Impact of Covid-19: Recovery through Business Model Shifts and Open Innovation

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Abstract: The Covid-19 has had an unprecedented impact on the world. Besides intense health and humanitarian crisis, the world is facing immense business challenges: the downfall of customer demand, supply chain consistency, unemployment, economic recession, and uncertainties. The business environment is becoming more competent, adaptive and unpredictable. What are the best ways to absorb stress, recover critical functionality and thrive in altered circumstances? The future of the company will depend on the ability of the executives to make rapid decisions and start acting. Business model mechanics and open innovation will have an important role to play in recovering from the crises. This paper we discuss both ① how to understand the significance of business models, its mechanics, and explore their connections with business model shifts. ② Open innovation where companies can experiment with creative ways by harnessing outside ideas and technologies in internal product development and by leveraging inside intellectual property to be commercialized externally. We conclude by driving some lessons from successful companies who use the crises as an opportunity to build back their businesses more resiliently by shifting their business models and using open innovation as a tool for recovery. The companies will one day go back to normal, but many changes implemented during the crises that look temporary now will become permanent. Thus, efforts must be made via a radical reshaping of business outlook and practices that emphasis on planning for new normalcy in the world of business.

Keywords: business models, open innovation and covid-19.