

PwC's Global Crisis Survey 2021: India insights

September 2021





Charting a resilience roadmap

The responses of India's business leaders were largely in line with the overall results of PwC's Global Crisis Survey 2021, showing only minor areas of significant divergence in views and insights.

93%

of organisations have a shared vision and purpose for their response to the crisis.

90%

of business leaders reported that technology facilitated the coordination of their organisation's crisis response team.

83%

of organisations said their clients and external stakeholders have been willing to adapt to new technologies.

90%

of organisations said they felt prepared to assess the long-term threats of the crisis and implications for corporate strategy.

14%

of organisations did not have a crisis response plan, business continuity plan or pandemic plan in place prior to the COVID-19 crisis.

16%

of business leaders said their organisation did not seek external assistance during the crisis.

91%

said that their response to the crisis took into account the physical and emotional needs of their employees.

84%

of organisations experienced secondary crises during the COVID-19 pandemic, including financial damage and supply chain issues.

38%

of business leaders believe they may face a global health pandemic in the future.

32%

of business leaders believe they may face a natural disaster or environmental disaster in the future.

89%

of business leaders said they are proud of how their organisation has responded to the crisis.

Although the COVID-19 pandemic has unfolded with varying severity and impact around the world, the global business community's response to the crisis underscores the importance of a core of organisational resilience for a robust, effective response to disruption – and for succeeding in today's still-uncertain landscape.

TOP 3

areas for corporate strategy changes in the works for Indian companies, based on what they've learned during the crisis:

1

Communications

92%

2

Technology

91%

3

Operational resilience

87%

TOP 3

areas identified by Indian organisations for change or transformation as a result of the pandemic:

1

IT infrastructure

88%

2

Operations

89%

3

Workforce morale

88%

What has been the impact on your organisation? Indian companies experienced “significant” or “critical” impact in these top three areas:

1

Operations and supply chain

60%

2

Finance and liquidity

53%

3

Workforce

52%

What India's business leaders plan to prioritise: Information security tops the list at **35%**, with enterprise risk management as the next-most important area.

More than **80%** of India business leaders have already invested in technology as a result of the pandemic.

In India, business leaders are substantially more confident than global leaders about their ability to evaluate the lessons of the pandemic and put them into action: **92%** of India organisations said they were “confident” vs. just **75%** of global leaders.



Foreword

We are pleased to launch PwC's Global Crisis Survey 2021: India insights, an after-action report exploring how the business community has responded to the unprecedented disruption caused by the COVID-19 pandemic.

Two major findings emerged from our survey: 59% of Indian companies admitted that their business was negatively impacted by the crisis as against 73% globally; 94% of India business leaders reported that their crisis management capabilities need improvement as against 95% globally.

The need to build lasting organisational resilience has never been more imperative. As India and countries around the world begin to emerge from the pandemic, business leaders are evaluating what they have learned and are examining how they can apply this knowledge to gain competitive advantage.

But just as critically, business leaders in India are thinking about what they need to do to prepare for the next disruption because if the pandemic era has taught us anything, it is that our country must be ready to respond to all eventualities.

Emerging stronger from disruption depends upon having a solid core of resilience at the heart of your organisation. The Indian businesses that have survived and even thrived, through this period have several significant foundational strengths in common:

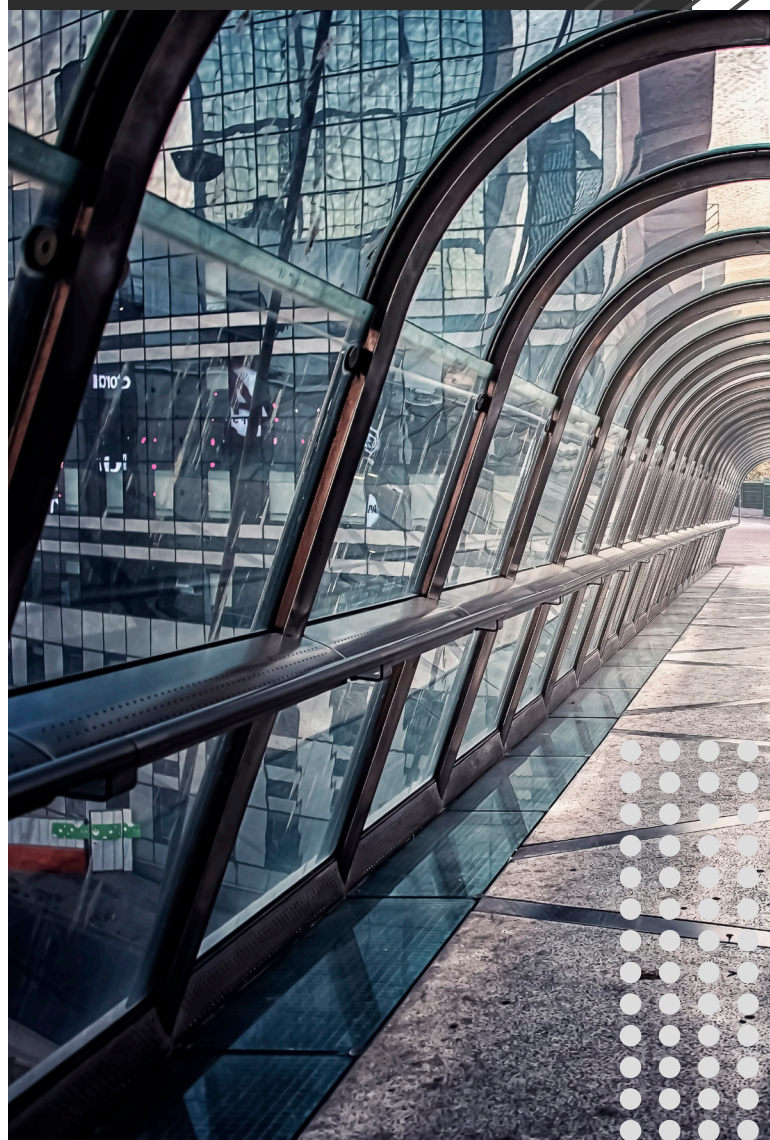
- a dedicated crisis response team with a fit-for-purpose response strategy, aligned to their organisation's goals and purpose
- a response plan that can flex to address various contingencies and types of crises
- a senior leader who sponsors their resilience programme, champions funding and guides resources.

At the core of a successful business lies a culture that fosters agility, values grit, and encourages and celebrates empathy and understanding.

As we continue the journey through this unprecedented period of disruption, these are the traits that will determine success in India and around the world.

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Voices of India's business leaders

‘The foremost action taken by our organisation in response to COVID-19 is [putting] the security of our employees before the profit of the organisation.’

— *Manager of a technology company*

‘Be prepared for any uncertainty, anytime, with complete readiness of teams and stakeholders.’

— *CIO of a technology company*

‘Constant communication, the implementation of new ideas and technology, and resilience.’

— *CEO of an engineering and construction company*

‘We helped employees manage anxiety, and maintained total transparency about the challenges the company is facing. We have taken our people along on every step, and learned how to face these challenges together.’

— *CEO of a pharmaceuticals and life sciences company*

‘Stay nimble and agile, and keep the morale of employees high. Stay close to customers.’

— *CEO of an insurance company*

About the survey

About PwC's Global Crisis Survey 2021

More than 2,800 business leaders around the world shared company data and personal insights into the impact of the COVID-19 pandemic and the future of enterprise resilience. Representing 73 countries and 29 industries, their observations create a compelling portrait of the tactics, tools and processes organisations put in place, of what has worked, what has not and why. With 99 respondents representing Indian organisations, our report offers an analysis of how our business community is responding and how leaders are applying the lessons of this era to prepare for the next disruption.

Charting a resilience roadmap. Are you ready for what's next?

PwC's Global Crisis Survey 2021 examines the business community's response to the most disruptive crisis of our lifetime: the COVID-19 pandemic. Find out how Indian companies reacted, what they have learned and how they are preparing for the next disruption.

