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Response to COVID-19 by ASCENT ecosystem

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# entrepreneur toolkit

march | 2020



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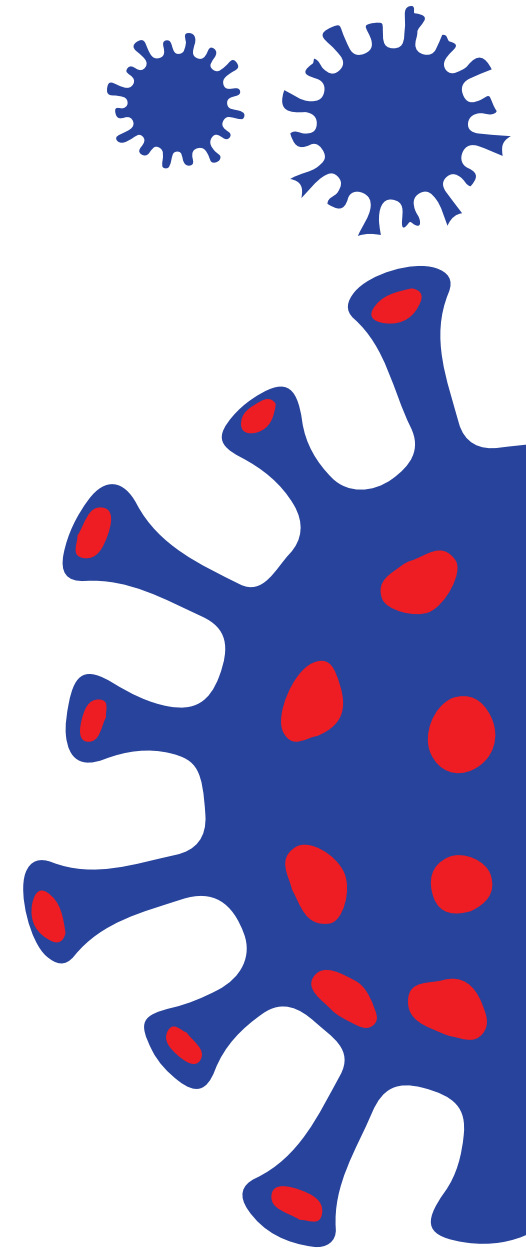
ASCENT  
Enriching Entrepreneurs

# introduction

Entrepreneurs around the globe are innovating business models and people practices to stay relevant during the time of COVID-19 crisis. While some have cracked the code a few are still struggling to find the right balance between business continuity and employee safety.

In an effort to support our 530 ASCENT entrepreneur members and the larger entrepreneur ecosystem through this challenging COVID-19 crisis, a Survey was conducted and within 24 hours, 144 (27%) of ASCENT entrepreneur members from Mumbai and Chennai Chapter took the survey. The survey aimed at understanding the entrepreneur's challenges and strategies to fight the COVID-19 Pandemic with respect to employee salary, cash flow management, best practices and challenges in working from home etc.

ASCENT is proud to bring to you the survey results sharing best practises of enterprises in the Manufacturing and Service sectors and created an Entrepreneur Toolkit. Trust this will be useful, relatable and applicable for each one of you. We at ASCENT hope that these unstable, unpredictable and tiring times will bring new opportunities to businesses and the hope that we are geared up for the revived fundamental changes in doing business.

