

# From reaction to action – responsiveness and business resilience in a pandemic

The road to recovery for corporates, insurers, investors and public sector

## The short-term: shoring up liquidity

At the onset of the pandemic, treasury teams were tasked with keeping businesses going operationally and financially, by:

**Invoking business continuity plans** for efficient, safe and secure treasury operations



Enabling remote working and authorisations



Protecting against heightened cybercrime risk



Transitioning to digital channels and mobile access

**Securing liquidity and contingency funding** to meet the immediate and short-term obligations of a firm



Drawdown on lines of credit



Applying for government-backed funding



Moving funds into more accessible accounts

## Locking-in the lockdown lessons – measures for the medium term

HSBC worked closely with clients to enact rapid response measures across the globe to create a **5-point response framework**:

- 1 Look back and learn** Conduct a Covid Audit to review actions taken during the initial response. Address weaknesses created by interim processes and lock in new processes and policies
- 2 Recalibrate for resilience** Recalibrate cash and liquidity structures for the 'new normal'. Establish platforms and processes that enable agility, real-time reporting and decision-making
- 3 Build your game plan** Create a Liquidity and Funding Contingency Playbook with stress scenarios and liquidity requirements
- 4 Equip teams with the right tools** Provide access to systems and tools for **greater visibility and actionable insights**, establish structures for velocity and self-service, and enable better forecasting
- 5 Establish infrastructure in the right places** Consider the infrastructure, political and country risks of treasury locations to ensure BCP and remote working can be enacted during a crisis

## Resilience and looking to the longer-term

The pandemic has strengthened the business case for treasury transformation. Digitisation will:



Enhance operational efficiency and risk mitigation through automation and real-time, actionable data



Facilitate new e-commerce and direct-to-consumer business models through cloud strategies, APIs and advanced data analytics

At the height of any crisis, a firm's liquidity is critical. To build business resilience in an unpredictable environment, firms need digital tools to:



Enhance cash visibility



Improve cash forecasting



Manage liquidity in real-time

For more details on how banks can build resilience to withstand events such as Covid-19, read our report: 'From reaction to action – responsiveness and business resilience in a pandemic' or talk to your HSBC Relationship Manager