Covid-19 Scenarios: Emerging responses…

FREE REPORT

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Scenario Recap & Likelihood

01

At the beginning of April, White Space published 4 scenarios for how the Covid-19 crisis could unfold…

Public health prioritised

Economic health prioritised

In all 4 scenarios, there's considerable disruption to all forms of life for at least 12 months

Sc. 2 **Striking a Balance**

Lockdown until June-July. Then multiple lockdown periods, alternating with social distancing

Sc. 1

Economy First

Lockdown lifted in early May, followed by social distancing

Sc. 4

Tech-Enabled

Tech enabled release of low-risk groups from lockdown

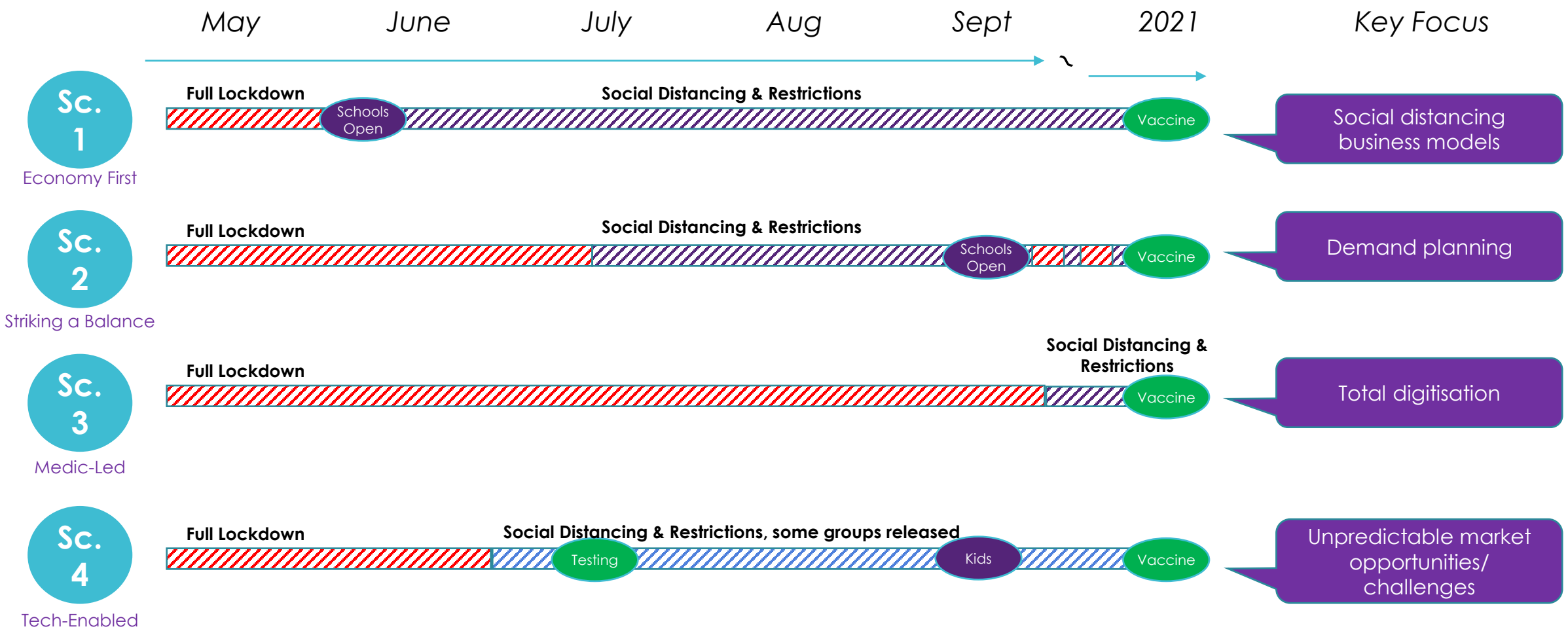
Sc. 3

Medic-Led

Long lockdown period until Sept to avoid second wave. Followed by multiple lockdown periods

