

## **Competing in the post COVID-19 world -**

### **Would it be different from where we were? Or just faster than before?**

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#### **The Challenging World**

Before the pandemic in 2019, the global society faced endless problems such as rising sea level due to the melting of the ice cap in the north-pole, rising temperature due to pollution and the greenhouse effect, depleting food resources due to the increasing population and the environmental crisis. So much more on the business environment where industries are disrupted by the evolution of technology, be it the automation of work processes leading to the redundancies of human labour, rising technology companies taking over the world as Unicorns, disruption on the vertical chain of many businesses across the globe. Finally came the COVID-19 pandemic.

The rise of the modern world, two years into the third decade of the twenty-first century, crisis as we face now compared to the past, is there any differences? Many say COVID-19 changed the world. We hear this every day, in the news, journal articles, newspapers, friends, relatives, advocates, et cetera. I would say this is another disruption on a significant scale. But has it ever happened before? The answer is yes, but the 1918 – 1920 H1N1 Influenza A virus was forgotten. The Greatest Flu infected one billion people and killed approximately one hundred million. Worth mentioning that crisis can never be avoided, and we are surrounded by imminent threats from nature and the business environment. We saw many businesses cease to exist; in contrast, many others have propelled exponentially. Facing reality, a company must continuously remain competitive by frequently reviewing its strategy against the macro and micro business environment, closely monitoring its SWOT model, analysing and reviewing its core competencies to ensure the business remains relevant in the industry.

#### **The Catalyst**

Arun Sundararajan, NYU Stern School of Business professor quoted,

“Crisis can be a catalyst or can speed up changes that are on the way, and it can almost serve as an accelerant” (Sundararajan. A, 2021).

The COVID-19 pandemic spurs the growth of the consumer base for technology companies and sets the groundwork for these start-ups to prove the value of their product and services, and business model. In early 2016, I joined See Chic, a French founded eyecare e-commerce company, as the Finance Director. As a start-up, See Chic and many other tech-company rented a co-sharing space in the CBD district. Among us was an online supermarket company, RedMart, (before the acquisition by Alibaba), a telehealth services company and many more. Back then, RedMart struggled to meet sales targets because consumers were not convinced of purchasing fresh goods online; at least, I am not confident then. The telehealth company also had a problem convincing both the consumer and the regulators of their online health screening process. See Chic faced the same issue with the supply chain and the regulators because of the mandatory prescription required before our

customers purchase contact lenses online. The local Eyecare Association in Singapore imposed a sanction that restricted See Chic from accessing the supplies in Singapore. However, due to its e-commerce nature, See Chic managed to obtain supplies and fulfilment done from Hong Kong and dropped shipped to our customers' homes. What See Chic did, was focusing on the delivery channel of its products and services. The process involves the booking and conducting professional mobile home to home optometry services by a qualified optometrist. Upon receiving the prescription, customers are given a discount voucher to purchase their contact lenses at the See Chic e-commerce enabled website. Once the order is placed, the supplier in Hong Kong will send the products to the warehouse where it was packed and shipped directly from Hong Kong to the home of the customers in Singapore. Completion of an order took less than one week. In one year's time, See Chic was listed in the Euromonitor as one of the emerging eyewear retailing concepts in Asia Pacific.

*“SeeChic.com, an online eyewear retailer is seen as a game changer in the eyewear industry in Asia Pacific. Started in late 2015, See Chic is based in Singapore, but products are shipped to 10 countries in Asia.” – (Euromonitor, 2016)*

In the case of See Chic, I've witnessed the team's ability to execute a brilliant strategy to resolve a severe business model crisis. Failing this, the company wouldn't be able to run its business at all.



