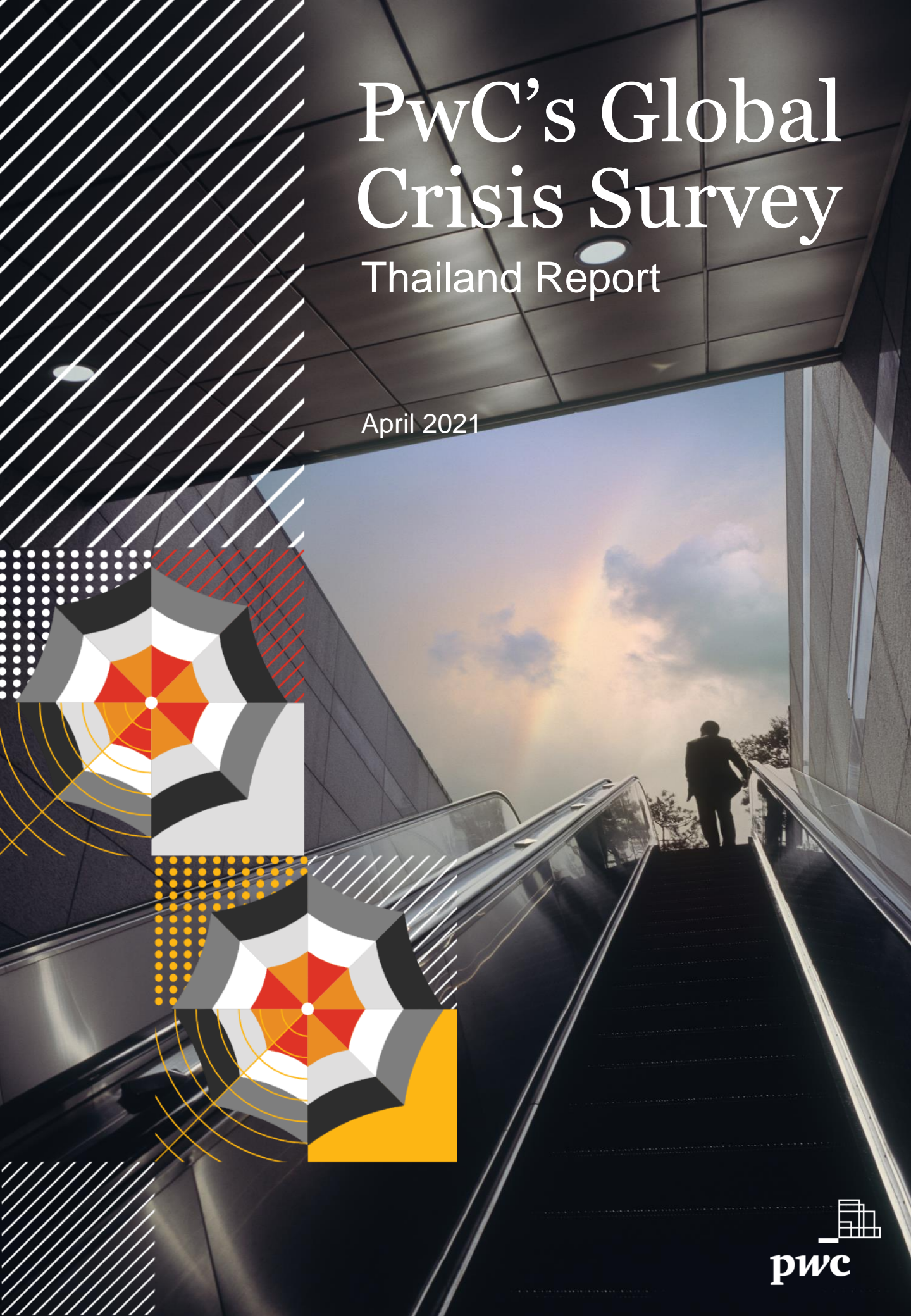


PwC's Global Crisis Survey

Thailand Report

April 2021



Foreword + Executive Summary

Building resilience for the next normal

PwC Thailand's Global Crisis Survey 2021 examines Thailand's business community's response to the most disruptive global crisis of our lifetime, the COVID-19 pandemic. Discover Thai companies' responses, what they've learned and how they're preparing for what's next.

In this report, we look at Thailand's experience and compare results with those of the Global Crisis Survey to see how Thailand companies fared in relation to the global context.

The challenge of crisis management is not to predict or measure every possible incident that could impact your business. Rather, as we move away from 2020, organisations should recognise and prepare for the inevitability and unpredictability of disruption. Businesses that prioritise and invest in building a foundation of resilience to manage disruption will be better positioned to weather what comes next.

