

OFFERINGS FOR THE POST COVID-19 ERA: FINANCE & ACCOUNTING



The 2019–2020 Covid-19 outbreak and its subsequent impact on the world economy has resulted in unprecedented challenges to businesses. These include shrinking revenues, widening fiscal deficits, contraction in global markets, reduced consumer demand, and so on. Some experts believe that the economic disruption caused by Covid-19 could far exceed that of the 2008 recession. This

crisis is an opportunity for businesses to reset their business models and deliver newer, resilient ones for the future.

While it's undeniable that every sector will be impacted, the severity of the impact will vary. For instance, banking and financial services and global shipping and tourism sectors will be highly impacted due to factors such as shifting

fiscal dynamics and fall in consumer footfalls. The impact will be moderate on media and oil and gas sectors and less on telecom and pharma sectors as the services delivered by them are considered as essential. Moody's has provided a Covid-19 impact heat map that identifies specific industries as highly exposed, moderately exposed, and minimally exposed to the pandemic.

Infosys BPM's Finance & Accounting (F&A) function offers pan-industry as well as industry-specific solutions for businesses that operate in the high, moderate, and

low impact sectors. Our deep domain expertise, combined with years of widespread experience in finance and

accounting, enables businesses in their end-to-end financial processes and delivers results.

Let's examine the impact on finance and accounting function and how Infosys BPM can mitigate the challenges arising from such a crisis.

Highly impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Apparel • Automotive manufacturers • Automotive suppliers • Consumer durables • Gaming • Lodging/leisure/tourism • Passenger airlines • Retail (non-food) • Global shipping 	<ul style="list-style-type: none"> • Demand side — weakening to no demand. • Supply side — manufacturing setups shut or partially open. • Assets liquidated/written off. • Cash flow issues. • Credit review and relook. • Big drop in travel and hotel bookings. • Drop in retail footfalls in malls, etc.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can mitigate the risks and overall impact in highly impacted sectors with the following pan-industry solutions:

- AI and crowdsourced credit review of customers to examine the likelihood of defaulters and reset of credit terms.
- Payment renegotiation services to restructure payments with suppliers by leveraging analytics and finance models.
- Divesture accounting as a service for optimal carve-out structures to hive off less performing assets and valuation.
- Stock performance accounting to calculate equity in lieu of salary accounting structures to assist in deferment of operational costs.

Infosys BPM can mitigate the risks and overall impact in highly impacted sectors with the following industry-specific solutions:

- Lease management and accounting for the logistics industry.
- Cash and fund flow management for retail and e-commerce, such as:
 - Reallocating funds and freezing capital expenditures.
 - Facilitating refinancing arrangements and factoring arrangements.
 - Employing discount strategies while paying attention to margins and brand image.
 - Revising payroll costs.



Moderately impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Beverages • Chemicals • Manufacturing • Media • Metals and Mining • Oil and gas/oilfield services • Property developers (China) • Agriculture • Service companies • Steel producers • Technology and hardware 	<ul style="list-style-type: none"> • Change in working hours — more variable shifts. • Increase in demand for remote support. • Space utilization to move from fixed to variable/rental/on-demand basis. • Media content generation to be crowdsourced.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can mitigate the risks and overall impact in moderately impacted sectors with the following pan-industry solutions:

- Dynamic AP and supplier payment portal for rental utilities.
- Non-PO-based spend spike management.
- Working capital and cash flow analysis for near to mid-term.
- Operating cost models such as process as a service/BPaaS.
- Cash optimisation services such as analytics-lead cash forecasting and conservation strategies.
- BCP, strategy as a service, war room management, and mock analytics around future disruptions.

Infosys BPM can mitigate the risks and overall impact in moderately impacted sectors with the following industry-specific solutions:

- Asset revaluation and accounting for the metals and mining industry.
- Lease and royalties' renegotiation and accounting adjustments for the mining industry.



Minimally impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Construction material • Defense • Equipment and transportation • Rental • Packaging • Pharmaceuticals • Real estate • Food/food retail • Telecom • Waste management 	<ul style="list-style-type: none"> • Maintaining and checking SG&A expenses and margins. • Managing periodic surge/spike in demand for support functions at short notice. • Shifting delivery modes, from 'in-person' to 'remote', e.g., groceries and consumables.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can mitigate the risks and overall impact in minimally impacted sectors with the following pan-industry solutions:

- Deploying F&A BPM services to maintain edge on SG&A expenses and margins.
- Moving to higher end process chains, which will now be more amenable to outsourcing.
- Offering cloud and multi-centre strategies to support distributed resource operations.

Infosys BPM can mitigate the risks and overall impact in minimally impacted sectors with the following industry-specific solutions:

- Contract renegotiation and cash flow adjustments with channel and roaming partners for the telecom industry:
- Contract management for early rebate and discount collection through revising the existing contracts with International roaming partners and the channel partners.

- Contract validation, accounting, and renegotiation for the pharmaceuticals industry:
 - In-depth analysis of existing contracts for any onerous contracts, willingness to continue contracts, penalty clauses for calling off contracts, etc.
 - Assessment of impact on FS in line with the provisions in IFRS/ local GAAP and recomputation and adjustments in books for the renegotiated contracts.

Conclusion

The extent of the economic losses caused by Covid-19 pandemic is yet to be fully understood. Businesses across several sectors are staring at losses and revenue depletion and hope to kick-start their operations once the pandemic subsides. Infosys BPM is committed to aid global businesses in such challenging times and to enable them in emerging successfully. We have held on to our values of customer centricity through many years of impactful client engagements.



If you wish to learn about how we can make a difference in your business, please reach out to us at InfosysBPM@infosys.com.

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