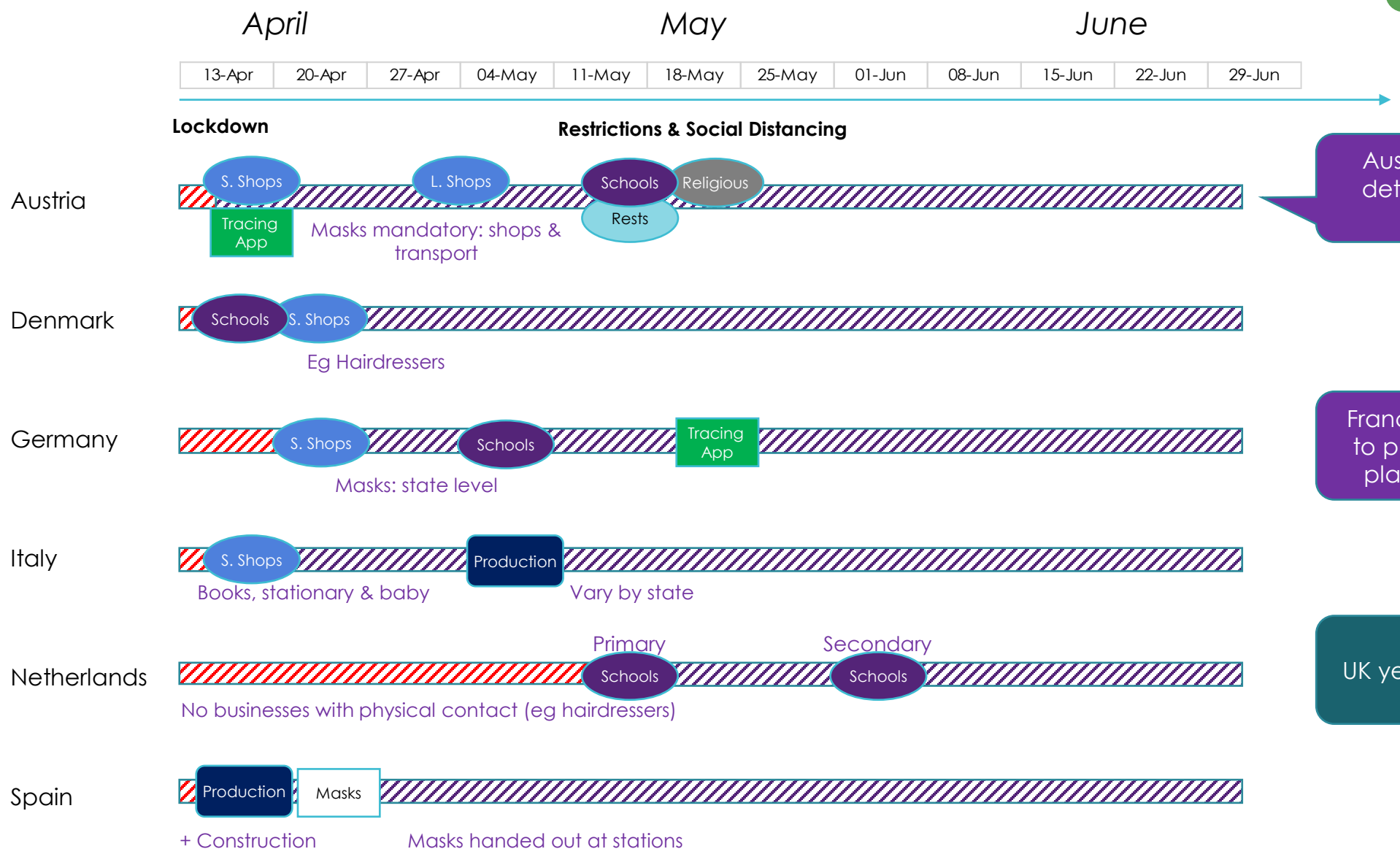
All scenarios last for 18 months, when it's assumed an effective vaccine will deployed at scale

