

Press Release

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Reshaping business for growth: shifting business and cost structures

While most companies have worked to protect the bottom line, this global pandemic has upset past beliefs and models about costs.

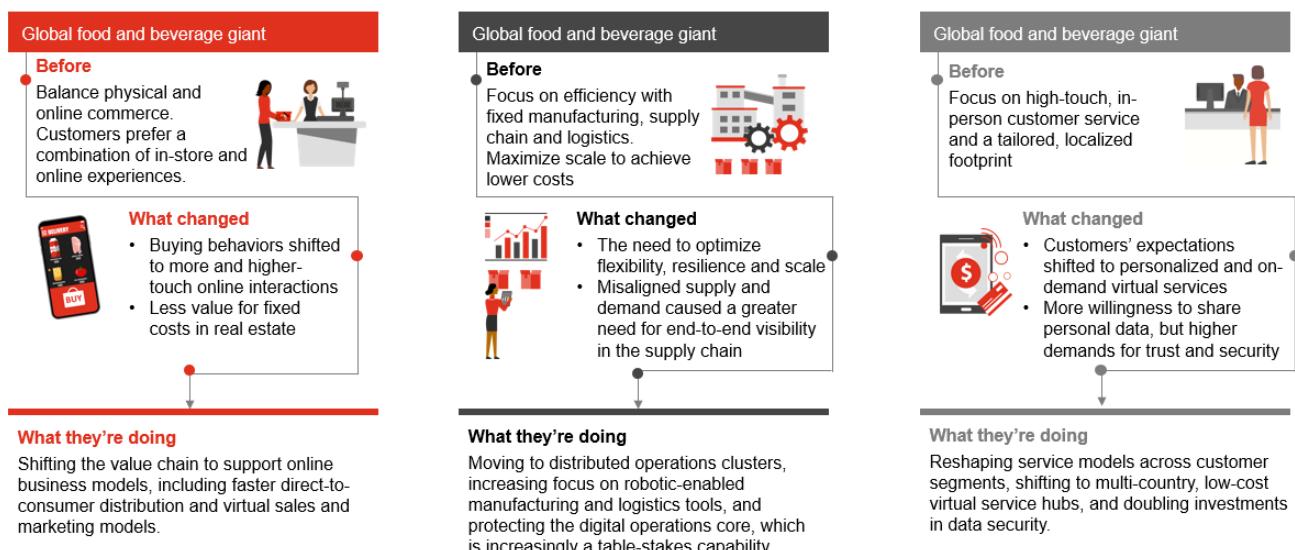
Hanoi, June 26, 2020 - In the wake of the COVID-19 pandemic, much of the response by businesses across industries has been in line with cost containment initiatives.

While cutting cost is necessary, it will likely not be enough. Companies need to cut in a way that doesn't harm growth or hinder recovery process. With so much change, it's crucial to reinvent and rebuild cost strategies and business models for strength and agility. As Vietnam settles into this new normal of "business as usual", businesses must begin to shape the future organisation as COVID-19 has changed market dynamics and evolved how we do business.

Costs that were once fixed in the minds of business leaders have become more variable (think office space) and capabilities like technology and automation that might have been value-adds in the past are now playing more strategic roles. With an eye perhaps towards what factor will be necessary to succeed in the post-crisis world, 11% of world CFOs surveyed in the latest **PwC's COVID-19 CFO Pulse survey** in June 2020 would consider deferring or cancelling investments in digital transformation. This is consistent with the findings about their plans to accelerate automation and improve the remote work experience.

While cost containment remains the most favoured financial action that CFOs are considering (over 80%), fewer CFOs today than in past CFO Pulse surveys say they will consider cancelling or deferring planned investments in R&D (14%). This indicates that finance leaders recognise they need to continue to balance between cutting costs in a way that doesn't harm the business while redirecting costs to the drivers of growth.

How COVID-19 has accelerated the structural trends





Out of every crisis comes opportunities for competitive reinvention and differentiation. It is timely for businesses to revisit strategic priorities, look for what is different in the value chain and bring your people with you into the new way of operating. In PwC's latest publication **Beyond COVID-19: Reshape your business for growth**, we take a closer look at these three key strategic goals and set out immediate actions that businesses can take to redesign business and cost structure and stay fit for growth.

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Download the full publication:

English: <https://www.pwc.com/vn/en/publications/vietnam-publications/reshape-your-business-for-growth.html>

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