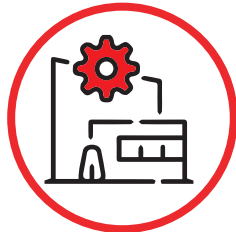


entrepreneur toolkit: #LearnFromDoers

# demographics

*144 participants (27% of ASCENT cohort)*

39%



**manufacturing**



49%



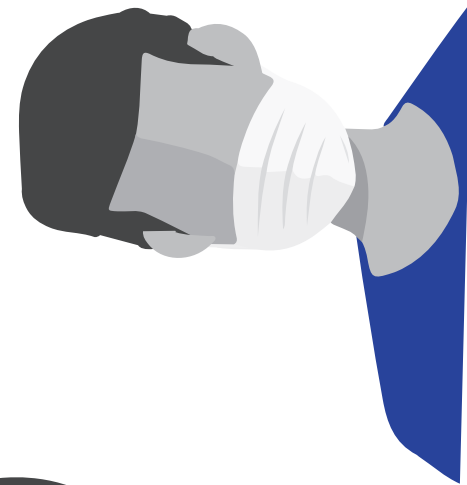
**service**



12%



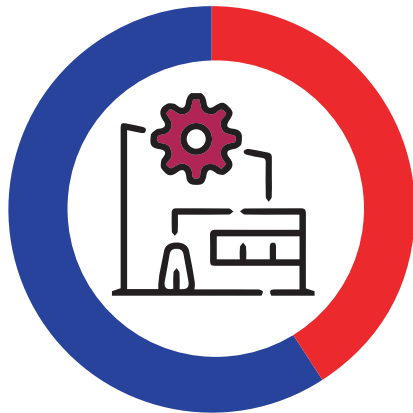
**trade**



# ensuring business continuity from home

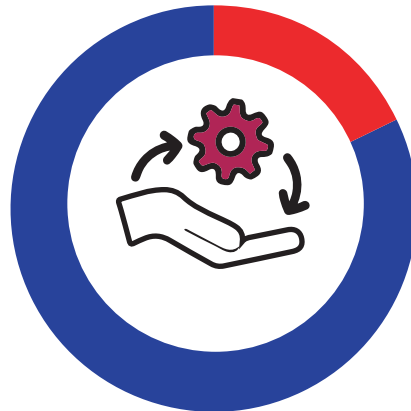
*Have you implemented WFH in your organisation?*

**59%** | **41%**



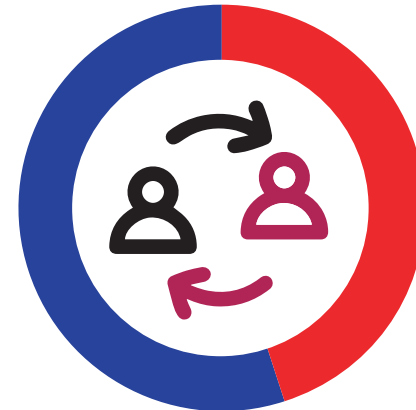
**manufacturing**

**82%** | **18%**



**service**

**55%** | **45%**

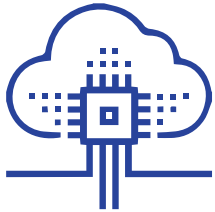


**trade**

 **implemented**     **not implemented**

# ensuring business continuity from home

## ***Best practices: Service & Trade***



### **IT & Communication Business Services**

- VPN connectivity, Encrypted laptops
- Structured document detailing the revised working procedures
- Adoption to Cloud computing technology
- Daily scrum calls and Frequent Video Meetings



### **Events & Marketing**

- Design team's desktops sent to their homes. Clients informed and execution stopped/Postponed
- Ensure data access to all employees
- A log in at 10.15. A status check at 2pm and a day closure report on jobs delivered at 5.30 on a daily basis helps keep track of things done



### **Logistics**

- Online systems and Mobile App for clients bookings and tracking
- Having an integrated ERP helped

# ensuring business continuity from home

## ***Voices from the field: Service & Trade***

“

*It was already tested in earlier times (Chennai floods and the Cyclone)*

”

*Although we had planned WFH for procurement, project management, finance, HR personnel, due to the nature of our business with all operations and supply chain coming to a stand still there is limited work to be done from home.*

”

“

*We had built online systems and were the first to launch a Mobile App in the industry. Incentivised clients to use our online booking & tracking for past two years.*

”

*We already work with O365 and did a 1 week trial earlier and now are on WFH. We measured productivity during the trial week and are OK with at least 50 to 60 percent efficiency.*

”

“

*Daily communication and update, IT support and proactive communication with team members, business associates and customers has helped us managing the situation efficiently.*

”

*We have all our tools on the cloud and have provided laptops for all employees*

”