More than halfway through 2021, resilience remains the theme of the business world. In India and around the world, multiple crises are ongoing, from the pandemic's public health and economic impact to social upheaval and climate change-fuelled disasters. Organisations have experienced an

accelerated, involuntary journey of adaptation and endurance during the most devastating era many of us have ever encountered.

But the flexibility and grit demanded by the crisis have helped leaders learn pivotal lessons, and the crisis has certainly revealed new business imperatives and opportunities.

Looking ahead, organisations that apply their freshly minted muscle memory to rethink, reconfigure and reinvent the future are the ones that will thrive. And the good news? After experiencing this disruption, you know more than you think.

59%

of India respondents said their organisation was negatively impacted by the crisis

35%

said they're in a better place today than before the start of the pandemic

Key takeaways

Prepare: The imperative in an era of disruption

1.

Organisations with a strategic crisis response plan can mobilise swiftly, stabilise business operations and respond effectively to the shockwaves of disruption.

86%

of Indian organisations with a crisis response plan said that it was relevant to their pandemic response

Two years ago, when PwC's first Global Crisis Survey analysed data from business leaders around the world, more than 95% of global respondents said they expected to experience a crisis within the next two years.

When the scope of the pandemic and its shockwaves started to become evident in early 2020, most Indian businesses were prepared: More than two-thirds of India's organisations had a designated crisis response plan in place. And a robust 86% of those business leaders said their plan was "relevant" in informing how they dealt with the disruption.

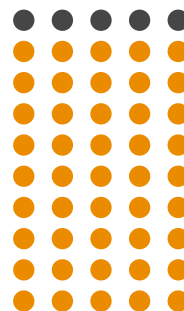
In contrast, only 56 global respondents said their plan was "relevant", which underscores the need for organisations to design their plans to be crisis-agnostic – a hallmark of a resilient organisation.

However, crisis begets crisis, as many of India's business leaders have learned. Secondary crises hit 84% of the country's organisations. Financial damage and supply chain issues were reported as the most common, with marketplace and operational disruption next in the order of crises.

What should Indian businesses do to prepare for the next inevitable disruption?

- Designate a crisis response team. When a crisis hits, your team can mobilise and adapt quickly, execute a plan which has been tested and refined, and keep your critical operations moving.
- Design a crisis response plan aligned to your strategy, goals and purpose. A clearly delineated crisis strategy signals the importance of moving beyond a check-the-box plan. And your team will understand the why of your plan as integral to your organisational vision and purpose.
- Build an integrated resilience programme. Review and refine your response in real-time and in after-action assessments. Incorporate what you're learning so that you emerge stronger from this crisis – ready for what comes next.
- Embed advanced technology, digitisation and automation into your strategic plan. Indian organisations are already moving in this direction, with 80% having invested in technology enhancements. Business leaders intend to prioritise the corresponding need for improved cyber security and stronger governance: Information security and privacy management topped the list of resilience-function enhancements.

"Technology has facilitated the coordination of my organisation's crisis response team."



91%

of Indian organisations agree (46% of them strongly agree)

Reconfigure resilience as an enterprise capability

2.

Break down silos: An integrated response is essential to executing a successful crisis management programme and to building resilience.

Before the COVID-19 pandemic upended lives and businesses worldwide, resilience planning was treated by many organisations as a bit of a spreadsheet exercise: 'Crisis plan. Business continuity plan. Check, check.'

That approach left a lot of businesses vulnerable when the crisis hit. Structured in silos, resilience competencies and response teams were disjointed and ill-equipped to coordinate the tactics, tools and technologies needed for an effective strategic response.

Business leaders are recognising that a foundation of resilience can make the difference between faltering or flourishing — during a shock or in good times. In the coming era, they have an opportunity to rethink opportunities for the future.

And the outlook is positive: In **PwC's 24th Annual Global CEO Survey**, a record-high 88% of India CEOs believe global economic growth will improve in 2021.

That optimism aligns with the Global Crisis Survey data which reveals that three out of four companies are confident they can successfully integrate what they've learned through the crisis and invigorate their organisational resilience.

