BUSINESS CRISIS CHAMBER

IVYES Entrepreneur Summit | Case Study

The Crisis Scenario

It began with a series of attacks that shook the country overnight. Security officials attributed them to hostile proxy groups operating from Afghanistan, and within hours the nation had moved from routine business to open alarm. The civilian government, which was already struggling to control a weakening economy, found itself unable to steady the situation. In response, the army chief, Field Marshal Asim Munir, imposed emergency rule and martial law across all five provinces of Pakistan.

Now the country waits. Nobody knows whether this is a short interruption before a return to democratic governance, or the first chapter of a long military-led system. Every policy set by the previous government is in question, and the decisions of the new leadership are still to be announced. One thing is clear: no industry has been nationalised, so private businesses must keep operating, but they must do so without knowing which taxes, regulations and economic rules will exist next month.

The Storm Reaching Your Business

You are an entrepreneur whose business operates in Pakistan, and when the news broke you felt it before the announcements had even finished. By the end of the first week, **unemployment** was rising across the country as factories reduced shifts and shops closed their doors. Families who had lost their jobs or feared losing them stopped spending, and a weaker household income meant weaker demand for everything you sell. Inside your own business, your employees began watching you closely, and the question was no longer only how to protect profit but how to protect the people who depend on you without putting the whole company at risk.

Then came the rising prices. The conflict and the shortages that followed pushed up the cost of fuel, raw materials, transport and everyday business expenses, and this **inflation** reached your accounts within weeks. Every unit you produce now costs more than it did before the crisis, yet customers with shrinking incomes will not easily accept higher prices. At the same time, the **rupee began to fall** and kept changing in value. Imported materials, foreign payments and any international debt became more expensive overnight, and a price quoted to a supplier or customer in the morning could be out of date by the evening.

The physical movement of your business has also slowed. Security problems and damaged transport routes created serious **supply chain disruption**: suppliers missed deliveries, trucks were stopped or delayed, and finished goods struggled to reach the customers waiting for them. Behind the scenes, the financial side became just as fragile. Banks grew cautious and restricted lending, customers delayed their payments to you, and suppliers demanded theirs at once, creating the dangerous **banking and liquidity pressure** that has brought many sound businesses down. Meanwhile, **energy shortages** in fuel and electricity forced operations to stop for hours at a time or run below capacity, so you were producing less while your fixed costs stayed exactly the same.

Demand is changing too. Fear and uncertainty have damaged **consumer confidence**, and customers are postponing purchases, buying only essentials and choosing the cheapest option on the shelf. Orders from retailers have slowed, and some have asked to delay or cancel what they already placed. Beyond the cities, **trade restrictions** such as border closures, tighter security checks and new rules have made importing and exporting difficult, leaving goods waiting at ports and international customers uncertain whether you can deliver. Above all of this hangs **policy uncertainty**. Under emergency rule,

taxes, labour rules, trade policies and business regulations can change quickly and with little warning, and you must stay compliant and politically neutral while the direction of the new leadership remains unknown.

Your Role as an Entrepreneur

In this chamber you are not a student answering a textbook question. You are the entrepreneur responsible for keeping a real business alive during a national crisis. Employees are depending on you for their salaries, customers expect their products to arrive, suppliers are demanding payment, and investors expect you to protect their capital. Every decision has a cost and every option carries a risk, so you cannot focus on profit alone. You must think about survival, cash flow, employees, supply, customers, legal risk and what will happen to the business after the crisis has passed.

What Would Your Business Do?

Your team must decide what a sensible business owner would actually do. Start with the first 72 hours: which operations, assets and employees are the most critical, and what must be protected immediately? Then consider your people. Will you keep every employee, reduce working hours, restructure jobs or use other measures to avoid unnecessary layoffs? Think carefully about cash and costs as well, including which expenses you would cut first and how much cash you would hold back as an emergency reserve.

Next, look at how your business will keep running and selling. How will you find alternative suppliers, transport routes and sources of raw materials, and will you increase prices, reduce margins, offer cheaper products or change your product strategy? You must also decide how to manage loans, foreign currency exposure, delayed payments and possible banking restrictions, and how to operate under emergency rules while remaining compliant and politically neutral. Finally, look ahead: can you move some operations to another city or country, use remote work or create backup production facilities, and what is your plan if democracy returns, or if military rule continues?

Crisis Survival Plan

At the end of the chamber, every entrepreneurial team must present a clear strategy showing how its business will survive. Your presentation should explain your **first three actions**, **employment strategy**, **cash management plan**, **supply chain solution**, **pricing decision**, **approach towards government regulations** and **contingency plan** for further economic disruption. The strongest team will not necessarily be the one that predicts the future correctly, but the one that identifies the biggest risks, makes practical decisions, explains the trade-offs and builds a strategy that can survive different outcomes.

> **Key Question:** If this were your own business, what would you do to keep it alive? Think like an entrepreneur and make decisions with limited information, limited resources and no guarantee that the situation will improve soon.

This is a fictional crisis simulation created for the IVYES Entrepreneur Summit. It is intended for business strategy and decision making and is not a prediction or statement of real events.