# ensuring business continuity from home

## ***Best practices: Manufacturing***

- Team to concentrate on data analysis and website updation, review marketing strategies and planning
- Continue customer support through Online service calls
- IT infrastructure & ERP implemented previously enabled Work From Home
- Laptops and VPN access provided to the key employees to attend to mails
- Sales, marketing, accounts, planning, Design and admin teams continue working from home



# ensuring business continuity from home

## ***Voices from the field: Manufacturing***

“

*Only Customer Facing services are on, manufacturing completely shut down.*

”

*We asked employees who do not have computers to take desktop home. We setup VPN for access to server.*

”

“

*We provided laptops to the key people so that they can attend to mails.*

”

*Our cloud-based ERP, and Human Resource Information system has largely helped us work from home.*

”

“

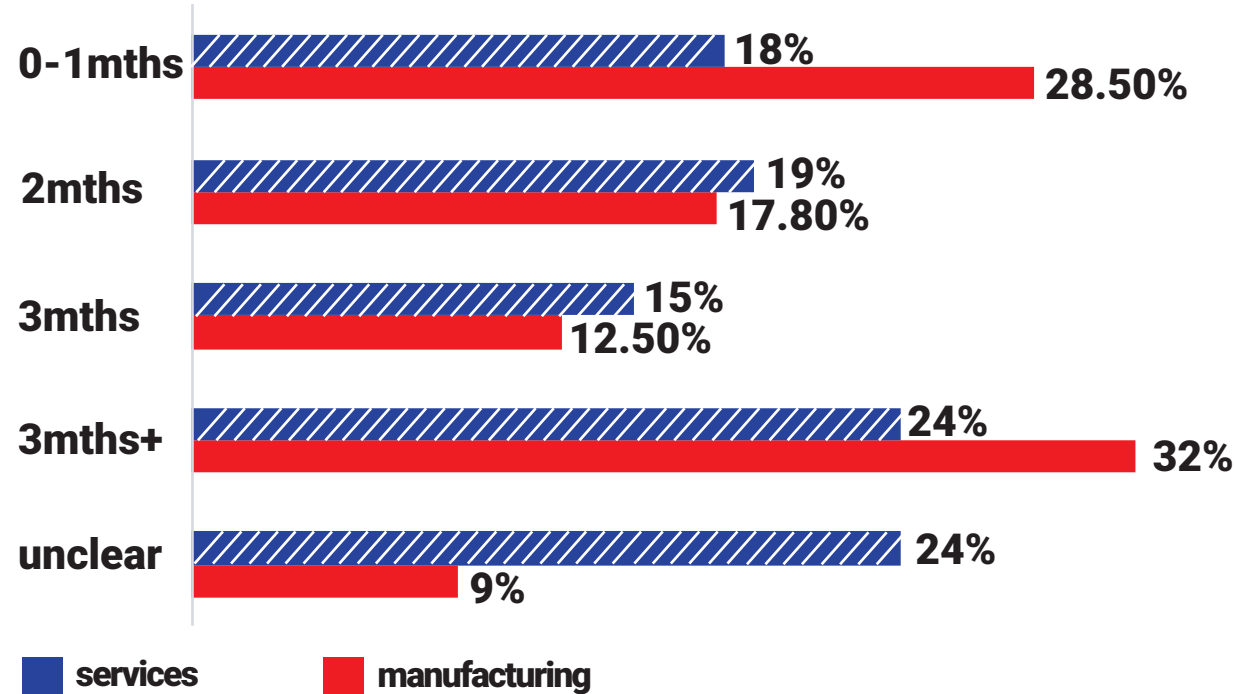
*We have given all the required personnel laptops and access to the IT system through VPN. We do regular conference calls with different groups in the organisation. There are also WhatsApp groups created.*

”

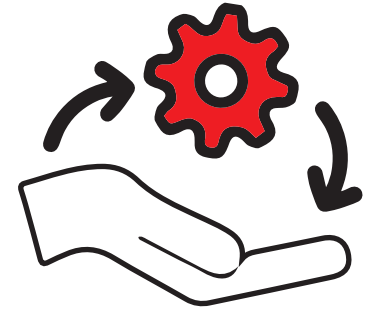


# managing wages & cashflow during downtime

*Government has insisted on wages during shut down.  
How do you manage to implement this and if the crisis continues  
how many months can you manage it?*



# managing wages & cashflow during downtime



*What is your strategy post the number of months you can hold on?*

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## SERVICES

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### **Pay Cuts**

- Cut down salaries equally amongst the team
- Reduction and delays in payment post March due to cash flow.