Source: Carl Zeiss AG and Eyenetra: The Mobile Eye Test Devices

## Post-Covid in the Education Industry

Analysts have predicted a US\$350 billion market valuation for the EdTech industry by 2025, before the inception of COVID-19. During the pandemic, the education industry was caught with an unprecedented change in how courses were delivered and managed. Many schools ranging from K-12, Secondary Schools, including Universities, were forced into remote learning. The rapid move to digitalise learning environment has contributed to the growth of a few areas:

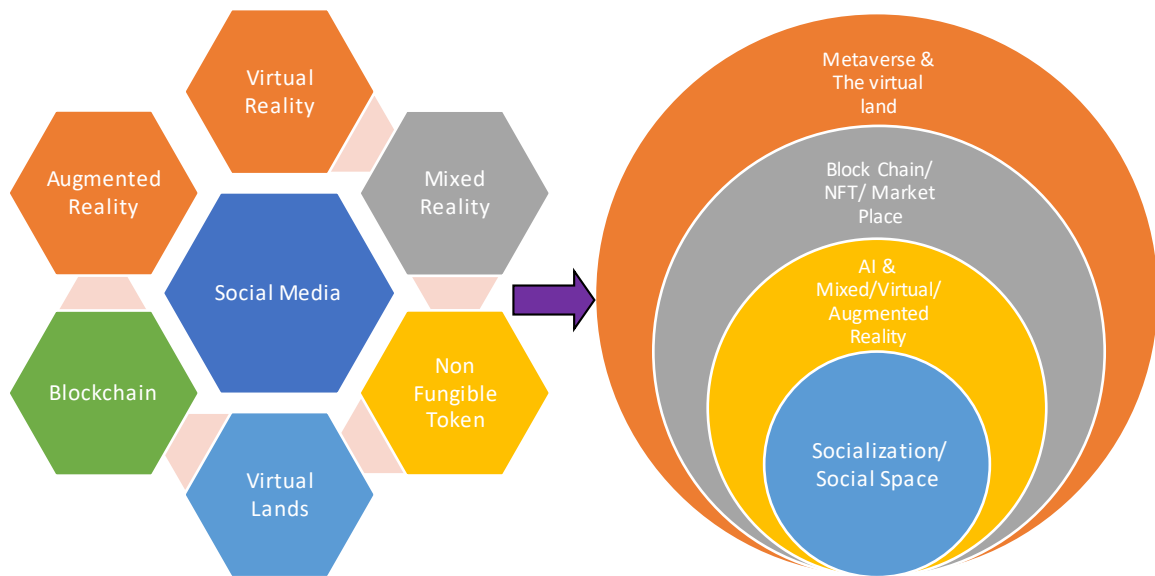
1. Increased development and usage of digital as teaching materials. In Singapore, a semi-private institution such as St. Joseph Institution (SJI) adopted the use of Classin, an integrated school and learning management system, as one of its teaching resources. Teachers at SJI developed interactive content that promotes engagements and critical thinking using the concept of Edutainment via the Classin Webapp.
2. Increased mobile applications in higher education institutions promote socialisation within the school communities, improve communication, and promote mobile learning.

3. Rapid digital transformation especially in the AI development in machine learning in robotics, contact tracing and remote learning capability. Government spurs the development of AI to limit human contact during the COVID period using machines programmed to work with limited human interference.
4. The rise in demand for graduate learning content for working adults and continuous professional skills upgrading. Mass Open Online Course (MOOC) providers such as Coursera has seen an increase in users to 189 million in 2021.
5. Moving into the mixed, virtual, and augmented reality to create a community-based Metaverse for education where students can attend a controlled environment, especially in higher education. Some examples such as Somniumspace, The SandBox, and Decentraland was created with an immersive experience complete with space, community, market palaces for trades and businesses and the ownership of digital assets such as virtual land, avatar, digital attire, et cetera.

Investors are convinced of the potential development in the Online Education Industry. Online or remote learning is no longer limited to e-learning or mobile-learning, blended or hybrid mode as the world has moved into mixed reality and the Metaverse.

Give this a good thought; before the pandemic, the evolution of technology existed more than twenty years ago. Lucus, my fourteen-year-old son, has recently become the centre of my discussion with my wife about his time spent on Roblox, now a 39-billion-dollar IPO company valued in March 2021. Lucus has been playing Roblox for four to five years at least. I recalled; I had never played any games that lasted so long. The last time I played was the RPG Red Alert which lasted for a month. Now the point is that Lucus is not just playing games, but he is living another life in the Metaverse. He has a meta identity, avatar, virtual assets, and virtual friends who he has not met before in the real world. All these happened before the pandemic. Twenty years ago, there was the SIM city, a 3-D interactive game featuring the inception of the Metaverse.

