

STRATEGIES FOR ECONOMIC UNCERTAINTY

What to Do in the Face of Recession
with a View into Healthcare, Retail,
and Technology



Introduction

Inflation, geopolitical instability, and Covid-19 are all contributing to a tightrope walk for businesses. A narrative is taking shape—the world is not alright, and business as usual may be a thing of the past. And in the face of recession, any missteps will be magnified.

Business leaders are looking for solutions to persistent uncertainty in the markets. Struggling to predict what's next, they need strategies not only for next year, which is proving to be stubbornly opaque, but also for a decade that might be lost to inaction. In this paper we explore how **accelerating your digital initiative, new-era personalization, and recession-proofing your business through upskilling** can help businesses prepare themselves for challenging economic times. As market cycles churn at an ever-faster pace, uncertainty may be the defining characteristic of the decade. How it gets navigated will decide success.

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History + Outlook

While it is the goal of this paper to focus on the current uncertain economic conditions, by looking at general trends during the 2008 economic recession, we can extrapolate how companies should think long-term today.

During the peak of the 2008 recession, more than 200,000 small businesses in the U.S. closed their doors, laying off over three million staff.¹ Companies with high inventory costs were disproportionately affected, including the manufacturing, retail, and automotive industries. However, for companies in Tech and Healthcare, we observed increased spending in Research & Development (R&D) and technical hiring.

This approach is more salient than ever as investments in digital infrastructure and personalization can be made within any industry to attract new customers and retain existing ones. Rising from the turmoil of the 2008 economic recession, publicly traded companies struggled to sustain year-over-year revenue and margin growth. It wasn't just their large reserves of cash or slow burn-off that allowed them to come through the recession, but their long-term mindset and preparedness. As business leaders, proactive versus reactive thinking can make the distinction between scrambling to batten down the hatches and already having systems in place to weather a storm.

¹["Economy Lost More Than 200,000 Small Businesses in Recession, Census Shows,"](#) Fox News, December 23, 2015.

Accelerate Your Digital Initiatives

The signs are all pointing towards a rapidly changing landscape as organizations accelerate their digital transformation. Recent reports project that 70% of organizations in 2025 will implement structured automation to reduce costs and deliver flexibility—up from 20% in 2021.² That projection, coupled with hiring trends over the past several years showing data and software roles as the most rapidly growing positions across all industries, demonstrates a commitment to drive efficiency through digital.

You can begin differentiating yourself from your competition by accelerating and investing in your business' digital initiatives. Automating processes to reduce costs, leveraging predictive insights and artificial intelligence (AI) to create efficiencies in your supply chain, and producing more digitally relevant products and services to improve customer experience will bolster long-term outcomes.

70%
of organizations by
2025 will implement
structured automation



“Businesses should consider using BI to help make their organizations more efficient, more effective in achieving their business priorities, and reducing the waste associated with support costs. This is a good strategy looking at an economic downturn because everyone needs to be prepared to do more with less. Economic stability aside, this strategy also allows leaders to drive better business outcomes and seize opportunities they might otherwise miss just because of inefficient processes.”

Brad Jackson

SVP Data & Analytics, Concentrix Catalyst

² [“4 Predictions for I&O Leaders on the Path to Digital Infrastructure.”](#) Meghan Rimol, Gartner®, January 26, 2022.

Healthcare

Accelerating your digital initiatives looks different across companies and industries. Your company's digital maturity, executive support, and even customer willingness to engage in omnichannel experiences, all influence [what digital acceleration means for you](#).³ In healthcare, customers are focused on having consistent, positive outcomes, while also keeping their data private, so driving efficiency in patient and member experience is crucial to maintaining a balance between member success and cost savings. Concentrix Catalyst's own Scott Schuster talks about the need to create a more personal omnichannel strategy for healthcare. Scott has worked in healthcare for over 10 years, and he recognizes the value in digitally accelerating businesses and opening information silos to create a 360-degree view of customers.

A recent survey of 312 executive payers revealed that interoperability of a patient's health plan is the top strategy to reduce friction and cost, while also being one of the greatest to overcome.⁴ Working with IT to open channels of communication allows leaders to react quickly to make changes in policy and regulation, create provisions in healthcare plans, and increase accuracy of financial claims and reporting. Investing in digital infrastructure now increases an organization's agility and sets a path to automate and tailor healthcare solutions to improve patient satisfaction in the future.