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### **Pay Cuts + Incentives**

- Salary has to be rationalised depending on revenue generated. Pay enough for basic needs.

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### **Differential Payouts**

- Full wage for March and defer wages at different percentages of earnings based on salary bracket for 3 months
- New hire and internship program DOJ to be differed

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### **Full Payment**

- Team is working from home to the extent possible. All salaries will be as-is and paid as per regular schedule

---

### **Deferred Payments**

- Renegotiate with employees for agreeable deferred payment. Change remuneration strategy into fixed and variable basis (make payment of variable in shorter duration rather than a months wait). 30% pay cut for the next 3 months, which will be paid as a 1-time bonus at a later date

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### **Cash Flow**

- Cost reduction through non essential service reductions including marketing  
Paid leaves for all non essential staff
-

# managing wages & cashflow during downtime

**Voices from the field: Services**

“

*Team is working from home to the extent possible. All salaries will be as-is and paid as per regular schedule. We can manage for 6 months. Post that it will be challenging and we will have to ensure our customers pay on time or we will have to secure financing.*

”

*I can manage for 3 months from now, and after that if the cash flows turns negative, I will have to infuse money by way of unsecured loans or borrowing from bankers for a period of 6 months.*

”

“

*We have promised wages to Customer sales executives at all stores and warehouse staff and peons. As regards others we have asked them to utilise their leaves.*

”

*Strategic reduction in salaries. Incentive based performance. Upping collections and Business development initiatives.*

”

“

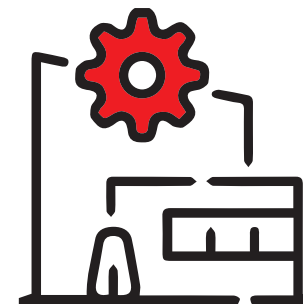
*We have already prepaid and purchased Covid-19 insurance for all our employees*

”

*Review the cash flows and request quicker payments from clients. Supplement with promoter fund infusion on temporary basis if required.*

”

# managing wages & cashflow during downtime



*What is your strategy post the number of months you can hold on?*

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## MANUFACTURING

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### ***Pay Cuts***

- Salary Cut by 30 to 40% if this crisis continues
- Reduced payment by 30%, 40%, 50% on every consecutive month. To max of 50% on salary.

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### ***Pay Cuts + Incentives***

- Wages and salaries reduced by 50%. Ration to be provided to daily workers.

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### ***Differential Payouts***

- Pay lower salary grades 100% and support high salaried personnel to the extent that their basic commitments don't get hampered.
- Provide food and necessary sanitation for on premises employees and give an advance on salary for others to meet basic needs.

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### ***Full Payment***

- Time and money lost will have to be borne by the company

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### ***Cash Flow***

- Conserve cash flow by reducing costs
  - Stepped up collections through online mediums
  - Negotiate with banks and landlord
-

# managing wages & cashflow during downtime

## Voices from the field: Manufacturing

“

*Time and money lost will have to be borne by the company. Further losses in supporting others in the ecosystem as promoted by the Government, as a rule is going to be demoralizing to the future interest of the company; where instead of supporting the businesses the Government is further burdening and many businesses will be having a psychosis. that the Government. After 3 months we may want to file closure and exit the business.*

”

“

*My employees are my strength. Want to pay full salary, however since payments are not coming will distribute whatever I have among them but will pay them in full once situation is normal.*

”

*We are paying wages ,will request them to come next month on holidays to compensate some days and ensure we will bear the loss.*

”

