



# Leadership in Time of Crisis



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# CRISIS

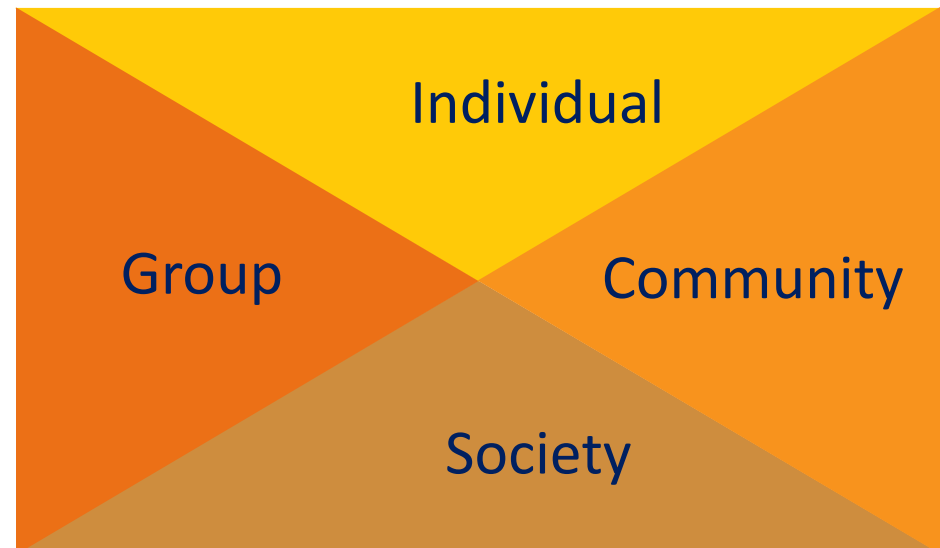


A crisis is any event that is going to (or is expected to) lead to :

01 Unstable Situation

02 Dangerous Situation

Affecting to:



# CRISIS **DUE TO COVID-19**

## Stay @ Home

- Work
- Schooling
- Worship



## Basic Needs:

- Safe
- Health
- Food



## Virtual Interaction

- WFH
- Online Shop



## Empathy & Solidarity

- Social Responsibility



# COVID-19 = SILENT REVOLUTION ?



# COVID-19 = ACCELERATION OF DISRUPTED ECONOMY ?



# HARD HIT BY THE COVID

## CUSTOMER

1. Dependant on Travel
2. Major Customer Segment is low-income communities
3. Dominant Customer-Facing Process
4. Product or Service is postponable
5. Large Gatherings are essential

## EMPLOYEE

1. Majority of the older-age generation
2. Rotational Job in Remote area
3. Expatriate
4. Labour-intensive companies

## FINANCIAL

1. High DER (Debt-to Equity Ratio)
2. High Exposure in USD
3. Dominant Short Term Debt
4. Lack of Cash Balance
5. Capital Intensive

## OPERATIONAL

1. Dominant People Involvement
2. Weak on IT based business process

## CHALLENGES OF THE LEADER



During a crisis, cognitive overload :

- information is incomplete
- interests and priorities may clash
- emotions and anxieties run high.

## ESSENTIAL NOTE **FOR LEADER**

Businesses are experiencing unimaginable disruptions

**Think Strategically ---- Act Decisively**

**Seeing beyond** the immediate to anticipate the **next three, four, or five** obstacles.

**Refrain from** operational **comfort zone**. Your adrenaline spikes as **decisions** are made and **actions** are taken.

