

RISK ALERT:

RELEVANT LESSONS FROM CHINA'S RESPONSE TO COVID-19

In recent weeks, the number of new infections and deaths in China is reportedly declining, which suggests spread of the virus may have peaked in that country and the transmission rate is slowing down. At the same time, coronavirus cases are expanding globally, with a growing case count across the United States, Europe and other regions.

While culture and governance influence the national response to the virus, strong actions by companies and individuals in China can alter the course of the outbreak. As Europe and the United States seek to cope with their outbreaks, the Chinese experience provides some lessons learned for businesses and people.



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LYDIA LEE, OUR PRESIDENT IN CHINA, HAS NAVIGATED THE CORONAVIRUS CRISIS IN THAT COUNTRY SINCE ITS OUTBREAK. SHE OFFERS SOME COUNSEL FOR CLIENTS AND COLLEAGUES IN OTHER MARKETS WHO ARE NOW FACING SOME OF THE SAME QUARANTINE AND CRISIS MANAGEMENT ACTIONS THAT CHINA HAS IMPLEMENTED.

- + **For companies, the primary focus** should continue to be on the well-being of their employees and contributing to public safety. Getting on-going reliable information to your workforce is important. During the initial outbreak in China, fear and confusion spread quickly as a result of inconsistent and contradictory information, rumors and fake news.
- + **Companies should live their values and act on their responsibility beyond the corporate walls.** Your employees come first, but they – and your organization – are part of a broader community in need of assistance. Every company should find a way to lend its expertise, equipment, personnel or resources to help the local or national effort to contain the consequences of the outbreak.
- + **Companies should continue to evaluate their crisis management teams,** assess roles and responsibilities, and establish new communications channels to reach everyone across the enterprise. People are relying on brands they trust to guide their behavior and actions.

- + **Identify trusted national and local sources of information**, including where employees can get equipment (such as masks and disinfectants). In a crisis, rumors abound so focus on information sources that provide factual information on both the national situation and local efforts to contain the virus, which may vary widely.
- + **Continue to anticipate different scenarios** to ensure vital business functions. This can include using shared IT platforms, managing cash-flows, staying in compliance with labor and environmental regulations, maintaining relationships with vendors and business partners, providing customer service and more.
- + **Communicate in ONE voice** with clarity, consistency and confidence to employees, customers and the public.
- + **Prepare for what's next.** As businesses and countries move into quarantine, the challenges become greater. China was able to quarantine large geographies because of its unique system. In the quarantine stage, companies should focus on maintaining positive morale and a sense of unity across their workforces. The normal routines of office life offer workers a sense of security and stability. Employees will naturally be anxious when this normality is disrupted for weeks or longer. Technology can keep everyone connected. Remote work arrangements require flexible scheduling as employees juggle a disrupted home, work and social life.
- + **Social distancing is the new normal** to curb the spread of the virus. It's unnatural and unpleasant, but necessary. The lesson from China is that this is the most effective way of "flattening the curve." But social distancing can also lead to feelings of isolation, loneliness and uncertainty. There is a wealth of communications tools to stay engaged with family, friends and colleagues. In China, WeChat was a critical tool for people to stay connected during the quarantine period, along with email, telephone calls and video conferences.
- + **It's important to stay positive.** Look for opportunities to celebrate every good moment – a birthday or anniversary, a successful business engagement, completing a project, or even a warm spring day. People need to find happiness, humor and connection.
- + **Prepare for the economic impact.** Even as China was addressing the impact of the coronavirus on public health, it took steps to begin to stimulate its economy in the aftermath of factories, businesses and entire cities having to temporarily shut down. In China's case, new investments are being made infrastructure areas such as 5G, AI, IoT, smart cities, education and advanced medical care and public health, complementing traditional infrastructure sectors such as transportation, water, environmental protection and energy. Economic stimulus initiatives are now being planned in the United States and Europe. Companies should be prepared to leverage stimulus initiatives to manage the economic impact on their business.
- + **Look ahead to recovery and stay true to your values.** The quarantine period is also a time to develop a recovery plan and put in place initiatives to implement a full recovery once it is time to return to more normal business and social environments. This will be a time to make tough decisions and communicate across global workforces in countries that may be in different stages of mitigating the coronavirus. This is a time to remember your company's values and mission, using these as your core guidance to make decisions on actions and behaviors in the next phase of this crisis. They are valuable assets to navigate the uncertain road ahead.

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