Innovation in the time of COVID-19

June 23, 2020

The Lepage Center's Strategic Advisers program connects Tulane students and recent graduates with New Orleans area entrepreneurs and small business owners who have been affected by the COVID-19 pandemic. The advisers are working for the businesses full-time for 10 weeks during the summer of 2020, providing immediate services based on each business's specific needs.

The strategic advisers meet weekly via video conference to discuss what's going on at their companies and to learn from one another. **Last week we discussed how our assigned companies have had to innovate or pivot in response to the pandemic.** Below is a taste of what the advisers shared:



A screenshot from our first Strategic Advisers discussion group

"The CEO made sure to give a discount to all customers during this unprecedented time. The industry has seen a trend where vendors are not requiring payment in the typical 30 days time and instead letting them pay in 90 days (similar to rent collectors not collecting rent for a couple of months rather than collecting after one month)."

"Many of my company's members have terminated or paused their memberships, decreasing revenue. However, the company's landlords have requested timely and complete payment despite reduced revenue. The company created a relief program where its members could apply for free membership during the pandemic, reasoning that a business or individual's Consumer Lifetime Value is much greater than the lost revenue for the past few months. Focusing on the future in such a reactionary time was no easy task."

"My company is startup company that had plans to train technology salespeople to work for tech companies in the New Orleans area, but when the economy stumbled and layoffs began, all of the companies that had agreed to take on new employees had to change their plans. The company is now creating a training school to help un/under-employed people gain the skills necessary to have successful careers in the technology industry, with a focus on people of color."

"The restaurant's offerings must not only be made flexible and readily available, but they must also be so valuable to its customers that when they decide to order takeout/delivery that [this restaurant] is the place they want to do that. Furthermore, as do all members of the restaurant industry, [this restaurant] has always seen high sanitation standards as important; but now more than ever, it strives to live up to the high bar that has been set during this pandemic."

"My company has invested this time into educating all employees on all things diversity and inclusion in order to match the societal and academic shifts that are occurring at the hand of the resurgence of the Black Lives Matter movement."

"My company relies heavily upon manufacturing markets in America and Asia, so the company is staying updated on global market trends that could impact their clients' needs. If market analysis was important in the past, now it is critical. The primary goal of my first project is to identify trends within various chemical markets and size these markets accordingly. Rapid changes in manufacturing due to COVID19 shutdowns have created many unknowns, and part of my job will be to assess

them."

"When testing for the pandemic was expanding, my company saw it as an opportunity for a potential new business as well as a collaboration opportunity with similar companies in the New Orleans area. They knew the Coronavirus outbreak would cause many labs to shut down, causing the company to lose business as labs wouldn’t be purchasing their products. They formed a group with three other biotech companies in the New Orleans area who would have no trouble running COVID-19 test samples with their similar machines. They got far into the planning stages, having conversations with the mayor as well as others at the state level. Ultimately, the margins would have been too small and they wouldn’t be able to compete with the larger national labs that had federal contracts for testing."

"So I think the pandemic has forced us to consider how we are able to better target our potential customers remotely through marketing and ad-targeting. Perhaps some of the few areas of customer outreach that have been stifled are conferences where we can have sales reps interact face to face with potential consumers or suppliers, but these meetings have of course moved to zoom meetings and conferences. On the research side, luckily, we have been able to operate at a sustainable capacity because proper distancing measures can be adhered to."

"My company's main revenue stream came from 'on premise' alcohol sales...They found a product category, which was not far off their normal operations and seemed to be a good fit for the overall operations and sales channels already established... The company now has a chance to become a quick second in a category that has little competition on a national scale. If done correctly this pivot will not only position it for increased revenue outside of their alcoholic sales but will also introduce them to new customers within that market. Their plan is to use Fulfillment By Amazon (FBA) to increase sales and market share when it comes to the new market. Since Amazon does not allow alcohol sales on their site this is a new territory for the company."

"With the emergence of technology and ecommerce, many old-fashioned businesses had to adapt to the new times... The grocery sales that my company was receiving previously have been cut shorter, while the ecommerce business has received a boost."

Note: quotes have been edited for clarity