Building resilience into your organisational DNA requires addressing it as a priority – not as a 'nice to have' or a back-up plan in case of an emergency. Resilience is foundational to how an organisation weathers disruption and creates new opportunities in peace time.

Bottom line: Examine your existing resilience landscape. Think holistically about how to build resilience. Focus on integrating your core resilience competencies. And put the spreadsheet back on the shelf.

85%

of Indian organisations said they are planning to increase their investment in building resilience. Among risk officers globally, we are seeing that number trend as high as 9 in 10.

Reimagine: Hold your organisation to a higher standard of resilience

3.

Organisational resilience is critical – not just to succeed, but to survive

What does resilience mean exactly? In simplest terms, it's the ability to bounce back from a crisis or disruption. To persevere. But it's also about being prepared to enable and secure new possibilities.

51%

of India respondents altered their corporate strategy in response to the crisis

72%

of India respondents used a crisis response plan during the pandemic

Where to start?

First, **elevate resilience** within your organisation. Many business leaders have told us that prior to the pandemic, their resilience-focused teams were too far removed from the C-suite. Organisations are now establishing governance at the highest levels: designating a senior leader to sponsor the resilience programme and creating steering committees to guide funding and resources.

Next, examine your resilience strategy, identify gaps and inconsistencies, and design an integrated programme that builds in the right plans, protocols and training programmes. A centralised inventory that houses each component of your programme helps maintain consistency across each function and enables a clear response strategy with each element interacting appropriately.

And finally, foster a culture of resilience. Position and socialise organisational resilience as an umbrella over your core competencies and across your technology and operations, data, workforce and financial domains.

Investing in and shifting your focus to resilience are foundational steps to building strength for the long term. But to succeed and prevail through whatever new disruption may arise, just having a plan on paper isn't sufficient. Given the variety of threats today's business leaders face, it's important to design a built-for-purpose, crisis-agnostic programme with the flexibility to adapt to whatever comes next.

Plan a strategy and resilience programme that delivers on your investment with dividends of crisis preparation, clarity and openness to opportunities.

The main enabler of resilience in today's threat environment: Technology

Data tools and capabilities are critical, particularly as the current hybrid and remote work environments feed the need for clear decision-making channels and fuel the risk of cyberattacks. Globally, **risk leaders plan to invest 28 cents of every dollar in tech** capabilities this year. India's business leaders are also responding: More than 80% have already invested in technology as a result of the pandemic.

A quarter of Indian organisations found it difficult to collect data and information during the crisis. That inability can have an alarming ripple effect. At the most basic level, for instance, companies that didn't have employee home contact information lost valuable time and productivity after the abrupt switch to remote working at the start of the crisis.

Organisations must also address the risk of cyberattacks, cited in **PwC's Global CEO Survey** as the second-most worrisome threat to growth for India CEOs, with 62% saying they are "extremely concerned" about it. With work from home set to continue and the rapid adoption of emerging technologies, organisations have become more vulnerable.

As the CEO of an Indian engineering and construction company stated, "Constant communication, the implementation of new ideas and technology, and resilience" are key.

Learning lessons, finding opportunities

Functional impact

What has been the impact on your organisation? Indian companies experienced “significant” or “critical” impact in these top three areas:

60%

Operations and supply chain

53%

Finance and liquidity

52%

Workforce

A vital ingredient of resilience is the ability to act on what you’ve learned – to internalise the lessons of crisis, mitigate the challenges and capitalise on the opportunities.

In India, business leaders are substantially more confident than global leaders overall in their ability to evaluate the lessons of the pandemic and put them into action: 92% of Indian organisations said they were “confident” vs. just 75% of global leaders.

As for specific resilience functions India’s business leaders plan to prioritise: Information security tops the list at 35%, with enterprise risk management as the next-most important area at 34%, and lastly, cyber security at 31%. Globally, business continuity management is the highest priority at 38%, followed closely by crisis management.