"A big concern is that you remove the 'personal touch' from healthcare when you move to automate, which is why it is even more important that you have accurate and consistent messaging from the start."

Scott Schuster

Senior Director Healthcare
Concentrix Catalyst



³ "Disruption or Innovation: Which Digital Front Door Strategy is Right for Your Patients?" Concentrix.

⁴ "300 Payer Execs on Top Challenges, Opportunities Facing Insurance Industry," Jakob Emerson, Becker's Payer, August 12, 2022.

Retail

2021 marked a challenging year in transportation and logistics. Domestic shipping rates increased by over 20% while reported delivery service failures tripled.⁵ The consequences of shipping failures not only impact your immediate business, but also significantly reduces a customer's likelihood of repeat purchases; 34% of customers report abandoning a brand following one poor experience.⁶ Supporting your business with predictive analytics to alleviate supply chain pressure can support your bottom line and increase agility. With a focus on shipping and operations, a predictive analytics platform can provide insights into order cyclicalities and plan shipping routes & labor schedules.⁷



34%

**of customers report
abandoning a brand
following one poor
experience**



“Automation can reduce cost, increase speed to market, create efficiencies, save time, and relinquish resources to be utilized elsewhere, which can be critical.”

Melissa Presby

Senior Director Retail Practice
Concentrix Catalyst

⁵ [“How Predictive Analytics is Preventing Service Failures for 3PLs,”](#) Todd Bucher, Supply Chain Brain, April 18, 2022.

⁶ [“59 Eye-Opening Customer Retention Statistics to Know in 2020,”](#) Mara Cavello, G2, September 18, 2020.

⁷ [“Reinventing Retail Experiences for the 21st Century,”](#) Concentrix.



Companies that have led large-scale personalization efforts have seen, on average, a

6-10%

increase in revenue



40-80%

of growth is directly attributable to their personalization effort

New-Era Personalization

The use of technology to target customer segments and offer personalized solutions and shopping experiences is nothing new. However, personalization in today's terms goes far beyond the basic targeting tactics that have existed for the past twenty years.

[New-Era personalization](#) refers to the use of technology

& AI to completely transform every physical and virtual touchpoint in a customer journey.⁸ In

fact, according to data gathered over a five-year period, companies that have

led large-scale personalization efforts have seen, on average, a 6-10% increase

in revenue with 40-80% of that growth directly attributable to their

personalization effort.⁹ The degree of personalization can differ based

on digital maturity and strategy,

but overall, intelligent customer experiences must be an internal

priority led by an executive champion.

We will explore different strategies that

companies have used to interact with

customers on a more personal level, ranging

from advanced use of data and AI to creating

communities through shared customer experiences.



⁸ ["Data Personalization: The No Nonsense Roadmap Beyond the Technology."](#) Concentrix.

⁹ ["Customer Experience in the Age of AI."](#) David C. Edelman and Mark Abraham, Harvard Business Review, March 2022.

Healthcare

The healthcare landscape is changing rapidly. The emergence of telehealth capabilities and the shortage of healthcare workers are two major recent emerging trends. Companies should look at these trends for guidance on how to address the future; automate to alleviate the burden on remaining workers and continuing to work and evolve with the changing needs of your customers.

“Healthcare is facing problems of rising costs and not enough labor. Figuring out how to automate as much as possible may help alleviate some problems. But it’s important to balance what’s automated with ensuring that patients still feel cared for.”

Scott Schuster | Senior Director Healthcare, Concentrix Catalyst

We are long past the days where we expect a one-size fits all experiences. However, there remains a challenge of balancing personalized experience with the concern of over-surveillance. For example, connecting digital marketing and customer experience centers can help support an omnichannel approach and assist automation initiatives. By aligning on messaging and content, teams can standardize chatbot conversations with [customer experience center conversations](#) and gain real-time insights on how to update consumer facing digital content and manage different customer segments.¹⁰ Leveraging chatbots, SMS messaging and digital forms to act as an introduction and follow-up to patient care is a step toward creating a more personalized healthcare platform.