Over the last 20 years, we have witnessed the creation of technological components, as seen in Diagram 1, making possible the verge of Metaverse. Metaverse has now become the convergence of reality and virtual life. Blockchain technology has given the rise of virtual assets with cryptocurrency, i.e. NFT, as the medium of trading and exchange. The Metaverse, Diagram 2, unified the technological components, community, marketplace, and all in one virtual space where people can work, play, relax, transact and socialize.



**Diagram 1:**

Current Day Technological Development

**Diagram 2:**

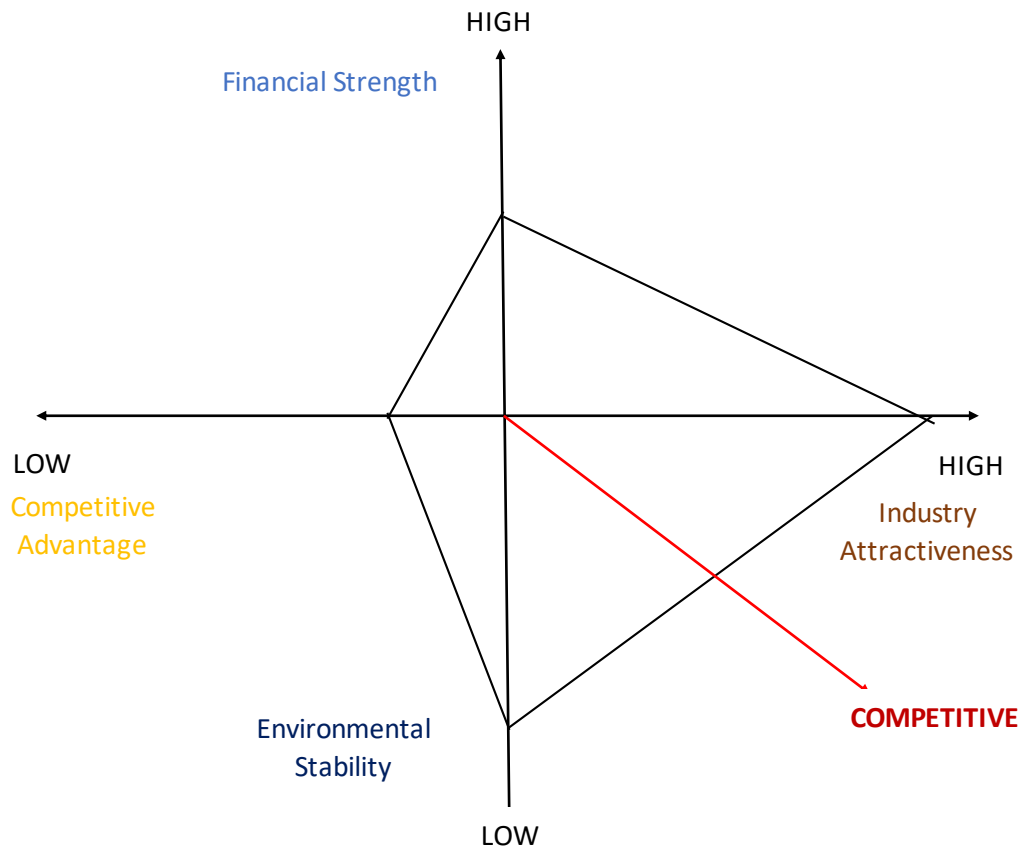
Future- The Metaverse

A report presented by JP Morgan in 2021 shows the potential annual transaction value of US\$54 billion consumption of virtual goods primarily in the spending of buying music. Approximately 60 billion messages are sent daily on Roblox, showing the Metaverse community. The total potential market opportunity is estimated at over US\$1 trillion in yearly revenue in the Metaverse itself. Major brands such as Nike, Walmart, GAP, PWC, Adidas, Atari and many more are flooding into the Metaverse due to the market potential in the future, also known as “Second Life”. In 2021, Ariana Grande held a virtual concert in Fortnite and grossed about US\$20 million in one night. The concert made more revenue than the conventional concert because of the borderless nature tapping on the worldwide market with minimal operating expenditure.