The key differences between scenarios are as follows…



Who do we need to watch?…

Emerging Exit Strategies

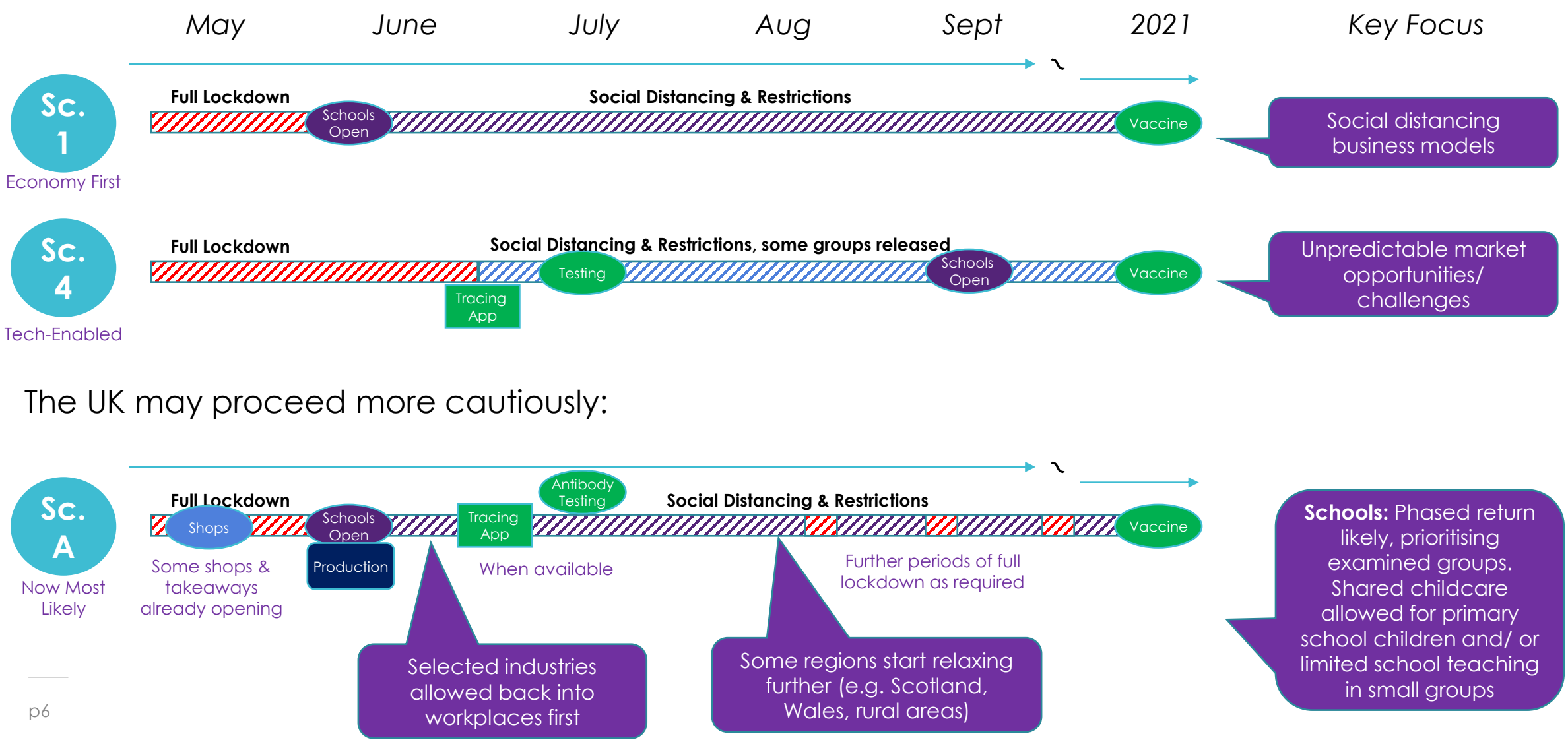


Austria has the most detailed exit plan to date

France has committed to publishing detailed plan by end of April

UK yet to publish a plan

Other countries are combining scenario 1 & 4…



Emerging Business Responses

02

COVID-19: emerging business responses

Some businesses are launching new propositions to survive the pandemic:

Others are finding that long-run trends are accelerating:

Emerging innovations: direct to consumer propositions

The challenge:

- Channel collapse for brands exposed to bricks and mortar non-food retail
- Supermarket online bottleneck means some households are unable to purchase the brands they want or need

The opportunities:

- Opportunity for channel diversification with lower risk of alienating channel partners
- Opportunity to circumvent supermarkets and deliver direct

Examples of new D2C offerings launched as a response to coronavirus:

mighty small
SUPERMARKET OF SMALL BRANDS

Small brands have come together to offer an supermarket

Cow & Gate

DIRTY LEMON™

Existing D2C offering, but sales have increased over 80% during the pandemic

fairfaxmeadow
putting great meat on the menu

Trade butcher offering a D2C service

Emerging innovations: new partnerships

The challenge:

- Closure of face-to-face sales environments for an unknown period of time
- Low workforce utilisation in some sectors, but simultaneously high strain/ resource requirement in others

The opportunities:

- Enabling engagement with retailers online and/or via delivery
- Redistribution of workforce for mutual benefit

Three examples:

STREETIFY
EVERY DEAL, EVERYWHERE

- Offer aggregator
- Launched March '20 in UK*
- COVID-specific messaging emphasises relevance of virtual storefronts and shopping streets

deliveroo

co op

- Partnership to deliver food packages to those in self-isolation

Boots

EDF

- EDF engineers are delivering Boots pharmacy perscriptions

*Planned pre-COVID

Trend acceleration: digital and flexible supply chain solutions

The challenge:

- 50% of air freight travels in passenger planes
- Relative shutdown of different parts of global supply chain
- Shift in shape of customer demand, e.g. peaks in demand for basic supplies

The opportunities:

- Spot freight in huge demand
- Support to localise supply chains where usual international options are unavailable
- Flexible warehousing/ logistics to allow for inventory build up to supply through peaks

Digital and flexible supply chain solutions are likely to see growth. Two examples:

CONVOY

- Digital freight network: *"the Uber of trucking"*
- Seattle-based
- Founded in 2015 by former Amazon exec

FLEXE

- On demand warehousing platform
- Seattle-based
- Founded in 2013

Trend acceleration: digital adoption

Accelerated digital adoption

The challenge:

- Requirement to decrease touch, accommodate social distancing and increase online sales
- Low customer uptake of digital services to streamline/ digitise experiences in some sectors

The opportunities:

- Unique opportunity to drive adoption of innovations that streamline experiences and reduce cost to serve
- Use of AR and experiential packaging to replicate in-store experience at home

The adoption curve of existing digital solutions is likely to accelerate. Two examples:

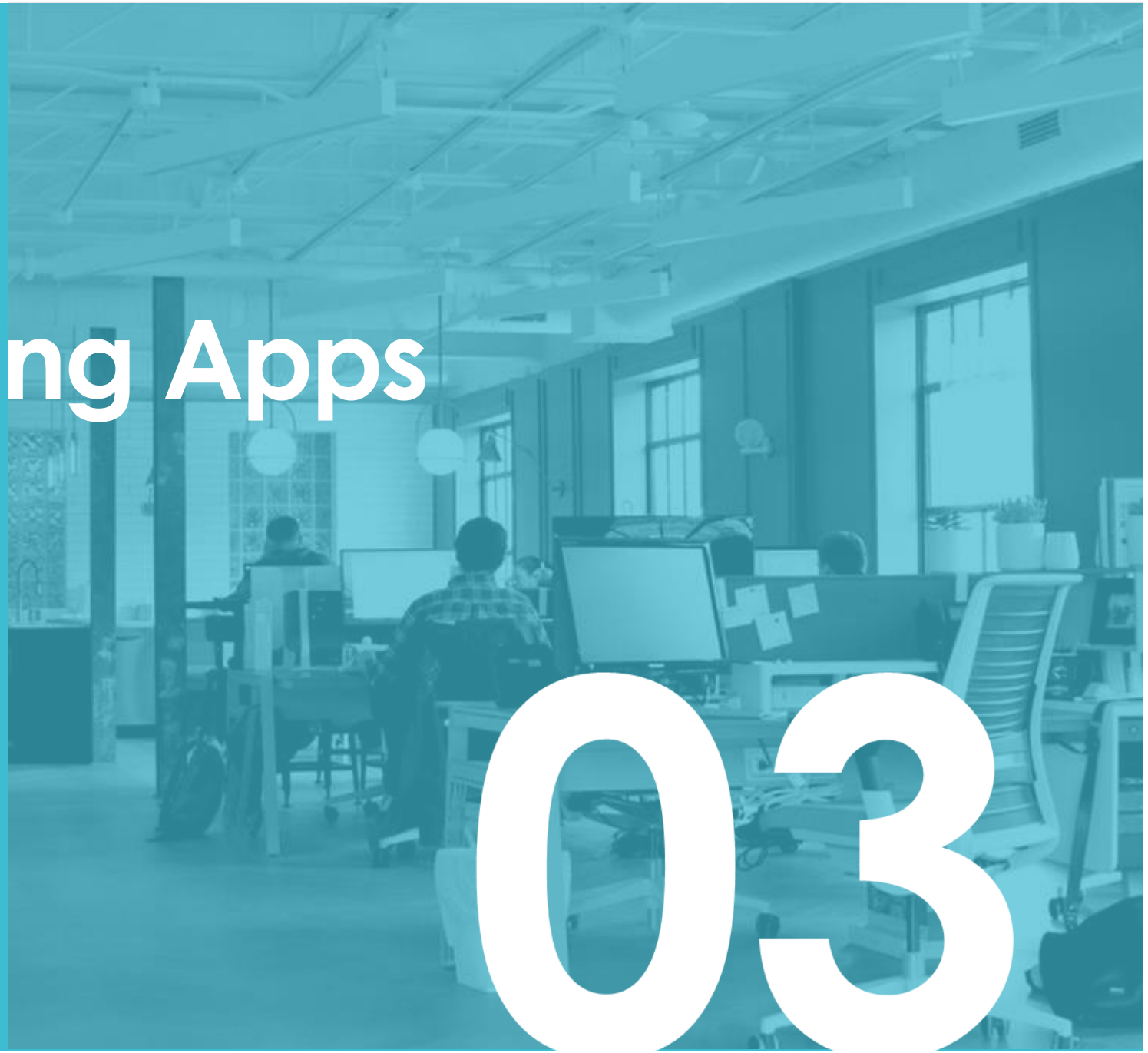
Sainsbury's live well for less SmartShop