*Crisis is a good training for the next one*



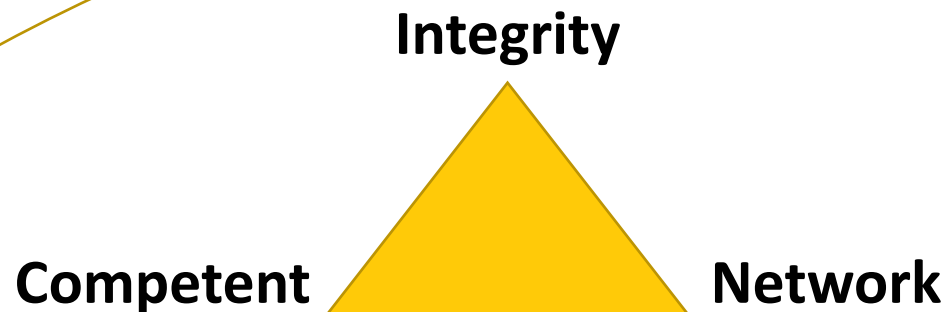
## IMPORTANT NOTE **FOR LEADER**

### **Think Strategically**

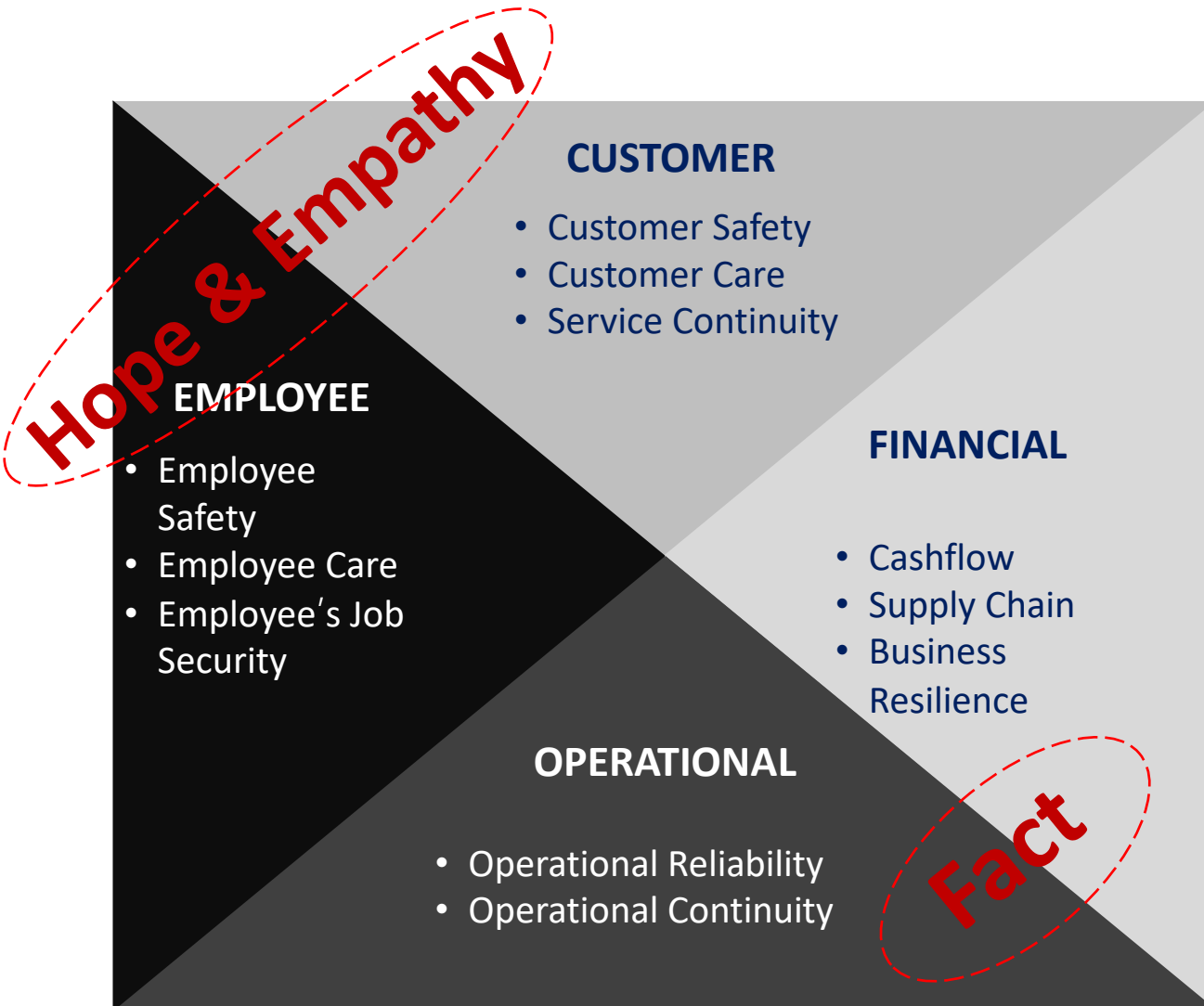
1. Envisioning the Future
2. Leading with Empathy
3. Being Cool & Calm