**Summary: A Competitive Strategy for Hitmaker Global Academy**

In the past two years, during the COVID-19 pandemic, Hitmaker Global Academy (Hitmaker) has continuously reviewed its competitiveness in the industry. Our reviews considered both the financial and non-financial aspects of the business landscape, including a comprehensive analysis of the external environment and our strategic positioning. We adopted the **Strategic Position and Action Evaluation Model (SPACE)** (Jagiello. Kevin & Jackie, 1984).

The model analyses Hitmaker’s position and standing in four SPACE dimensions: Financial Strength, Competitive Advantage, Industry Attractiveness, and Environment Stability. Hitmaker has chosen SPACE as it recognises the importance of the relevance in the industry and the analysis of the macro business environment in evaluating the competitive strategy of the company based on the financial and non-financial capability.



**CHART: HITMAKER GLOBAL ACADEMY SPACE MODEL**

The Space model evaluates the company using a point system to score against a list of key assessment criteria/key imperatives for the four space dimensions. The table below shows the standing of a six-point scale for each dimension of the SPACE model. Each dimension was assessed thoroughly by the management to ensure (1.) The strategic plan and its key success factors are relevant to the external environment; (2.) The company considers its financial capability, including key resources to support its strategic plan.

<b>External Dimension</b>	
Industry Attractiveness	1 Very Poor → 6 Very Attractive
Environmental Stability	-6 Very Unstable/Hostile → -1 Very Stable/Supportive
<b>Internal Dimensions</b>	
Financial Strength	1 Very Weak → 6 Very Strong
Competitive Advantage	-6 Very Disadvantage → -1 Very Advantage

**Table: Six-Point Score Scale Described**

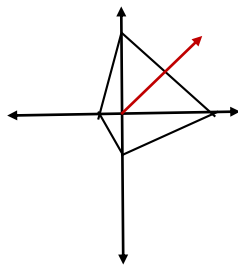
From the analysis, Hitmaker’s Competitive SPACE posture arises when the company has a competitive advantage (-2) in an attractive industry (5) but is held back by low financial

strength (3) and faces an unstable environment (-5). Without the financial strength to build on its position or to buffer itself from environmental hostilities, a competitive/reactionary stance is advocated. The strategic imperatives would be to maintain position whilst improving financial strength and reducing exposure to environmental threats before moving to a more aggressive posture.

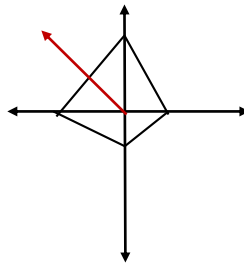
This article's beginning shows that businesses are prone to natural and business environment volatility. Nevertheless, we should constantly review the business strategy to remain relevant and strategize to sustain the endless challenges ahead. Hitmaker uses the SPACE model to stay informed of our current position and competitive stance in the competitive arena. As Singapore is currently easing its COVID-19 restrictions, we predicted a positive change in the industry is imminent. Post-COVID, Hitmaker shall plan to re-build its Strategic posture to the SPACE Aggressive strategic thrust which, potentially looking at the development of technological advancement focusing on virtual property and assets in the long-term or potentially venturing into the Metaverse education space. Hitmaker needs to increase its financial strength to support its strategy to expand its capability to compete to gain its market share in the industry, especially in the music and music education scene.

Other SPACE Postures:

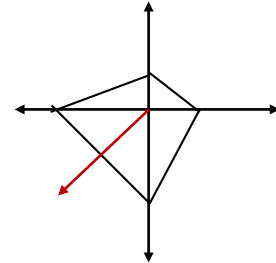
1. Aggressive



2. Conservative



3. Defensive



**What is your organisation's Post-COVID SPACE posture?**

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