

## Companies adapt their operations to cope with COVID shock

Large and medium scale companies across the world are coping with the COVID crisis through a multi-pronged strategy that has implications for micro, small and medium enterprises (MSMEs) who are vendors to these large firms.

A report released by the global management consulting firm Boston Consulting Group on June 12, 2020 reveals how business organizations in India are adapting their operations to deal with this crisis.

Companies, especially in sectors such as steel, are adjusting their production volume for low demand scenario to optimize inventory levels. Companies in consumer durable sector, are extending their payment terms to material suppliers to reduce strain on working capital. Firms in the food and beverage sector are instructing distributors to demand immediate payment from retailers. Some large companies have trained their distributors on making digital payments.

Fast Moving Consumer Goods and retail distribution companies are taking various steps to reduce distribution costs. They are collaborating to share vehicles and personnels so that they can minimize distribution costs. FMCG firms have also deployed apps for receiving orders so that they can reduce physical visits of sales personnel to customers. They have increased the order size and reduced the frequency of distribution.

Companies in the apparel industry have prioritized payment of salaries and wages for job workers and critical transporters. They have kept payment for other stakeholders on hold or made minimal payment.

Automobile manufacturers extended around Rs. 900 crore loan to dealers to tide over cash constraints, while tile manufacturers provided channel financing to dealers to manage stress on working capital.

The management consultancy firm suggested a few tips to companies for coping with the financial stress during this period. Some of the suggestions are: reviewing all key procurement contracts, optimizing administrative costs, travel, selling & distribution costs, making use of government schemes and having a flexible workforce that can be reduced or increased depending on situation.

The entire report can be downloaded from: <https://media-publications.bcg.com/BCG-India-COVID-19-Perspective-6.0.pdf>

Notifications

Press Information Bureau, Government of India

Daily Bulletin on COVID 19

<https://pib.gov.in/PressReleasePage.aspx?PRID=1637321>

Online sale of Khadi face masks

<https://pib.gov.in/PressReleasePage.aspx?PRID=1637193>

Extension of EPF contribution for another three months

<https://pib.gov.in/PressReleasePage.aspx?PRID=1637219>

## CBIC

Anti-dumping duty on imports of 'Steel and Fibre Glass Measuring tapes and their parts'

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd17-2020.pdf;jsessionid=AB525F46FE87030F98EDF7DB662572E4>