¹⁰ “The Untapped Value of Contact Center Intelligence—Your Key to Transforming CX,” Concentrix.



Retail

Businesses and brands have continued to evolve their e-commerce efforts, considering its outsized impact on the customer buying experience. Proper due diligence is done by looking at important metrics to reduce customer friction and consciously developing ways to make the shopping experience much simpler. However, customers have come to expect this treatment: 72% of customers already expect this level of personalization.¹¹ So, an important question to ask: What else can you do to stand out?

As purchasing power continues to decline, customers do more research, and place more value in superior buying experiences.¹² Investing in infrastructure allows your business to seamlessly invite, track, and follow-up with customers can transform one-off purchases into continued brand loyalty. While shifting to an enterprise-grade platform is a big decision, it is relevant to our context today as we see a potential slowdown of sales. Leaders should be proactive and think about the investment in their platform as not only a short-term solution to immediate problems, but also a long-term play as they continue to drive down costs and realize the return on their investment.

“The secret recipe to keeping your customers coming back is having a frictionless online experience with e-commerce and having stellar customer service to follow up that purchase or experience to show that you recognize the reciprocal value. Otherwise, you’re just another brand they shop once in a while.”

Melissa Presby | Senior Director Retail Practice, Concentrix Catalyst

¹¹ [“Personalized marketing in a competitive environment for brands and e-commerce retailers.”](#) Gabrielle Wright, Smart Insights, November, 2020.

¹² [“Inflation Driving Increased Demand for Superior Customer Experiences.”](#) Invoca, July 2022.

Technology

Current analytics and business intelligence (BI) are great tools to review past performance but are being under-utilized in terms of the power these tools have to help proactively make data-driven decisions. Consider asking yourself, “What sorts of things should we be doing to keep the good times rolling?” And that is not an easy question to answer. Instead of toiling over this question, you can leverage your platform to work backwards from the customer to personalize solutions.

“It’s important to be able to identify and prioritize strategic areas of the business, get very precise about the use cases you’re trying to tackle, and then make sure the strategy isn’t thought of in terms of dashboards and KPIs, but rather in terms of decision-making tools that help support a business function.”

Brad Jackson | SVP Data & Analytics, Concentrix Catalyst

Investing in community building forums, is a unique way in which businesses can create product affinity, identify specific areas to improve products, and create brand loyalty.¹³ Take Tableau’s Community forum as an example, it has strengthened their supporters and has been cited as one of the main benefits of using the platform over competitors. If customers are uncertain on how a product can help them, communities can help provide insight into use cases and best practices to realize a product’s full value. Evangelizing your products through communities is a low investment method to market your products and get real-time feedback on how to make improvements.



¹³ [“Accessing the Influence of Community Experience on Brand Loyalty Toward Virtual Brand Community.”](#) Zhounan Huangfu, Yaohui Ruan, Jing Zhao, Qiaqia Wang, and Lei Zhou, Frontiers, April 26, 2022.



\$4,000

cost of hiring a new staff member



\$1,100

cost of training an existing staff members

Recession-Proof Your Company through Upskilling

Layoffs are bad for business and hiring new staff is costly. According to recent research, the cost of hiring a new staff member is just over \$4,000 while the cost of training an existing staff member is just over \$1,100.¹⁴ Creating an agile workforce that can respond to the evolving needs of the business will create flexibility in your organization in both good and tough times. Concentrix Catalyst's, Brad Jackson recognizes not only the value of upskilling staff but has also seen a massive gap for companies to empower their staff through data literacy.

“We are now in a world where data is pervasive – everybody is expected to know a little bit about it, if not a lot about it. When it comes to data literacy, we’re not just talking about teaching analysts to become data scientists. We’re also talking about teaching every single person in the organization how to think through data.”

Brad Jackson | SVP Data & Analytics, Concentrix Catalyst

Creating business insights tools for HR (Human Resources), for example, can equip an organization's hiring arm with the ability to recognize adjacent skills, fill talent gaps, and tap into its core talent pool to create a resilient and competent workforce.¹⁵ While this approach is financially frontloaded, it supports your business' growth long term.

¹⁴ [“What is the Real cost of Training Employees.”](#) Jon Hill, Bloomfire, June 24, 2021.

