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As Delta Variant Spreads, Business Leaders Continue To Struggle Against Covid

*By Edward Segal
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The list of major companies and organizations affected by the Covid pandemic and recently discovered delta variant continues to grow, as do the lessons business leaders can learn on how to respond to the crisis.

According to [Bloomberg.com](https://www.bloomberg.com), “Some events, like the New York International Auto Show, are being canceled due to virus concerns. Companies including Alphabet Inc.’s Google, Amazon.com Inc. and BlackRock Inc. have all recently pushed back plans to return to the office as well.” And Apple has [delayed plans](#) to open its first brick-and-mortar store in India this year because of Covid’s impact on that country.

‘Multiple Headwinds’

[Laurence Ales](#), associate professor of economics at Carnegie Mellon University's Tepper School of Business, observed that, “The pandemic has presented businesses with multiple headwinds hindering growth and expansion opportunities. First and foremost is the increased level of uncertainty. This is not only a pure economic uncertainty but is also entangled with the uncertainty on the evolution of the pandemic and of the vaccination effort in the U.S. and abroad. In addition, consumers have reacted to this pandemic-induced recession differently than previous recession[s].

“The consumption basket has changed, sometimes in expected ways (decline in travel and hospitality) sometimes in less expected ways (the boom in home furnishings). Finally, firms have to also confront headwinds in terms of their inputs when considering expansions,” he noted.

Ales said, “These obstacles have been not only in the form of limited access to intermediate and capital goods (supply chain disruptions) but also limited in the access to workers. This last labor component is driven by multiple forces ranging from fear of working in public, to lack of childcare to disincentive[s] provided by various forms of fiscal expansions.”

Business leaders continue to do the best they can in responding to the many challenges and consequences of the 18-month-old crisis.

Disruptions

Lucinda Wright, CEO and co-founder of [Cask & Kettle](#), said “The impact of the current surge in Covid on our business has been very direct. The president of our distillery informed me yesterday that they must shut down for up to a week because of an outbreak at the facility.

“Additionally, while ordering ingredients for our next big production we have been told that the lead time for several critical components will take twice as long (or more) to be delivered, which jeopardizes the substantial new distribution we worked hard to secure,” she said.

According to Wright, “This evolving situation puts our young company in a cash flow crunch as well as in danger of losing business that is essential to our survival and growth. Based on decades of manufacturing and supply chain experience, we know that ‘top-to-top’ collaboration with critical suppliers is key to developing creative, out-of-the-norm, solutions to solve these extraordinary challenges. No company can successfully navigate these turbulent waters on their own without help from their ecosystem.”

Daniel Rutberg is the co-founder and chief operations manager of digital marketing agency [MuteSix](#). He observed that, “This pandemic has created a number of challenges, but the most apparent ones in the business realm have been the disruptions in plans, expansions, and strategies. Many of these obstacles were spurred by budget cuts, but others had to do with acclimating to the completely new environment seemingly created overnight.

“For example, marketing strategies geared toward friends and families enjoying themselves at group gatherings were suddenly a no-go, so marketers struggled to find compelling ways to promote products and services that weren't exactly useful during a global lockdown. In short, company leaders had to dig deeper and pivot faster than ever before,” he said.

Rutberg noted that, “Those who were most successful adapted quickly and went on to take the necessary measures to get their team onboard. Sadly, those who settled for a ‘let's wait and see approach’ didn't experience many positive outcomes.

Closing A Store

Will Cutler is the co-owner of 23 Subway franchises in South Carolina. He told me that they had to shutter one of their stores because of slow sales and the lack of help. At other locations, operating hours were shortened, stores were closed on some days and remodeling was postponed.

“We are having difficulty getting products from suppliers for our restaurants.... having trouble finding parts to fix items in our locations [and] have increased wages several times and offset them with increases in pricing. [We also] offered bonuses to get people to come on board and stay on board,” Cutler said,

Expansion On Hold

Danielle Ferrari, owner and founder of [Valhalla Resale](#), recalled, “We had plans to expand Valhalla to our second retail location in 2020. Plans for expansion had already begun before the country started shutting down to help slow the spread of Covid-19. Luckily, we were in the very initial stages of expansion, so the impact was minimal. We planned on using an equity crowd sourcing platform to sell shares to raise the funds for expansion.

“I hope that one day we can bring Valhalla to every major city. While expansion is still in the [works], those plans remain in the future as Covid-19 lingers. I’m not sure when we’ll be able to put expansion plans back into motion,” she said.

Advice For Business Leaders

Investment banker James Cassel, chairman and co-founder of [Cassel Salpeter & Co.](#) said, “The biggest concern that I see is what will really transpire long-

term. Is this a new way of working or will things slowly go back to the way it was?

“Being flexible will become very important. Companies will be required to make a major decision when their leases come up for renewal. Companies also need to expend more money in technology especially relating to security when their workers are working remotely,” he advised.

“Keep in mind many businesses don't have this option. They need their people to be on site. Be it a retailer, a restaurant or other kind of service organization, you can't do this remotely,” Cassel counseled.

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