



ARTICLE

Corporate action in challenging times: learnings from the corporate response to coronavirus

Coronavirus has shaken our society. The crisis, which has been described by global leaders as a “state of war” is rapidly introducing a new normal and presenting a radical step change for businesses globally. Corporate reputation has jumped up the priority list as the pandemic has not just upended the bottom line but altered businesses’ relations with all its stakeholders. Citizens are uneasy; governments are acting; and global institutions, experts and journalists are commenting on and evaluating the situation and its impact nonstop. People are looking to governments to receive official guidance and want to hear from healthcare systems and professionals for advice. Corporates on the other hand are being looked at through a lens — as pillars of our economies and livelihoods — for a response, a sense of direction and action.

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Technology has fuelled connectivity and communication during this time. With the dependence and further rise of technology as a key means of receiving information, concerns lie around misinformation and fake news. That is why, over the past two weeks, FTI Consulting’s global team of data, digital and analytics experts has been investigating the corporate response to coronavirus. This analysis has not only shone a light on the actions taken but indicates the impacts this crisis will have in the long-term. From reshaping audiences to developing new reputations, from creating new channels of engagement to illustrating that timing is indeed everything, lessons abound. So, as we look to the future, **how can these learnings be applied to longer-term stability?**

FTI Consulting analysed four key industries (Healthcare, Energy, Financial Services and Technology) from January to March 2020. The analysis included the top five companies in these respective sectors, selected based on market value and relevance in the COVID-19 conversation. Given the scale of the crisis, all

companies involved in the analysis were large corporates with global presence. A similar analysis was also done on smaller companies to assess the response and impact of ‘gig economy’ players, and comparisons were drawn.

What came through is clear: how corporates act now will play a role in their medium-to-longer term success. While each sector presented unique trends within their industry, overall this crisis has provided **a moment of reputational redemption** for some corporates. There’s anticipation and interest in the roles that these organisations play in our society across audiences, and a newfound appreciation for their responsibilities and purpose has emerged. This introduced several considerations for longer-term planning including opportunities and challenges for future corporate action:

- **New audiences have formed around organisations:** In certain sectors — namely Healthcare and Technology — new audiences are emerging, and old audiences are being reshaped as coronavirus acts as a trigger for interest and engagement. How this evolves and whether audiences revert to old habits will be one to watch in the future.
- **Corporate responsibility at the core:** The crisis has certainly seen some organisations jump to demonstrate their overall corporate responsibility and purpose. In some cases, this was functional and based on their specific products and services and in others, this spoke more to wider actions taken for society-at-large. Variations in these responses were seen across sectors.
- **Timing is everything:** Broadly speaking, corporations that spoke up swiftly and efficiently gained an advantage. In certain sectors, the knock-on effect of their ‘pre-COVID’ reputational challenges shone through. Some sectors, such as Energy, have been silent throughout and will probably continue to be so.
- **Stronger together:** In many sectors, the gains of being the first mover were clear but at the same time, support and respect were seen towards the organisations that demonstrated collaboration with others in their fields.
- **Positivity and hope conquer all:** Overall sentiment towards all sectors that did respond was positive and, in some cases, even developed to hope. Those that have not responded, such as Energy for obvious reasons, were deemed in a slightly more negative light but we can assume this was based solely on the market circumstances at the time.

The responses that corporates have taken shaped the roles each sector is playing in relation to this crisis. Healthcare has naturally emerged as a shining light given its critical role in developing solutions to resolve the global health crisis, but risk could be around the corner when the time comes to discuss product access. The Technology sector appears to be somewhat stuck between a rock and a hard place, with audiences regarding the sector’s ability to enable our new norm positively, but historical challenges overshadow some of their actions. In comparison, Energy and Financial Services were quieter. Given the market circumstances and challenges that have evolved, this is to be expected for Energy, but does pose a question around the impacts of this on the long-term reputation of this sector. The muted response of Financial Services players has been questioned by audiences with some desiring more action from this sector. Where there has been a response, this was positively regarded by audiences.

Soon enough we will emerge from this state of ‘management’ towards ‘recovery’ and ultimately ‘growth’. While this analysis provides learnings from a snapshot in time, this is obviously a rapidly evolving situation, unknown by all. At every step, data and insights can provide reassurance for your actions, inform critical decision making and guide the direction in which you move. Key questions have emerged from this to inform communication and strategy moving forward. In the future, you might therefore be considering:

- How can I maintain this reputation shift?
- How have my audiences changed and am I geared up to engage with newfound audiences?
- How should I adapt or amend my communication to key audiences?
- Have I got the right structure in place to navigate this crisis as it evolves?
- Am I using the right channels currently?
- Are my messages being seen and heard effectively by my audiences?
- Are we aligning our CSR/ESG efforts with our commercial priorities?
- Are we missing an opportunity to partner with others in our industry?
- Am I monitoring the conversation in the right way?
- Am I leveraging data available to draw meaningful insights to inform strategy and next steps?



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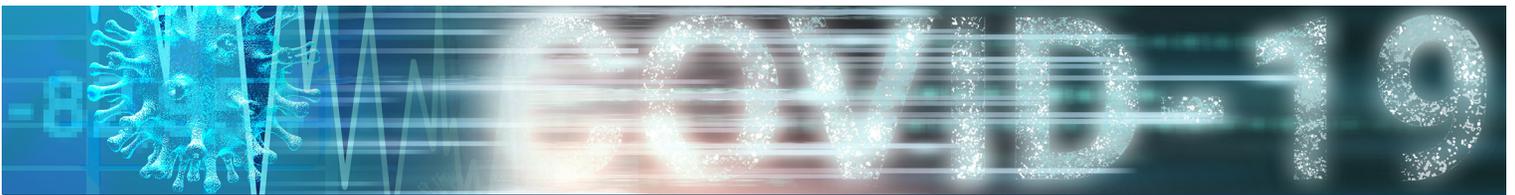
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