India’s business leaders are not wasting any time getting started. Nearly 60% of respondents said they have already given significant attention to discussing organisational resilience and identified enhancement areas – compared to 30% of global respondents overall. Only 3% of India’s businesses have not yet discussed the value of resilience.

Top three resilience strategy priorities among India respondents:

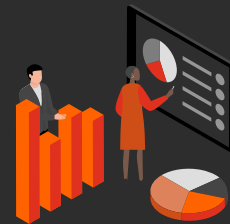
Information security and privacy management

35%



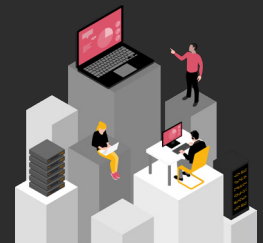
Enterprise risk management

34%



Cyber security

31%



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Then and now

Then

In March 2020, we asked companies what impact they expected COVID to have on their business.

1%

No impact

19%

Limited impact

68%

Significant impact

12%

Critical impact

Now

Later that year, we asked organisations to look back and assess the positive and negative impact.

8%

Significant positive impact

12%

Limited positive impact

6%

No impact

48%

Limited negative impact

25%

Significant negative impact

Source: PwC's Navigator 2020 and PwC's Global Crisis Survey 2021

Emerging stronger from disruption

Some organisations are better off now than before the crisis began. How'd they do it?

Given the ongoing economic and political turbulence as the pandemic stretches on, it might be surprising to find that 20% of Global Crisis Survey respondents said the crisis had a positive impact on their organisation. The reasons are myriad, including sector and region-specific factors. But a crisis can be a powerful catalyst for positive change.

What are those organisations doing differently?

Broadening their approach to risk and crisis, and applying a holistic strategy to organisational resilience by:

- thoroughly examining their response to the crisis
- incorporating insights and lessons learned into their long-term corporate strategy
- actively building muscle memory to strengthen preparation and response capabilities.

At the tactical level, organisations that experienced positive impact share several commonalities. They were significantly more likely to say they had given substantial attention to discussing organisational resilience.

Acting on those discussions is the next step. Not surprisingly, the better-off respondents were more likely to have taken action already on gaps or inconsistencies the crisis uncovered. Overall, two out of five respondents had not yet conducted a full after-action review, but 69% said they will have one in place for the next crisis.

Top three areas identified by Indian organisations for change or transformation as a result of the pandemic:

IT infrastructure
88%



Operations
89%

Workforce morale
88%



Source: PwC's Global Crisis Survey 2021

Another benefit of self-examination? Confidence! Companies that conducted an after-action review were significantly more likely to say they are very confident of their ability to implement lessons learned. On the flip side, only 12% of those who did not conduct a review shared that assuredness.

Every crisis presents its own challenges – particularly a once-in-a-generation disruption. But with clear-eyed self-evaluation and a willingness to change, an organisation can build resilience to weather any kind of crisis and emerge stronger on the other side.

Thriving through disruption

35%

of Indian organisations said the crisis had a positive impact on their business; globally,

20%

of respondents reported a positive impact. Who are they?

Data Driven



How did they do?

Strategic, data-focused and committed to building resilience through training and integrating lessons learned, *Data Driven* organisations emerged from the first part of the pandemic in a better place in terms of:

Financial position

Shareholder value

Marketshare

Trade/global engagement

Operations/supply chain

Brand/reputation

In It Together



How did they do?

Prepared to examine their response to the crisis and attentive to the needs of their people, *In It Together* organisations emerged from the first part of the pandemic in a better place in terms of:

Morale

Diversity and inclusion

Culture

Resilience Pioneers



How did they do?

Innovative, tech-driven and able to adapt to changing conditions, *Resilience Pioneers* emerged from the first part of the pandemic in a better place in terms of:

Technology

Organisational resilience

Third-party risk management

How did they do it?

These organisations were most likely to have:

Established a crisis response plan prior to COVID-19

Sought external support from 'COVID-19 consultants' (management, communications, strategy, tax, human resources)

Significantly altered their corporate strategy

Designated a crisis response team prior to COVID-19

Designated a team focused on the impact of long-term strategy

Established an after-action review or lessons-learned process prior to the pandemic

How did they do it?