Between 20 August 2020 and 25 January 2021, 52 Thai and international executive management respondents shared company data and personal insights on the impact of the crisis. Representing 29 industries, their observations provide a picture of the tactics, tools and processes put in place to face the crisis, and what's worked, what hasn't, and why.

More than 80% of Thailand respondents said their business was negatively impacted by the crisis. Thailand's results generally align with global results where a high majority of respondents (73%) were negatively affected, and a minority (20%) saw some change for the better. In terms of the impact on aspects of their organisation, both global and Thailand respondents ranked operation and supply chain as the most affected.



Foreword + Executive Summary

Key steps for building organisational resilience

Organisational resilience is the ability to define opportunities, emerge stronger from crisis and prepare for the next disruption.

1. Define a crisis response strategy and plan.

To define this plan, organisations must identify threats considering both internal and external factors. Successful organisations determine short- and long-term plans and prioritise activities that most effectively handle crisis. This allows proactive and quick decision-making to help secure business continuity.

2. Designate a dedicated crisis response team to lead the crisis response.

Having a dedicated team to carry out the plan makes it possible to have a more consistent and comprehensive delivery.

3. Collaborate with key stakeholders in decision-making.

Collaborating with key stakeholders, both internal and external, help to manage a crisis by bringing a wider view to the table to create innovative and comprehensive solutions. It also allows the internal team to adapt quickly and keep operations moving.

4. Regularly review the crisis response plan and update corporate strategy.

You will never know the effectiveness of your response plan without regular reviews. Scrutinising the plan and keeping it up to date with current circumstances are key to preparing for the next disruption. Doing so mitigates the impact of the next disruption with the aim to keep operations running.



Who took the Thailand survey?

84%

of Thai respondents said their organisation was negatively impacted by COVID-19.

Thailand respondents this year total 52 and the global total is 2,814 from 73 countries. Just over half of Thailand's respondents (52%) are from the industrial manufacturing and automotive industry. The second largest response rate is from the consumer markets industry.

Almost half of respondents (43%) are C-Suite and almost one-third are department heads. Around 75% are involved in crisis management and business continuity management.



2,814

global respondents



52

Thai respondents

43%

of respondents are C-Suite



30%

of respondents are department heads

52%



are from the industrial manufacturing and automotive industry

13%

are from the consumer markets industry

75%



are involved in crisis management and business continuity management

COVID-19 impact on Thai organisations

Thailand respondents put

operations and supply chain, workforce and finance and liquidity

as the areas most impacted by COVID-19.

27%

said their financial position was worse off than it was pre-COVID.

87%



Operations and supply chain

A high majority Thai respondents said that COVID-19 caused the biggest disruption to operations and supply chains.

This isn't surprising as half the respondents are in manufacturing. COVID-19 transport restrictions disrupted production plans as some materials couldn't be imported for production.

Another 13% of the respondents are in consumer markets, for which delivery and supply chains are integral to operations.

79%



Workforce

Workforce was ranked the second most affected by COVID-19.

Managing human resources to align with business needs became much more difficult during lockdowns.

For the industrial sector in particular, managing human resources becomes even trickier as production runs through the night.

69%



Finance and liquidity

Many Thai businesses faced finance and liquidity problems, and 27% said their company's financial position was worse off than it was pre-COVID-19.

As goods import-export and service delivery are integral to business, this relates to the impact on operations and supply chains for both industrial and commercial companies.

Another factor was cash and assets preservation to align with the demand shrinkage.

New ways of working and operating

Employee well-being

85%

said that protecting employees was part of their crisis response.

A high majority of Thai respondents said that their crisis response included protecting their employees. Working from home, safety protocols and other health and safety initiatives are all measures taken to keep employees mentally and physically healthy.

Working remotely

Respondent's areas of change to support remote working

50%

IT infrastructure

46%

company operations

Some companies changed IT infrastructure and company operations to support working remotely. The majority of Thai respondents agreed that employees have so far been willing to adapt to technology to work from home.

However, nearly half of respondents (44%) neither agree nor disagree that their organisations have the right technology to maintain business continuity. For example, some small companies couldn't allow their employees to work from home as there was no remote VPN connection. This is different from the global response rate, where the majority said their organisations have the right technology to maintain business continuity.

New ways of working and operating

Improved communication with stakeholders

Most of the Thai respondents said they improved their capabilities for communicating with employees and external parties. Remote working and lockdown removed in-person discussions, so systems had to be evolved to keep employees, customers, suppliers and other stakeholders in the know.