- Launched in 2018 with limited uptake
- App store ranking rose from 1360 to 29 between 3rd March and 10th April

MODIFACE L'ORÉAL

- Acquired 2018
- AR allows customers to virtually try makeup and hair dye
- 80% of 2019 beauty sales were in store – opportunity to diversify

Contact Tracing Apps



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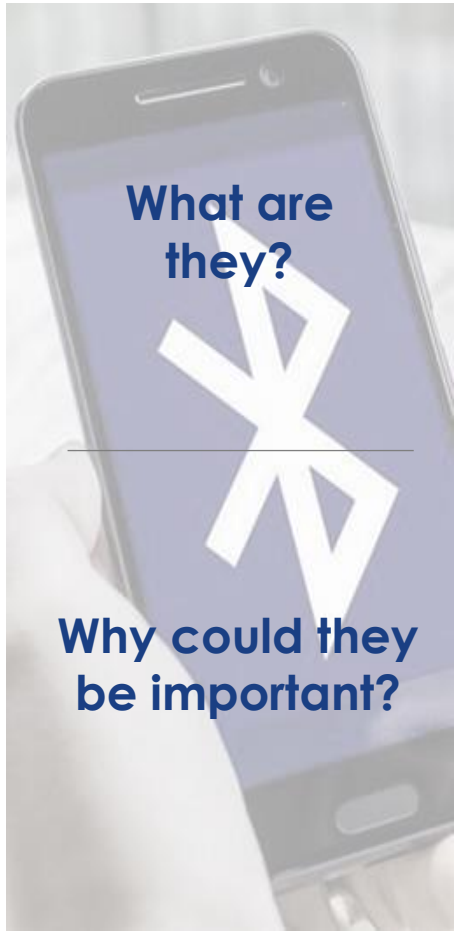
Contact tracing apps: background

Contact Tracing Apps



What are they?

Why could they be important?

Apps that monitor user location, alerting the user when they have come into close proximity with someone who starts displaying COVID-19 symptoms

They have been credited as a contributor to the relatively low infection rates in countries like Singapore, where they have been used alongside extensive testing

Contact tracing apps could be used alongside other measures/ release of parts of a population to normal activity

This could reduce the chance that resumption that lockdown relaxation could lead to a second wave

Contact tracing apps: existing solutions

Contact Tracing Apps

Two example solutions that are already up and running:

TraceTogether

- Singapore
- 1.1m users (~20% population)

HaMagen "The Shield"

- Israel
- 1.5m+ users (>17% population)

	TraceTogether	HaMagen "The Shield"
Traces via:	Bluetooth	GPS & SSID
Participation:	Opt-in	
Data storage:	Only on phone	
COVID reporting:	Asks user to share data if symptomatic	Asks user to get in touch if app notifies of contact with a case

Other countries with apps/ apps under development:

Europe:

ROW:

US-wide app unlikely due to privacy concerns, but some states are reportedly investigating apps

There is evidence that contact tracing could work in the UK too

Contact Tracing Apps

Tech enabler: Google/Apple collaboration?