These organisations were most likely to have:

Considered the wellness and physical/emotional needs of their employees

Taken a collaborative approach to problem solving

Communicated information regarding change to the organisation

Executed change/transformation, as a result of the pandemic, in areas related to 'people and environment'

How did they do it?

These organisations were most likely to have:

Established a crisis response and business continuity plan prior to the pandemic

Sought external support from 'resilience experts' (forensics/investigations, legal support)

Enhanced technology

How can we get there?

- Crisis planning and preparation
- Forensics
- Crisis strategy and scenario planning
- Crisis response team
- Business resilience

How can we get there?

- After-action review
- Leading in crisis
- Crisis communication
- Simulations and exercises
- Crisis recovery
- Stakeholder mapping and engagement

How can we get there?

- Business continuity
- Crisis preparedness assessment
- Crisis management
- Root cause analysis
- Ready Command

What is the single most important action your organisation has taken so far in its response to COVID-19?

The leading answer by a landslide: focusing on wellness. From moving to remote work and implementing safety protocols to assisting workers financially, organisations put the spotlight on supporting health and safety.

Some industries were hard-hit; others managed to innovate and thrive. Some states, cities and towns have suffered exponentially more upheaval than others.

Overwhelmingly, though, India's business leaders across all sectors said their most consequential move was to protect their teams: 90% agreed (58% strongly) that their response to the crisis took into account the physical and emotional needs of their employees.

To be sure, promoting staff health is good business. As a transportation and logistics company executive put it: **"Once employees understood they were safe and comfortable, productivity zoomed."**

A new personal resilience emerged as people dealt with unprecedented challenges: remote work and school, isolation from friends and extended family, and the endless adjustments, minor and monumental, wrought by the pandemic. That ability to adapt, to manage fundamental shifts in the way we live and work, is at the heart of individual and organisational resilience.

How we fully emerge from the pandemic has yet to be written. But the common thread of organisations focusing on the wellness of their workers should continue when life – as well as business – gets back to normal.



Our employee-first policy boosts morale, resulting in happy, secure employees and a happy, secure customer experience.'

Consumer products and retail HR chief, India

Building resilience

Continuous improvement:

73%

of India organisations conducted a formal after-action review of their response to the pandemic

TOP 5

What action did you take when you realised the pandemic was going to have a major impact?

- 1 Improved ability to conduct business remotely

65%

- 2 Added new supporting technologies (e.g. contact tracing, crisis-notification tools)

60%

- 3 Modified communication and stakeholder engagement processes to deal effectively with the evolving crisis environment

51%

- 4 Accelerated technology transformation and investments to address new remote and security needs

47%

- 5 Instituted temporary headcount reductions (furloughs)

41%

TOP 5

What action are you planning to take now?

- 1 Accelerate transformations in organisational areas identified during the crisis

99%

- 2 Adapt strategy to respond nimbly to major interruptions and implement changes

96%

- 3 Implement after-action review process to assess response to future incidents and crises

89%

- 4 Actively work on increasing resilience in the near future

86%

- 5 Make changes to corporate strategy in response to the pandemic

51%

Is ROI quantifiable in a crisis – even disruption as devastating as the COVID-19 pandemic?

PwC's Global Crisis Survey 2021 underscores what we have learned over decades of supporting our clients across every sector and through all kinds of disruption. When you build organisational resilience into your DNA, you can emerge from a crisis stronger, prepared to secure new possibilities and ready to take on what's next.

Your resilience ROI: Investing in resilience provides a robust return for your organisation

Organisational resilience: your ROI

- ▶ Clarity of crisis response strategy
- ▶ Confidence to respond quickly and effectively
- ▶ Speedier recovery from a crisis
- ▶ Ability to better navigate a crisis
- ▶ Fewer aftershocks during the next crisis
- ▶ Muscle memory to withstand future disruption
- ▶ Ability to anticipate and identify threats
- ▶ Alignment with organisational purpose



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