90% improved capabilities for communicating with employees

70% improved their capabilities for communicating with external parties

Preparedness

Most Thailand respondents believe their organisations have been well prepared to deal with COVID-19. They also believe that they leveraged pre-crisis planning to respond to the crisis, and that they can learn from their COVID-19 response.

leveraged pre-crisis planning to respond to the crisis

88% can learn from their response

73%



Handling the crisis

Steps upon realising the impact of the COVID-19 crisis

For actions taken to handle the COVID-19 crisis, a slight majority of Thai respondents (52%) said they had improved remote working capabilities. The Thailand Government imposed a lockdown, so the companies allowed employees to work from home as a protection measure.

Another common action at 42% was to defer investments to manage liquidity. Travel disruption and lockdowns in many countries impacted the supply chain, which greatly hampered production. So many Thai companies preserved cash and assets.

Half of Thai respondents said they launched their crisis response plan to respond to COVID-19. But 46% didn't reach out to external parties for support. Globally, only 21% of respondents said they didn't seek external support.

The external support areas rated highest for both Thai and global respondents were health and safety, government contacts and human resources.

Outside advice helps make sure the crisis response plan addresses all issues and steps for crisis remediation. This includes tracking employee productivity while working from home.



Thailand: 46%

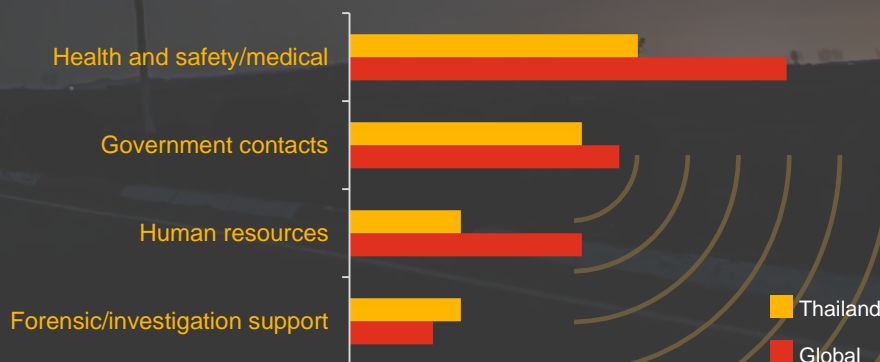
did not seek advice from external parties



Global: 21%

did not seek advice from external parties

Areas for which organisations sought external support



52%

improved their ability to conduct operations remotely.

Global result: **65%**

42%

implemented new technologies

Global result: **55%**

42%

deferred investments

Global result: **36%**

21%

modified communications and stakeholder engagement

Global result: **38%**



Pre-crisis preparedness, future planning

63%

had a BCP prior to COVID-19

31%

have a designated crisis-response team

Pre-crisis preparedness

Most Thai respondents (63%) said they had a business continuity plan (BCP) in place prior to COVID-19, but only 31% said they had a designated crisis-response team.

Without a crisis-response team overseeing execution of the BCP, the plan may not be well managed. If the public learns that the crisis response wasn't carried out appropriately, it impacts consumer and stakeholder trust.

Looking to the future

And although COVID-19 negatively impacted most respondent organisations, more than half of the respondents said they haven't assessed the impact on long-term strategies. The global response rate is much lower at only 15%.

In fact, 42% of global respondents have dedicated teams responsible for assessing the impact, and 40% said that their companies have an informal understanding of who is responsible. By comparison, only 21% of Thailand's respondents said they have a dedicated team, and 23% said they know informally who is responsible.

52%

haven't assessed the impact of COVID-19 on long-term strategies

Aftermath risks of new or updated remote-working systems

Compared to global results, Thai respondents had a more positive view of their preparedness for and ability to deal with the crisis.

63%

thought their organisation was well prepared to deal with COVID-19, which is in line with global results.

But more Thailand respondents, 88%, were positive about their ability to leverage pre-crisis planning to respond to COVID-19, compared to the global 65%. In fact, 44% of Thailand respondents strongly agreed that they were able to do this, while 21% of global respondents did.

Although many respondents feel they were well prepared, there are aftermath risks to address now.

