SMEs.

Finally, it is essential to foster a supportive ecosystem for SMEs. This includes providing mentorship and networking opportunities for business owners. Government departments should work closely with industry associations to identify common challenges and develop effective solutions. By taking a holistic approach, we can ensure that SMEs are not just surviving but also contributing to economic growth.

The current economic climate has highlighted the resilience and importance of SMEs. It is time for governments and financial institutions to step up and provide the support these businesses need. By addressing their unique challenges, we can help them overcome adversity and continue to drive innovation and job creation in the economy.

04



Sheng Songcheng

Four suggestions on policies to support small and medium enterprises

The Chinese government has implemented a series of policies to support small and medium enterprises (SMEs) in recent years. In 2015, the government issued the "Opinions on Further Promoting the Development of Small and Medium Enterprises" (Guo Fa [2015] No. 19), which set out a comprehensive framework for supporting SMEs. In 2018, the government issued the "Opinions on Further Promoting the Development of Small and Medium Enterprises" (Guo Fa [2018] No. 19), which further refined the policies and measures to support SMEs. In 2020, the government issued the "Opinions on Further Promoting the Development of Small and Medium Enterprises" (Guo Fa [2020] No. 19), which further refined the policies and measures to support SMEs.

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1. The government should further improve the financial support for SMEs. The government should increase the scale of SME financing, improve the efficiency of SME financing, and reduce the cost of SME financing. The government should also improve the credit system for SMEs, and strengthen the supervision and management of SME financing.

2. The government should further improve the tax support for SMEs. The government should reduce the tax burden on SMEs, and provide tax incentives for SMEs. The government should also improve the tax system for SMEs, and strengthen the supervision and management of SME tax.

3. The government should further improve the land support for SMEs. The government should increase the supply of land for SMEs, and improve the efficiency of land use. The government should also improve the land system for SMEs, and strengthen the supervision and management of land use.

4. The government should further improve the human resources support for SMEs. The government should increase the supply of human resources for SMEs, and improve the efficiency of human resources use. The government should also improve the human resources system for SMEs, and strengthen the supervision and management of human resources.

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05

Corporate management

06



Su Xijia

President, China

Two things businesses can do amidst the pandemic

As the world grapples with the COVID-19 pandemic, businesses are being forced to re-evaluate their strategies and operations. In this context, two key actions can help businesses navigate the challenges ahead: digital transformation and employee well-being.

Digital Transformation: Embracing digital technologies is no longer just a luxury; it's a necessity. Businesses should invest in cloud computing, data analytics, and automation to streamline operations and improve efficiency. This not only helps in maintaining productivity during lockdowns but also enables better decision-making based on real-time data.

Employee Well-being: The pandemic has highlighted the importance of a healthy workforce. Companies should focus on providing flexible work arrangements, mental health support, and clear communication. A supportive work environment can boost morale and productivity, which are crucial for long-term success.

Moreover, businesses should prioritize customer relationships. In times of uncertainty, customers value transparency and reliability. Regular communication and high-quality service can build trust and loyalty, which are essential for sustained growth.

Finally, innovation remains a key driver of success. Encouraging a culture of innovation allows businesses to develop new products and services that meet the evolving needs of the market. This agility is what will set successful companies apart in the post-pandemic world.

By focusing on these two areas—digital transformation and employee well-being—businesses can not only survive the current challenges but also emerge stronger and more resilient. The pandemic is a wake-up call for businesses to embrace change and innovation, ensuring they are prepared for whatever the future holds.

The pandemic has also underscored the need for robust risk management. Businesses should conduct regular risk assessments and have contingency plans in place. This proactive approach can help mitigate potential threats and ensure business continuity.

Talent development is another critical area. Investing in employee training and development can enhance the skills and capabilities of the workforce. This not only improves performance but also prepares the organization for future opportunities and challenges.

07

Four ways to reshape the epidemic-hit service sector

The service sector has been hit hard by the epidemic. Many service businesses have been forced to close their doors, and those that remain open are struggling to survive. The sector is facing a crisis of confidence, and it is clear that a major restructuring is needed to ensure its long-term viability. There are four key ways to reshape the service sector: boosting model innovation abilities and adaptability, specialisation and differentiation, digital transformation, and strengthening financial resilience. Each of these strategies is essential for service businesses to navigate the current challenges and emerge stronger on the other side.

Boosting model innovation abilities and adaptability

Service businesses need to be able to adapt to changing market conditions and customer needs. This requires a focus on model innovation, which involves developing new business models and service offerings. Companies should invest in research and development to create innovative solutions that address the needs of their customers. Additionally, businesses should be flexible and willing to pivot their strategies when necessary. This may involve exploring new markets, partnerships, or revenue streams. By boosting their model innovation abilities and adaptability, service businesses can better position themselves for success in the post-epidemic market.

Specialisation and differentiation

Service businesses should focus on specialisation and differentiation to stand out in a competitive market. This involves identifying a niche market and offering unique value propositions that set the business apart from its competitors. Specialisation allows businesses to develop deep expertise in a specific area, while differentiation helps them create a strong brand identity. By focusing on these two strategies, service businesses can attract loyal customers and achieve sustainable growth.



Seven ways to improve organisational immunity

Organisational immunity is the ability of an organisation to resist and recover from external threats. It is a key factor in the success of any organisation. There are seven ways to improve organisational immunity:

1. **Invest in your people:** Your people are your greatest asset. Invest in their training and development to ensure they have the skills and knowledge to handle any challenge.
2. **Build a strong culture:** A strong culture is the foundation of organisational immunity. It is the set of values and beliefs that guide the behaviour of your people.
3. **Improve your communication:** Effective communication is essential for organisational immunity. It ensures that everyone is on the same page and can respond quickly to any threat.
4. **Develop a risk management strategy:** A risk management strategy helps you to identify and mitigate potential threats before they become a problem.
5. **Build a strong network:** A strong network of relationships can provide you with valuable support and resources in times of need.
6. **Stay up to date:** The business environment is constantly changing. Stay up to date on the latest trends and technologies to ensure you are always ahead of the curve.
7. **Be flexible:** Flexibility is key to organisational immunity. It allows you to adapt to changing circumstances and find new solutions to old problems.

By following these seven ways, you can improve your organisational immunity and ensure your organisation is always ready to face whatever challenges come your way.

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