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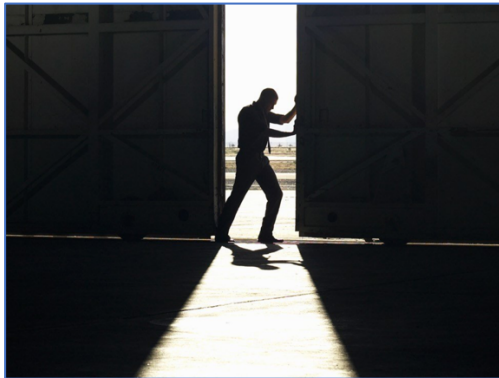
Strategy Capital Deal
A D V I S O R Y

Back to work :

Recovery from Covid-19 will require resilience as companies advance, retreat, adapt - and repeat as necessary

Extract of an interesting article from BAIN, By Hernan Saenz, Dunigan O'Keeffe, Karen Harris, Tim van Biesen, John Hazan, Dianne Ledingham and Nate Anderson - May 21, 2020
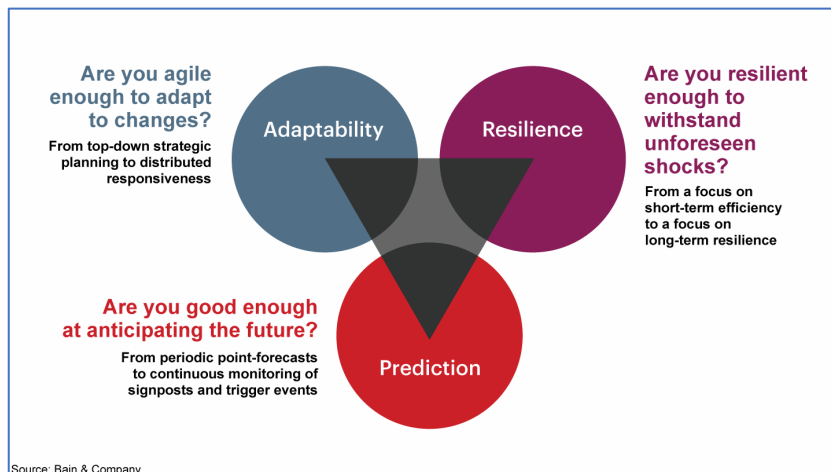
Recoveries have always mattered in business. Some of the biggest shifts in market share occur coming out of downturns, when new industry leaders—and new industries—often emerge. Rarely, though, has recovery meant putting people's lives at risk.

Yet that's where we are today

The post–Covid-19 world will accelerate some existing trends and create new ones, and all business models will have to evolve in order to grow and thrive. But there's no way to accurately predict the coming year, and it's a dangerous mistake to rely too heavily on forecasts, which have to be complemented with highly adaptive and resilient business models.

For leadership teams, the recovery will mean **restarting**—in some cases, **reinventing**—operations in an unstable world of shifting conditions. The leading companies will be defined by their ability to balance resilience, adaptability and prediction (see Figure 1). They'll advance where they can, retreat as soon as they must and adapt as needed. They'll build experience to do that again and again, by office, by work site, by plant, by community, by country. And they'll put in place the right mitigation protocols and support to protect their employees, many of whom are eager to get back to work, but worried about the risk of getting sick.

Figure 1 Prediction, adaptability and resilience will help leaders advance where they can, retreat as soon as they must and adapt as needed

Are you agile enough to adapt to changes?
From top-down strategic planning to distributed responsiveness

Adaptability

Resilience

Are you resilient enough to withstand unforeseen shocks?
From a focus on short-term efficiency to a focus on long-term resilience

Are you good enough at anticipating the future?
From periodic point-forecasts to continuous monitoring of signposts and trigger events

Prediction

Source: Bain & Company

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Getting back to work away from home is the first step in recovery, once companies have taken critical actions to protect the business**. The return to work also sets the stage for retooling the business for a different future** (see the Bain Brief "Covid-19: Protect, Recover, Retool"). But this recovery won't follow a straight line, so executives should get used to thinking about it dynamically. How should they track demand as it ebbs and flows to quickly serve customers when and where they show up? Are there sound actions to stimulate demand? How can they ensure value chains are viable while implementing resourceful workarounds? On these and other critical issues, leaders can't wait to have most of the facts; instead, they'll make hard decisions and commit to learning by doing—developing a pragmatic campaign for returning to work and getting started. The plan of action for recovery should be: advance, retreat, adapt, repeat.

The companies that can protect their people and build the most experience with real agility will create a competitive advantage and accelerate faster out of the downturn.

