

COVID-19 AND THE WHAT-WHY-HOW OF BUSINESS – SURVIVAL MODE VERSUS RECOVERY MODE

I had just completed a research project, looking at the operations of some of the most successful businesses across the globe, when the Pandemic hit the UK. We had also just rebranded our services, to take account of the outcome of this research, with a view to being in a better position to help our clients plan for the uncertainty of Brexit and a global recession; the latter having already been predicted by the IMF. One thing that my research has highlighted is that, whilst the coronavirus outbreak has been dramatic and unnerving, from a business point of view it is not unprecedented. It is just another crisis that breeds uncertainty. When we look at the majority of organisations that have gone out of business during the lockdown, their problems began to emerge long before the coronavirus took hold. They had failed to keep pace with customer expectation – in the UK, Brexit and a world recession may well have produced the same result. We have seen many organisations implementing cost-cutting to aid cashflow; which would suggest that they are not agile enough to be able to diversify; do not have a robust crisis management plan or have not set aside sufficient funds to see them through times of uncertainty (possibly a combination of all of these). They have found themselves in ‘survival mode’. Unless cost-cutting is linked to innovation and creativity, with a view to increasing income, then it is a short-term solution to a long-term problem.

If businesses are to benefit from changes in the external environment they need to look at: How the lockdown has changed customer expectation; how their competitors have reacted to change; what product or service the customer will need in the future that is not already being provided in the marketplace. In their book ‘Reinventing the Organization’, Arthur Yeung and David Ulrich, when talking about idea generation, have stated that ‘creativity occurs when individuals turn their personal curiosity into something new’. This would suggest that, by following someone else’s benchmark, you are utilising their creativity – not your own; thereby placing yourself in a position to make tactical decisions but not strategic decisions. Businesses need to provide something different, of value, if they are to stay in ‘the game’. In previous articles I have highlighted the need for business leaders to leverage the ‘right’ strategies, capabilities, structure and culture to support collaboration, innovation and creativity; whilst ensuring good leadership throughout the organisation. However, when it comes to managing change, people tend to buy into the ‘Why’ and the ‘What’ together and want to be involved in determining the ‘How’.

My thoughts are:

- Why – Why do we need to undertake a programme of change? It could be that we have seen a new customer need that is not already being provided in the marketplace; it might be due to a loss in market-share; perhaps it is to improve customer service to ensure retention of existing customers and to attract new custom.
- What – What is our ultimate goal; what do we want to achieve? The answer to this question is likely to come from the question ‘Why’. If we know why we need to change then working out what we want to achieve can be relatively easy.
- How – Change is brought about by people and they will need to know the ‘Why’ and the ‘What’ if they are to be in a position to fathom out the ‘How’. How can

change be brought about in a way that provides (adds) the best possible value to the Customer? If change is to be successful it requires the utilisation of talent from across the organisation (not just in the department that produces the product or provides the primary service).

Businesses that have managed to diversify, either in providing a different product or service' or changed the way in which that product or service is delivered, may well decide to continue in the same vein. They might even decide to offer both the old and the new together. Employee expectations may also have changed. For instance: Where remote working has provided a better work/life balance people may wish to continue to work from a remote location – others may have found the lockdown depressing and yearn to be back in a more social setting. It is only right that employers should take such expectations into account. However, there is a need to balance the expectations of the employee with the need of the business if the organisation is to remain agile enough to react to changes in the external environment with both speed and scale. The Organisation and the People within it will, most likely, need to contribute in a new way if the Business is to take full advantage of new opportunities in the marketplace.