Announced partnership aims to deliver an interoperable API to feed into other apps in mid-May

Will enable a single third party app to use Bluetooth signals across both Apple and Android devices to contact trace

Potentially effective:

Oxford University modelling shows that a contact tracing app holds potential as an exit strategy, not just a strategy to prevent outbreak onset

"Our models show we can stop the epidemic if approximately 60% of the population use the app"
Oxford University Professor working with NHSX*

Good uptake potential:

Surveys suggest uptake could be over 80% in the UK*

*Source: https://045.medsci.ox.ac.uk/for-media

Some business leaders and scientists remain unconvinced

Contact Tracing Apps

Will people abuse the system?

"There are huge risks of abuse of a system like this. Leaving your phone at home for example"
Director, Technology Sector

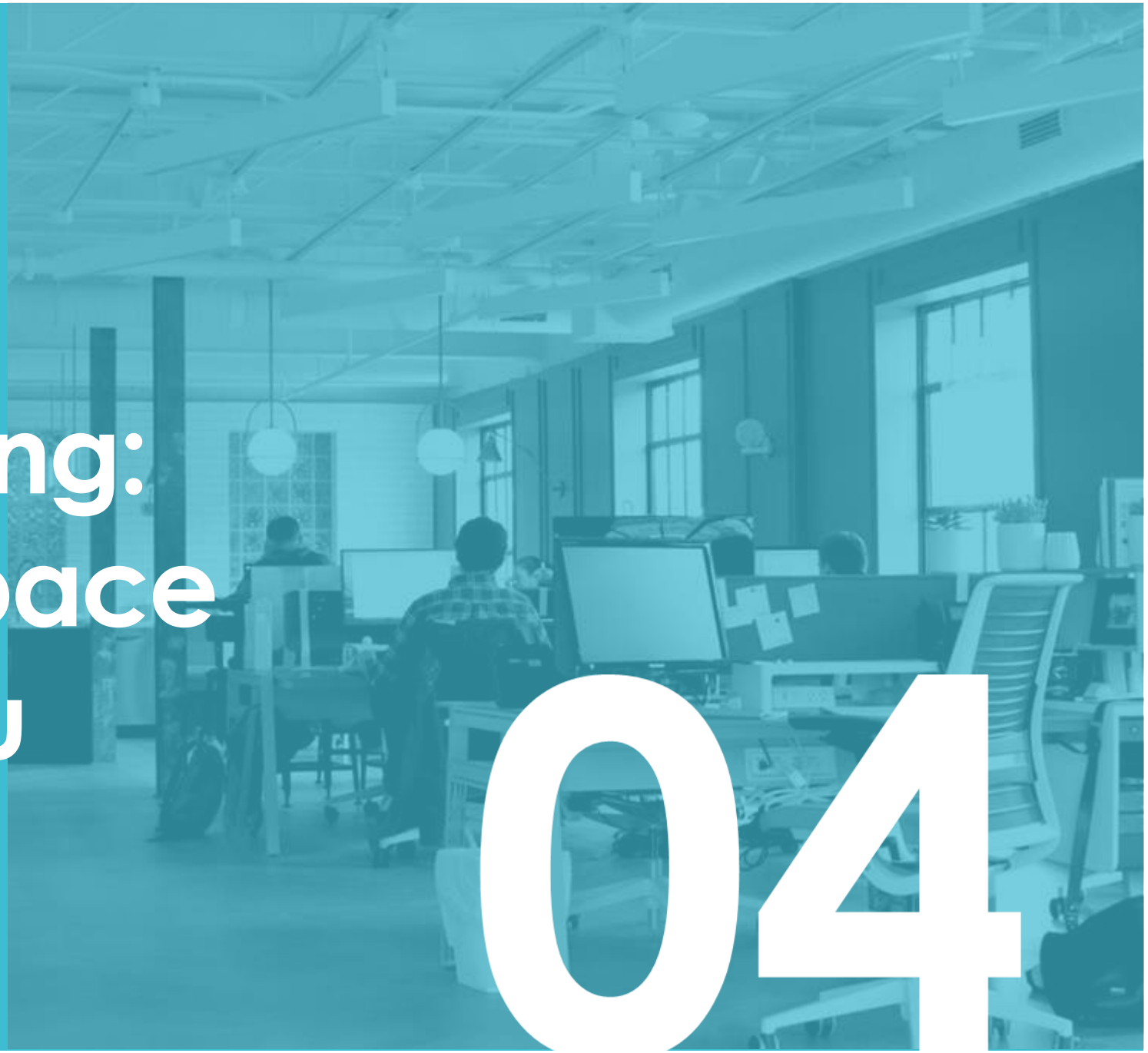
What about privacy concerns?

