



Getting ahead of competition, capturing opportunities & shaping the new normal

The current crisis is bringing about massive economic and structural shifts. Amidst the multitude of business challenges also lie opportunities. Leaders can accelerate their execution drumbeat, apply learnings from the crisis, leverage unique chances for transformation, get ahead of competition and shape the future of their industries. Here are some curated insights on how to get on this path of success.

1. Refresh your strategy

As the broader industry landscape will change, your strategy may need to be adapted. Leaders should rapidly develop a view on:

- Likely future customers and customer trends
- Industry transformation & potential scenarios
- Given this transformation, what your company (purpose and identity) should look like in the long run to thrive
- Drivers of your competitive advantage (product innovation, delivery, cost, operational or business model simplification, other)
- Potential investment opportunities you can leverage (lower valuations for acquisitions, new talent pools)

2. Simplify your business

Winners will be fast, lean, digital and focused. There is a need and opportunity for simplification across all areas of the business:

- Accelerate your organizational drumbeat by implementing efficient ways of working (digitally/ remotely) with colleagues, customers and suppliers
- Avoid adding back complexity in the form of overly complicated or stringent post-COVID-19 rules (keep them simple, pragmatic and business-relevant)
- Eliminate organizational layers to shorten decision-making chains, trust your organization, keep meetings small and short and increase the number of “doers” vs. “checkers”
- Create agile, flexible organization models (e.g. multifunctional task forces in the regions)
- Streamline processes and accelerate your digital strategy to eliminate inefficiencies, reduce costs and beat the competition

3. Focus on your customers and drive topline security

Ensuring you can effectively sell & deliver products to customers remains a key competitive advantage:

- Put your customers first. Reimagine your customer journey – how can you leverage what we have learned to accelerate route to market, offer best-in-class customer safety and satisfaction, and pioneer an entirely new customer experience in this new (digital) normal?
- (Re)segment your customers and set commercial priorities for the medium- and long-term
- Fully leverage digital sales tools, including e.g. AI-powered lead generation and digital outreach
- Stimulate and shape demand – leverage opportunities to gain market share through smart pricing
- Ensure your key operations, resources, and talent are simplified, efficient, geared to service your customers and equipped for structural uncertainty
- Put in place remote sales and service teams; digitize your end-to-end product delivery and sales process, ensure access to the necessary digital tools and training

4. Future-proof your organization & talent

HR needs to serve as organizational architect, embracing the new normal to bring talent and transform the business:

- Assess the capabilities you will need going forward, focusing on skills rather than roles
- Ensure company-wide view of your talent pipeline, and lead global workforce planning
- Embrace the Future of Work to variabilize your cost base, tap into new labor pools and specialized remote expertise
- Harvest productivity gains from virtualizing work, while ensuring high performing teams
- Integrate COVID-19 requirements and achievements into the new work routine; pioneer new standards for health and safety
- Elevate your workforce, focus on well-being and build a resilient organization

5. Accelerate your digital strategy

Digital is here to stay, and your competition may already be ahead of you:

- Upgrade your digital agenda to meet new customer needs and accelerate your execution drumbeat
- Ensure strategic leverage of your data, which will require urgent clean-up and implementation of an integrated cloud-based data platform – allowing for full visibility of your customer base and service, supply network, logistics, manufacturing/ quality, talent base and other
- Right-size your IT function to variabilize cost (renegotiate vendor contracts and retire old systems), simplify your IT, maintain access to talent and expose investment capacity for digital projects

6. Build an agile manufacturing and supply chain function

Structural demand-supply instability is likely to persist. Pioneer new approaches to navigate it:

- With consumers holding back spending, businesses will have to live with periods of overcapacity. Winners will right-size their manufacturing, transferring fixed to variable costs wherever possible, and build an agile supply chain that includes alternative (fallback) manufacturing options
- Leveraging digital to create ultimate consumer/customer visibility, and ensuring a “zero-based” forecast are vital tools in predicting and navigating demand-supply fluctuations

- Digital factories that leverage AI and robotics imply lower labor cost and will allow companies to move to a more local manufacturing setup, decreasing operational risks.

7. Storm-proof your sourcing

The global pandemic, paired with factors such as climate change, mandate a resilient supply chain:

- Single-source is out, diversification is in – leaders need to look for alternative supply sources to avoid disruption, supply delays and the potentially resulting customer erosion
- Lower supply chain risk by gaining visibility of & addressing gaps in your multi-tier supply network

8. Recognize that Finance is instrumental for your success

Cash is king, and risk management matters more than ever:

- Throughout this period of economic uncertainty, conserve cash and manage your cash flow
- Revisit customer and supplier pricing and contracts; anticipate bankruptcies in your ecosystem
- Review forecasting, pricing and planning models and re-evaluate methodology and data (much of it will no longer be applicable in the new normal)
- Put in place risk-management frameworks (e.g. credit risk, supply risk) and early warning indicators