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**HSBC Navigator report reveals that businesses worldwide prioritise resilience**

Companies around the world are making significant operational changes to become more resilient after many found their contingency plans weren't robust enough to cope with the COVID-19 pandemic.

HSBC Commercial Banking's new [Navigator](#) report, *Building Back Better*, draws from a survey of over 2,600 companies in 14 countries and territories. It shows that many firms neglected contingency planning in key operational areas such as technology, finance and sustainability prior to the crisis, with nearly half (47%) saying they could have done more to prepare for the challenges of recent months.

For some, the shift to remote working exposed weaknesses in their continuity preparations, with fewer than three in five (57%) saying they prioritised investment in technology to improve operational resilience over the last two years. Maintaining cash flow was also a challenge, with only 44% having prioritised steps to strengthen their financial position.

The crisis has forced many businesses to adapt, and almost two thirds (63%) have modified their operations already. Nearly half (44%) will change their products and services further, either by diversifying (33%) or by reducing their offering to become more specialised (17%).

Over the longer term, business plans now call for more agile staffing and office arrangements together with a greater focus on technology and sustainability. Key findings include:

- **Diminishing real estate occupation:** 38% are rethinking their physical footprint of office and production locations, with 29% expecting to reduce their office space.
- **More flexible working arrangements:** Over two thirds (69%) believe flexible working will become standard practice, as a third (34%) expect to cut their air travel.
- **Technology will be critical:** Six in 10 (61%) think virtual collaboration will become standard practice over the next two years, with 57% saying that virtual meetings –internal and external – are here to stay even after lockdown measures are cancelled.
- **Sustainability to power the recovery:** More than nine in 10 (91%) aim to 'build back better' by re-engineering their businesses to be more sustainable, while nearly a third (27%) intend to make their supply chains more environmentally sustainable over the next two years.

**Peter Yeates**, CEO HSBC Greece commented: *"The long-lasting financial crisis in Greece has taught the country's businesses to deal with unprecedented challenges. As a result the majority of Greek businesses managed to adapt to the new post COVID-19 environment with very short notice. The recent pandemic proved how agile we can be when rapid change is required. This year's HSBC Navigator results revealed that many of the businesses worldwide prioritise resilience. History shows that businesses are more likely to fail coming out of a downturn than when they're in*

*one. So it's vital that leaders keep pushing ahead with efforts to make their enterprises more resilient."*

The HSBC report points to the importance of collaboration between businesses during the crisis, which has been key to survival for many:

- Over the last six months, almost all (93%) firms have supported the businesses they work with, with larger businesses in particular supporting smaller partners.
- Almost six in ten (58%) have shared information (25%), expertise (24%) or premises (13%) and around a quarter (26%) have offered advice.
- 40% have collaborated with other businesses to get their products and services to customers.

However, while collaboration has helped sustain commerce during the crisis, businesses see a number of challenges ahead as they seek to build resilience over the next six months. Weaknesses in financial and workforce structures were the top barriers to change identified by two thirds of businesses (both by 62%), with just under a third (31%) struggling to maintain sufficient cash flow. Additionally, a third of businesses (33%) see poor employee morale as a barrier to building resilience over the near term.

The report also identifies a series of changes businesses expect to make to their supply chains in the coming two years in a bid to increase transparency and security.

- Three in ten (29%) want to diversify their supply chain and to work with more partners, with a quarter (26%) wanting to work with businesses in markets that are more stable.
- Conversely, a third plan to restrict or shorten their supply chains to reduce risk.
- Over two-thirds (67%) plan to increase their supply chain security by identifying and securing critical suppliers, and three in ten (31%) plan to review their suppliers' ability to withstand future shocks.

*Ends/more*

**Note to editors:**

**HSBC Navigator:**

The Navigator survey is conducted on behalf of HSBC by Kantar. It is compiled from responses by decision-makers at 2,604 businesses, ranging from small and mid-market firms to large corporations, across a broad range of sectors. The respondents hold influence over their company's strategic direction and represent a broad range of roles: including c-suite, finance, procurement, supply chain, sales and marketing. A total of 14 markets were surveyed between 28 April and 12 May 2020.

- Americas: Canada, Mexico, USA
- Asia Pacific: Australia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore
- Europe: France, Germany, UK
- MENA: UAE

Results have been weighted to be representative of each market's international trade volume (World Trade Organization data for 2017-2018).

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