"The obvious issue is privacy concerns. In the UK, the brand equity of the NHS might just help"
Director, Technology Sector

Does it really work as an exit strategy?

"Contact tracing is very interesting when the number of people who are infectious is down in the hundreds or maybe a thousand"
CEO, ZOE (via webinar)

Action Planning: How White Space Can Help You



04

We're actively helping companies adapt their offerings and business models

Projects we're currently working on:

Financial services: how does Covid-19 impact on our decision to enter a new country? Should we now take a different approach?

Healthcare: what offering and support can we provide to care homes to help them operate under the pressure of Covid-19?

Manufacturing: does Covid-19 increase demand for one of our core products? How could we increase capacity in safe and flexible way?

We combine:

Market insight: understanding customer needs and expectations is critically important right now – this has been our core competency for the last 15 years

+

Action planning: we use facilitation and scenario planning to create actionable roadmaps and decision making tools

Benefits: market-led solutions which are appropriate and safe to deliver

Appendix: About White Space Strategy

05

WHAT WE DO:

We unlock growth in complex markets…

WE OFFER:

Market Strategy

- New Revenue Identification
- Market Analysis
- Proposition Development
- Go to Market Strategy

Investment Decision Support

- M&A
- Capital Allocation

Next-Gen Growth Planning

- Emerging Opportunity Analysis

UNDERPINNED BY:

Proprietary Research

World Class Analytics

Creative Thinking

Deep Market Understanding

WE DELIVER:

Better, quicker and more creative decisions on growth

WE WORK FOR ESTABLISHED BRANDS AND FAST GROWTH VENTURES

ENERGY AND UTILITIES	centrica Centrica Innovations	drax	EDF ENERGY	npower	Thames Water
FINANCIAL SERVICES		FOREX.com	LLOYDS BANKING GROUP	experian	Close Brothers Modern Merchant Banking
MANUFACTURING	SAMSUNG	Unilever	CISCO	DS Smith	Panasonic BUSINESS
CONSTRUCTION AND FM	BOUYGUES CONSTRUCTION	mitie	CBRE	clancydocwra	amey
AUTOMOTIVE AND MOBILITY	hey car	zipcar		VOLVO	localz
HEALTH	Nuffield Health	HAVERSTOCK HEALTHCARE	NHS	OWEN MUMFORD	Simplyhealth

WHAT OUR CLIENTS THINK OF US

Local Heroes A British Gas innovation

"White Space contributed to a new way of thinking about the home services market. Their analysis was well grounded in theory, but at the same time was brutally practical"

Mat Moakes, Head of Local Heroes

Unilever Food Solutions

"It was a pleasure working with White Space. They have a refreshing approach, coming with concrete examples & recommendations. Great ability to keep things simple"

Chief Financial Officer, Unilever Food Solutions

SAMSUNG

"All the intellectual capability of McKinsey or Bain, without the cost or arrogance. That's rare. They'll tell me if I'm being unreasonable. And they'll listen to other ideas. It's a two-way relationship"

Strategy and Transformation Director, Samsung

DS Smith

"Bright, approachable people who elevate the quality of the decisions I make. They can handle lots of data, find insights and present me with a simple set of conclusions. They take on very difficult problems, and solve them with a minimum of fuss and bull"

Group Head of Strategy, DS Smith

CLIENT SATISFACTION = 9.1 / 10 | NPS = +74