“

*For employees on premises we have arranged for food and necessary sanitation for another 15 days. For the rest we have given a small amount as advance to meet their basic needs. We can manage for another one month.*

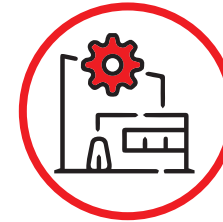
”

*50% salary given immediately and balance as per monthly due date. Increments may be deferred.*

”

# best practices

## Employee Management



### SERVICES

### MANUFACTURING

## Safety

- Educate all employees on the importance of social distancing and personal hygiene
- All Client meetings moved online
- Provide required equipment to factory workers (Masks, Sanitizers, hand wash etc.)
- Restrict factory visits for external stakeholders

## Productivity

- Ensure employees are equipped to work from home
- Advance salary pay outs to keep employees motivated and reassured
- Self development and up-skilling of employees through online trainings
- Employee Engagement through internal Campaigns (most creative Home Work Station, Creative digital background)
- No salary deductions for sales and pre-sales to teams to keep them motivated
- Messages to entire team to promote chatting to motivate
- Flexible work hours while working from home
- Reassured employees that we have their back

# best practices

## *Client and Vendor Management*

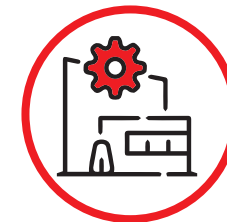


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### SERVICES

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- **Reach out to client proactively to extend support**
- **Empathize with customers and vendors alike**
- **Continue discussion with prospect clients**
- **Focused marketing to existing and prospect clients**



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### MANUFACTURING

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- **Reassure clients of order fulfillment post the crisis**
  - **Advice sales team to continue follow ups for new orders**
  - **Reach out to vendors to increase payment cycles**
  - **Going aggressive on digital marketing**
  - **Channelise time towards building relationships amongst different clients.**
-

# best practices

## *Voices from the field*

“

*Our approach to clients is dependent on their business. If they came from a sector that is totally impacted then we are patient but on the other hand if they are from a sector that can possibly benefit like healthcare, digital, e-commerce - then we are approaching them with ideas and thoughts on how they could scale-up further.*

”

“

*Regular video meetings and a group chat area where people can post jokes and general banter to promote a sense of community.*

”

*Self up-skilling process including mandatory courses people were asked to complete like Happiness program*

“

“

*We ran a Cool Workstation At Home contest and gave away Amazon Vouchers to the winner in the following categories*

- 1. Most Creative WorkStation*
- 2. Most Zen WorkStation*
- 3. Cleanest WorkStation*

”



# best practices

## Strategic Planning

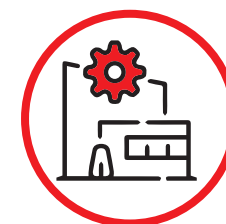


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### SERVICES

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- **Update sales decks and pitch to be future ready**
- **Meeting with leadership and second line to build a contingency plan for future crisis**
- **Complete annual performance evaluation**
- **Test alternate service streams.**
- **Focus on marketing material and content preparation, in readiness for the upswing.**



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### MANUFACTURING

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- **Invest in Research and Development**
  - **New Product development and market strategy post crisis**
  - **Reevaluate risks to the business**
  - **Plan for increased demand for substitutes for Chinese products**
  - **Completing budget, market analysis**
-

# best practices

## Strategic Planning

### Voices from the field

“

*I would recommend people to innovate and bring out substitutes to China, as there will be a huge demand. Lets attack and not just defend. Look for strategic partners. I am confident of surviving and flourishing. As a manufacturer it's time to talk about world market. Things are going to be difficult but I see opportunity.*

”

“

*Completing processes we can do remotely- proposals, engineering drawings, follow up on project readiness, PMS evaluation of 19-20 and setting up goals for 20-21. We will be ready to spring back into action, as soon as the present crisis stops.*

”

“

*We have decided to increase R&D spending. I am currently looking at projects I want to implement once business starts. Also we are looking to get more global compliances this year. I have asked my staff to take online courses and gear up for a fight ahead.*

