



LIVING THROUGH A BLACK SWAN EVENT- A DEEPER DIVE IN IT SECTOR

In this paper we will go through the journey of understanding and identifying a black swan event, and how COVID 19 was one along with its impacts, both reversible and irreversible across industries with a major focus on IT industry. The disruptions caused were oriented either towards people or towards technology front.

Since the dawn of mankind, we have been constantly evolving and growing, but natural evolution in any field can be very slow. Though medical science works hard on pushing the bounds of genetic limitations, it is greatly dependent on breakthroughs. Technological breakthroughs and evolution are different though, they are stimulated by certain pivotal events in history, like the World Wars, invention of the world wide web, etc.

Just what is a Black Swan Event?

Most of such events can be called Black Swan Events. These events can be identified by certain characteristics, like they are unpredictable, they always have a major impact on our way of living, their repercussions are irreversible and everlasting. Most such events are observed as catastrophic and only in hindsight are the benefits observed and these are referred to as black swan events. For example, the World Wars were a chronological cesspool of technological advancements, all of which were targeted towards warfare and winning the war, but the scientific development due to urgency and active funding to the field resulted in massive scale of breakthroughs.

The developments later experienced applications in many other fields. For instance, World War 2 resulted in massive developments in Radar and computer technology and fields of medicine with penicillin, even some basic items which have become a common everyday use were borne out of these events, like synthetic rubber, microwave oven, and even something as small as duct tape.

COVID 19 as a black swan event:

In usual interpretation of the term and its observed classification through the years, experts hesitate from calling a pandemic a black swan event, as it has become a part of existence, but unlike any other pandemics, COVID 19 transpired in a period of human history where we observed technological growth at an exponential rate with far reaching effects.

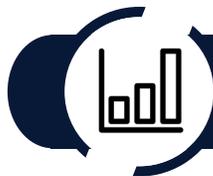
Though Covid 19 may not justify the criteria of a black swan event in the traditional sense, as an event, it did force us to adapt and evolve in our daily life, in an unimaginable manner. It was the fast-paced booming technology that created a new paradigm of operations in our daily lives, which corporate veterans termed 'New Normal' which was never thought possible in the past.



Initial Impact / Patient zero:

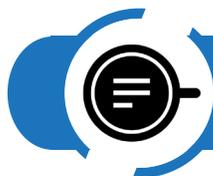
With the very first hit, companies experienced a roadblock to continuity of business processes as the entire supply chain was disrupted, workforce was scarce, employee and company safeguards were increased. During the month of June 2020, PWC conducted a survey with over 330 US based CFOs to identify what they felt were the key issues being faced by the corporates.

Some of the following key Insights were gathered from the survey:



Multiple paths to grow top line: Most survey takers pointed that they found making changes to products and services was a better alternative compared to the rest who felt altering offering pricing is a more prominent strategy.

Growth initiates technology investments: As the companies had an urgent need to reinvent their business functions, technological investments became a major steppingstone for them.



Working remotely in the New Normal: No longer was working remotely perceived as a productivity drain, and all preconceived notions were dropped to adapt and see work from home structures in a new light.

Building more on the 'Growth initiating technology investment', it was very evident very fast the kind of problems faced by companies was the excruciating disruption of the usual business process, the dropping levels in productivity was one of the major issues to face and deal with. There was an urgent need for a system to be implemented to work remotely, ensure employee safety and most of all implement a seamless access to CRM and ERP systems.

There was a plethora of objectives being covered by existing enterprise systems but only after the paradigm shift due to covid did we suddenly have a vacuum of solutions that were scalable, easy to implement and providing omnichannel remote access.

Epidemic to Pandemic:

The first hits in the wave of Covid were braved upon by manufacturing and logistics industry with a sudden and erratic disruption in the Supply-Demand continuum. Soon thereafter, the standstill and chaos of the situation had spread to all lines of business across geographies and industries. A sudden need for adoption of digital transformation and upgrades were crucial to keep the pace for revitalizing the business to its former glory.

A barrage of technologies stepped in from all across the IT sector supporting the need and filling in the gap of technological construct within their client landscapes.

A key distinction observed in the post covid era was that few of the disruptions of the time were irreversible and few quickly reverted back to their original state:

1. **Trust in physical presence:** As the Pandemic grew, more and more individuals and employees were transformed into a faceless voice through the system. The slow and gradual increase of trust in people grew to levels only thought possible with a face-to-face interaction before.
2. **Employees to humans:** Co-workers and peers were often designated as employees or members of a certain team, but with the work from home model, there was a critical insight into their personal lives. With disruptions caused by family members of commitments at home, we soon started to formulate a genuine imagery of the individual as a human

being more than just an employee. Increasing bonding between peers and a rise in interactive empathy materialized.

3. **Solutions had to be accelerated:** Previously solutions proposed in the field of IT were detailed and lengthy, but with pandemic and the urgent need of quick turnarounds, many companies developed new strategies to produce offerings with quick turnaround, delivering major impact on the client business. Pointed and specific solutions critical to business functionality were targeted, instead of holistic solutions.
4. **Other Industries:** All the above trends can be observed in almost all other industries with varying levels of technology adoption. With automation and remote operations using AI, robotics was accelerated. For example, remote robotic surgeries and online consultations saw an incremental hike in its adoption.
5. **Stepping-stone:** Multiple IT companies also provided a plethora of solutions and technologies that were leveraged for business functionalities to run in a smooth and organized manner. One of them was Microsoft with its widely accepted communications platform:
 - i. Microsoft teams for remote real-time communication
 - ii. Microsoft office products for creating a platform for parallel team-based work and collaboration
 - iii. Microsoft D365 cloud solutions to always provide the users from all departments seamless access to company resources.

In my opinion, the digital transformation experienced by most companies in terms of business operations or day to day functionality was an inevitable advancement and was only further expedited due to the pandemic situation. It created an environment where the technological ecosystem was further strengthened within companies and in a manner that helped organizations to connect, maintain, and build relationships with its employees and clients.

This hastened adoption of technologies also provides majority of organizations a chance to further scale up their operations and build a platform for their future selves to build upon.



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About the Author



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