### **Act Decisively**

1. Don't get rid of Risk
2. Quick & Appropriate Action



# PRIORITIES OF THE LEADER



## Smart Trade-off :

- Urgent-Important
- Survive Now & Success Tomorrow



## Commanding Officers:

- Who's doing what
- Empower where possible



## Don't Punish Mistakes

- The Big Risk is NO ACTION

# CRISIS – QUICK ACTION DASHBOARD

Beginning Balance	Cash Flow From OPERATION	Cash Flow From INVESTING	Cash Flow From FINANCING	Ending Balance
Check Liquidity at the beginning position	<b>Cash-in from Customers</b> <ul style="list-style-type: none"> <li>Explore Innovative Revenue Generator</li> <li>Collect receivables wherever is possible</li> </ul>	<b>Cash-in from the sale of Assets</b> : plant, property, equipment, and business units	<b>Cash-in from issuance :</b> <ul style="list-style-type: none"> <li>New debt</li> <li>New equity</li> </ul>	Check Liquidity at the ending position
	<b>Cash-out to suppliers</b> <ul style="list-style-type: none"> <li>Adjust Capacity</li> <li>Extend payables,</li> <li>Sell or Return inventory</li> <li>Cutting Fixed costs : utility, rent, salaries</li> </ul> <b>Cash-out for Interest</b> <ul style="list-style-type: none"> <li>Defer or restructure interest and lease payments.</li> </ul> <b>Cash-out for taxes</b> <ul style="list-style-type: none"> <li>Delay tax payment</li> <li>Look for Incentives on Tax</li> </ul>	<b>Cash-out for :</b> <ul style="list-style-type: none"> <li>new plant, property, equipment, and acquisitions</li> <li>Maintenance, growth</li> </ul>	<b>Cash-out to Mature Debt</b> <ul style="list-style-type: none"> <li>Principal payments due at debt maturity schedule</li> </ul> <b>Cash-out to buy-back shares</b> <b>Cash-out for Dividends</b> <ul style="list-style-type: none"> <li>Common</li> <li>Preferred</li> </ul>	

# AIRLINE CASE

## CUSTOMER BEHAVIOUR

1. Trust on Health & Safety Concern
2. Business vs Leisure Segment Behaviour
3. Short Haul vs Long Haul Travel

## MARKET STRUCTURE

1. Majority of the older-age generation
2. Rotational Job in Remote area
3. Expatriate
4. Labour-intensive companies

## FINANCIAL RECOVERY

1. Liquidity Management
2. Debt & Capital Restructure
3. M & A option

## RESTARTING OPERATION

1. Optimizing Rout and Restarting Operation
2. Sanitised Touch Point of Services

# CRISIS = DANGEROUS vs OPPORTUNITIES ?

## Mapping The New Reality

- Most employees to do WFH
- Discontinued traditional classroom & switched to online learning.
- Retail establishments closed.
- Social distancing is the norm
- Air travel has largely been suspended
- Audio, video and web conferencing as dominant modes of interaction.
- Global supply chains have been disrupted.
- Massive unemployment
- Cultural institutions such as museums and theaters have closed.
- Public gatherings and even weddings have either been postponed or moved online.

## What next?

- Flexi-Time in Employment
- Virtual University
- Accelerate Online Retail Sales
- Aircraft Cabin Space for Cargo
- Sanitised Air Travel
- Hospital Hotel (Hostel ???....)
- Frozen Food Supply
- .....

# CRISIS = DANGEROUS vs OPPORTUNITIES ?

## How to create the Opportunities

### **Agility,**

- New Model of “Change” Mentality

### **Adaptability**

- Redefine Talent Strategy - Fluid Organization and Open Innovation

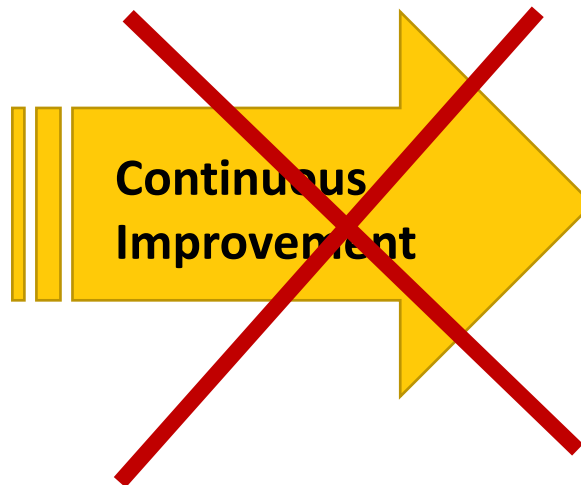
### **Resilience**

- Digital Transformation and IT Infrastructure

# COVID-19 CRISIS – WHAT NEXT ?



**Continuous  
Improvement  
has a limit**



**Innovation  
creates  
something new**

Let us stay safeguarding  
our lives and our business



**GOOD LUCK**

**AND**

**GODSPEED**

**THANK YOU**