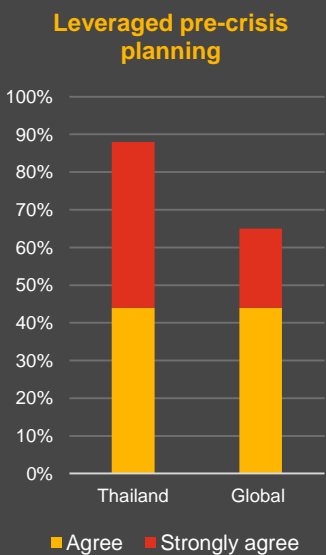


Fraud through new or updated remote-working systems

The most common action Thai companies said they took upon recognising that COVID-19 might have a major impact was to improve the ability to conduct operations remotely.

It's important to check the strength of remote-working updates and to strengthen monitoring activities.

New systems that aren't strengthened pose a big risk of attack agents breaching security. This can come through sending phishing emails to employees to trick them into giving away security information. This could allow attack agents to access company information to commit fraud, damage data and systems and access client accounts. It also opens opportunities for internal fraud if employees are able to find system weaknesses.



88%

of Thai respondents said they were able to leverage pre-crisis planning to respond to COVID-19.

Global result: 65%

Changes in response to the crisis

Only 17% of respondents said they'd made changes in relation to operational and supply chain resilience. But nearly half said they plan to make a change.

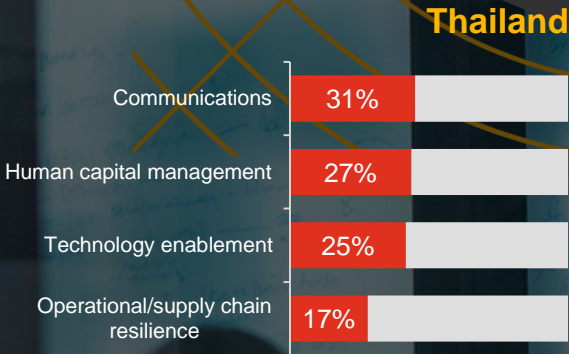
44%
plan to make changes to improve operational and supply chain resilience

Based on what Thai respondents learned and experienced from the crisis, the highest rates of change to corporate strategy were to

Communications
31%

Human capital management
27%

Technology enablement
25%



■ Change to corporate strategy has been made
■ Planning to make a change to our corporate strategy



Post-crisis review: learning the lessons

Reviewing crisis plans helps companies improve their response to future crises

Thai respondents had a more positive view of their preparedness for and ability to deal with COVID-19 than their global counterparts. But a quarter of Thai respondents will not conduct an 'after action' review or crisis incident lessons learned process for future incidents, and 29% are unsure if they will do so. Insufficient review of crisis plans could impair companies' ability to respond to crisis. Reviewing and updating the crisis plan helps to improve response to future crises. Assessment results of crisis-response performance can be applied to improve response plans, policies and procedures.

Thailand's results contrast with global results, where 69% of respondents have already conducted an 'after action' review or crisis incident lessons learned process for incidents. Global respondents reported that the reason for this was that a crisis similar to the pandemic has a wide reaching impact that affects many areas of business.

Assessing how a crisis impacts corporate strategy helps companies to build resilience

Assessment of the crisis impact on corporate strategy and identifying root causes can help to manage future crises better. Responding to a crisis properly can transform a negative situation into a positive result.

Thai companies have some way to go to achieve this with 24% saying they have not assessed long-term threats and their impact on corporate strategy. This is despite over three-quarters of Thai respondents saying their company changed its corporate strategy due to COVID-19.

Global respondents have been more proactive with almost two-thirds having assessed the long-term threats to corporate strategy.





Crisis management: preparing for the future

Pre-crisis preparedness

Organisational resilience is the ability to persevere through disruption and crises, and to use lessons learned to take advantage of new possibilities.

If a company can anticipate, prepare for and respond to significant disruptions during a crisis, this can help the company to survive and continue to run its business.

Only 11% of global respondents haven't addressed preparing for and responding to significant changes to their organisation. But more than a quarter of Thai respondents have not addressed the value of organisation resilience. This is because many Thailand companies are not sure if they have the ability to collect and monitor progress of lessons learned across their organisation.

Thai companies may not have appropriate crisis management plans in place as the survey results show that many have not assessed COVID-19's long-term impact on business or performed an 'after action' review.

Thai respondents are concerned that their organisations will face marketing disruption (45%) and natural disasters (41%) in the future. As a crisis can happen without notice, having a crisis management plan in place helps companies to ensure that they can appropriately prepare for, respond to and remediate a crisis without a large impact on corporate strategy.



27%

have not
addressed
the value of
organisation
resilience

45%

unsure of ability to
collect and monitor
progress of lessons
learned

Crisis response and management

The enterprise-wide strategy formalising how an organisation will manage, respond to and position themselves to emerge stronger from a crisis.



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