”

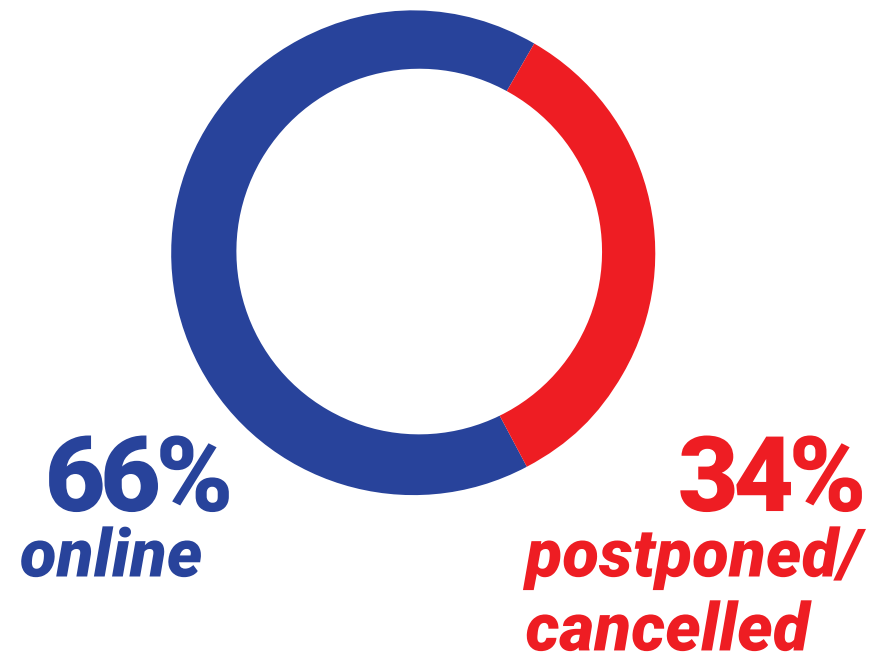
# trust group: where does it stand?

## ***Trust Groups represented – 41 (91%)***

ASCENT creates a close-knit Trust Group of non-competing entrepreneurs who believe in Learning from Doers. It offers a platform to ascent not only business but the entrepreneur – by leveraging the power of Trust Groups. The Trust Group format helps growing entrepreneurs learn from each other through the exchange of ideas, experiences and insights, in a confidential, safe yet liberal environment! Currently, ASCENT has over 530 members and 45 Trust Groups engaging actively every month.

Challenging times like COVID-19 crisis, has enabled Trust Groups to play an active peer support role and entrepreneur members are leveraging the ASCENT ecosystem. Trust Groups are holding weekly meetings in order to keep up with the challenges in this dynamic economy. Top topics of discussion in Trust Group today are:

- People Practices
- How to ensure productivity during work from home
- How to cut cost during a downtime
- Managing cash flow during time of crisis
- Risk Assessment of business post the crisis



# ASCENT

ASCENT is a not-for-profit expression of Harsh Mariwala (Chairman, Marico Ltd.), and his passion to identify high-potential, growth-ready entrepreneurs and enable them to grow their enterprise and enrich their entrepreneurial journey. Launched in 2012 in Mumbai and 2018 in Chennai, ASCENT creates a close-knit Trust Group of non-competing entrepreneurs who believe in Learning from Doers. It leverages the 'power of collective' of a peer-to-peer platform, and enables entrepreneurs to share experiences, ideas, insights in a safe, confidential and non-judgmental environment. In the past 7 years,

ASCENT has selected over 530 entrepreneurs as members who are part of 45 operational Trust Groups. The composition of these members is diverse with a 47:53 split between Manufacturing and Services Industries; 44% Family Businesses; 10% Women Entrepreneurs and in all about 65+ diverse industries represented. The aggregate annual revenue of the ASCENT members is more than Rs. 22,000 crores with individual member turnover ranging from Rs. 1 crore to Rs. 2000 crores.

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**Email:** [fyi@ascentfoundation.in](mailto:fyi@ascentfoundation.in)

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