¹⁵ [“Recession-Proof Your Workforce with Succession Planning and Upskilling.”](#) Eightfold, July 19, 2022.

Healthcare

The “Great Resignation,” has companies understandably concerned about how they can fill gaps. With the number of remaining staff feeling the effects of burnout on their mental health, companies need to act quickly to create value for their teams. A 2021 study showed that 53% of healthcare workers are highly interested in upskilling , with over half of those also stating that they would leave in search for a job that offers upskilling.¹⁶ With the growth of technology in medicine and companies looking to redefine their digital strategy, upskilling staff to create a technology-abled workforce will help align messaging in your organization that digital is a priority. Coupled with a reduced workforce, training your existing workforce to become more agile with the support of technology can allow your organization to do more with less, reduce workload, and avoid burnout.healthcare platform.



53%

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¹⁶ “[How Health Care Companies Can Use Upskilling to Navigate the Great Resignation](#),” Vibhas Ratanjee and Jonathan Rothwell, PhD, American Journal of Managed Care, January 13, 2022.



Retail

E-commerce, as a percentage of total of retail sales, is now over 14%, up from 12% just 2 years ago.¹⁷ With omnichannel becoming more pervasive, businesses need to provide the right training and tools so employees can support customers transitioning from virtual to physical storefront. Training staff in data literacy and giving them tools to understand a customer's online profile and shopping history are examples of hard skills that can improve their ability to close deals. Additionally, by having access to general shopping trends, store managers can begin making smart decisions to increase foot traffic and sales. Offering training to staff on how to navigate omnichannel interactions can create a resilient workforce as customers change the way they shop.

“When retail associates are armed with the right tools that enable them to look into the system quickly or improve their sales ability, they check the box for a frictionless engagement. Train to limit noise and double down on having the soft training between how to engage with humans and technology to create positive experiences.”

Melissa Presby | Senior Director Retail Practice, Concentrix Catalyst

Technology

Data engineers, coders, and cybersecurity professionals are more in demand than ever. This demand is driving intense competition to fill those positions, while the need to fill these vital roles in an evolving business remains critically important. Rather than continuing to hire and fill these positions, which can be costly, businesses can train staff with adjacent skill sets to fill positions. [Investing in training staff by providing low-code environments](#) allows companies to do more with less.¹⁸ In fact, training also serves to improve company culture and drive productivity with studies stating that over 70% of those who participated in skills training experience increased satisfaction with work.¹⁹

Amazon's Cloud Quest is a gamified example by which professionals can skill-up their certifications in cloud-computing by solving technology related issues. This approach can shift depending on core competencies and internal needs but leveling up your staff is a long-term approach to driving down the significant costs of hiring future staff.

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¹⁸ ["Low-Code Innovation Empowers HR Efficiencies,"](#) David Soden, Concentrix.

¹⁹ ["The American Upskilling Study Shows Workers Want Skills Training,"](#) Jonathan Rothwell, Gallup and Amazon, September 9, 2021.

Conclusion + Closing Thoughts

Businesses naturally enter rhythms of growth and decline, and it is always daunting to navigate a prolonged period of poor macroeconomic performance. As business leaders, you must continually position your company in the best way to prepare for the future. With the threat of persistent economic uncertainty looming so quickly after companies had begun to recover from the pandemic, we continue to stress the value of **accelerating your digital initiatives, investing in new-era personalization, and investing in your staff through upskilling**. We have observed steps that companies have taken in the past and know what worked and what did not, and we believe that due diligence in these three areas will best prepare your business in both the short and long term.



ABOUT CONCENTRIX CATALYST

Concentrix Catalyst is the experience design and engineering team of Concentrix, a leading global solutions company that reimagines everything CX through strategy, talent, and technology. We combine human-centered design, powerful data, and strong tech to accelerate CX transformation at scale.

At Concentrix Catalyst, we are committed to helping clients face what the future of work looks like for you, whether you are in the retail, healthcare, or technology space. Our Strategy & Design team can help you make sense of your data and curate a tactical roadmap through proven tools like current-state assessments, customer journey frameworks, loyalty blueprints, and deep consulting expertise. With a range of innovative digital and technical solutions, we help clients solve today's most pressing business challenges while building durable strategies to enable future growth.

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