CIO's Pragmatic Immediate and Short-Term IT Reactions to Coronavirus Crisis (1/2)

Phase 1 – Immediate Actions - Current Focus of IT reacting to Coronavirus Crisis

Potential Business Impacts	
	• High **absence rate** and **reduced employee productivity** • Increased **remote working** and **travel restrictions** • Threat of **supply chain disruptions**

Key IT Objectives	
	• **Stabilize** and keep business going • Provide **working from home infrastructure** • **Mitigate additional IT-related risks** due to Coronavirus

Examples of Pragmatic IT Initiatives

1 Assess **mission critical IT resources and IT infrastructure** components
- Identify components of the IT landscape that are currently most important for business continuity and focus support activities accordingly (e.g. web shop, call centers, consumer-facing apps, user help desk, VPN gateways) – be prepared for high online traffic and transaction volumes!
- Conduct workforce planning to assess absence risks and address IT staffing gaps (e.g. by hiring freelancers). Move workforce capacity from "Build/Grow" to "Run/Keep the lights on" where possible.
- Consider to separate critical IT employees (e.g. two internal cybersecurity specialists sitting in the same room) and to implement work zones
- Consider to provide specific support to mission critical business employees (e.g. core corporate functions).

2 Provide sufficient **Remote Working infrastructure**
- Sufficient VPN connections and networks with sufficient capacity / bandwidth to handle increased traffic (inbound and outbound!)
- Remote access tools and remote support tools (e.g. Citrix, Teamviewer) - check licensing requirements!
- Decentral hardware for remote workers (e.g. laptops, headsets, 4G modems) including options to use employee private hardware (BYOD – Bring your own device - precautions should be in place, additional security tools might be required!).
- Collaboration Tools (e.g. MS Teams, Slack, Zoom, Skype) – agree on unified tools and check licensing requirements!
- Web and Video conferencing Tools (common internal system plus specific providers for collaboration with key partners / in key regions like Asia if required)
- Enable company crisis communication (e.g. intranet resource center as single source of company information/guidelines for employees for travel guidance, remote work guidelines/tools and company announcements, live streaming of company executive's announcements, virtual town hall meetings).
- Identify mission critical shadow IT systems that are risky and unsupported due to absence of its users – prevent new shadow IT and re-integrate existing ones if possible.

3 Review **cybersecurity** precaution
- Review and improve Identity and Access Management especially for key applications like ERP and software development (e.g. implementation of multifactor authentication).
- Review and improve endpoint security management and policies (e.g. frequent patches for critical systems, complex password policy).
- Identify high-risk users and communicate regarding specific threats in remote environment like phishing scams and social engineering.
- As web-facing traffic grows be prepared for increased denial of service attacks and fraud cases.

IT-Turnaround

CIO's Pragmatic Immediate and Short-Term IT Reactions to Coronavirus Crisis (2/2)

Phase 2 – __Short term__ IT reactions to Coronavirus Crisis

Potential Business Impacts	• **Declining sales** volumes • Threat of **company illiquidity** • Potential **business model disruptions**
Key IT Objectives	• Prepare IT for **tough times with declining economy** • Build **lean IT with flexible / scalable** building blocks • **Adopt to "new normal"** after Coronavirus crisis

Examples of Pragmatic IT Initiatives

1 Review existing plans for **Business Continuity and Disaster Recovery**
- Review whether existing plans proved to be resilient or need to be improved. Include "global pandemic scenario" in DR test procedures.
- Review ability to survive in times with disrupted supply chains at IT vendors (e.g. spare parts and spare hardware systems).
- Check where the absence of IT employees caused problems and mitigate (e.g. critical IT infrastructure components that require on-site support).

2 Review **IT budget and reduce cash burn rate**
- It appears very likely that numerous companies will be forced to reduce G&A costs like IT due to the crisis situation – CIOs should be prepared to re-calculate their IT budgets based on lower service levels, less external support and increased efficiency.
- Review large-volume IT contracts and identify options for renegotiations via reduced consumption, lower service levels and/or price benchmarks.
- Review external IT workforce / Freelancers whether still required or replaceable by internal workforce.

3 **Streamline IT project portfolio**
- IT project portfolios should be reviewed regarding business case and short-term improvement potential of single projects. Consider to reprioritize discretionary projects with focus on short or near-term value add and operational support, e.g. regarding improving digital channels.
- Discontinuing or descoping of selected projects can help to focus on those that add the most value or reduce costs.

4 Continue to build **scalable / on-demand IT infrastructure** and **remote working environments**
- Accelerate move-to-cloud / on-demand initiatives in order to improve scalability and cost efficiency of IT operations.
- Adopt to increasing remote working by providing flexible work arrangements (e.g. digital workplace strategy with unified/standard collaboration tools, sophisticated cybersecurity controls, flexible and secure BYOD programs and scalable network support).

5 Support **change of business models**
- Develop scenarios with business leaders regarding IT enabled business models - and their potential consequences for IT. E.g. move from B2B to B2C distribution as it t appears very likely that digital channels will become even more important after Coronavirus crisis (e.g. German Automotive manufactures plan to increase direct sales as already done by Tesla). Further, consumers currently are getting increasingly familiar with e-commerce services like home delivery and online sales which might continue also post-crisis.

IT-Turnaround