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Back to work: A question of demand and supply

Willing workers are a critical component of the recovery, but companies can't just turn the lights back on and hand out masks at the door to a returning workforce. For most executives, **the task at hand is less like *restarting* a business than like *starting* a business.** They face some of the same questions that confront every business founder: What are the customer needs that I can serve? Where is the demand, and how will we configure the business systems—supply chains, production and service operations, distribution—to meet it?

Only by first understanding the **demand** side of the equation can executives gauge their workforce needs and the urgency of returning different groups of workers to their jobs and work sites. This starts with evaluating customer demand by product or service and geography, and assessing the abilities of suppliers and distributors to support that demand. How has Covid-19 affected direct customers' demand? How are shifts in end-market demand affecting them? Are there ways to stimulate demand? Likewise, are tier-1, -2 and -3 suppliers capable of resuming production? How has Covid-19 affected the supply chain, and how will that constrain production and logistics? These questions will help executives estimate how many people need to return to work physically to meet that demand.

And that number will be radically different today than it would have been before Covid-19 thrust us into **a forced experiment in working more efficiently and effectively.** In recent weeks, every company has learned new ways of working—what work can continue remotely from home, can be done more efficiently or can be automated. And every company has discovered, through the crucible of the coronavirus, that some work simply doesn't need to be done anymore.

Nor will the number of employees returning to work grow in a steady upward line. Companies must return people to work in phases, aiming to increase their numbers over time, but equally ready to shrink them—perhaps drastically—when setbacks occur. With the virus still active and an effective vaccine still many months away at best, new outbreaks are inevitable for countries or communities and very possible at work sites.

With the crisis breaking apart business systems, **setting up Agile teams is the most effective and scalable way to adjust and build resiliency into fluid operational environments.** Local teams, guided by nonnegotiable safety requirements, will learn and respond to conditions on the ground, continuously adapting, putting solutions in place and reporting successes to leaders who can scale them across the business. Companies will constantly adjust priorities and resources between the teams that are advancing and those suddenly forced to retreat. This is the very definition of Agile.

For smaller companies—with a single product in a single region—adding back operations may be a delicate dance. But the greater a company's geographic and product diversity, the more operations will fluctuate. For global firms with many sites, products and operations around the world, it will be a wild fandango (see Figure 11).

Figure 11 The plan of action for returning to work sites

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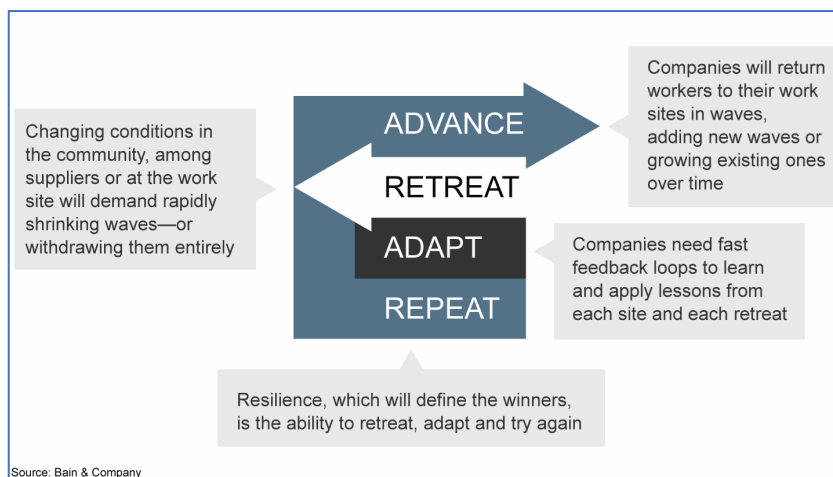
Leading the movement back to work

Ultimately, though, **returning to work is a moment of truth for leaders and will be defined by trust.** For employees, trust starts with both being safe and feeling safe—perception will be important along with the mitigation of real risks. In workplaces that include customers, this will be equally true for them.

Trust is also essential for returning to work. Make no mistake: The safety of workers and the future of the business requires that some rules be strictly enforced from the top down, with no exceptions, for the foreseeable future.

But as soon as it's practical, leaders can empower their frontline managers to deal with local issues as they arise. This requires that workers get the training and psychological support they need to embrace, maintain and self-enforce safe behavior at all times. And companies can reinforce that trust and build agility by developing feedback loops to quickly deliver best practices developed on the front lines in one workplace to the rest of the organization. These feedback loops also demonstrate to employees that they are heard and play a critical role in reducing risk for their fellow workers.

Going back to work is necessary for recovery, and also moves the company closer to retooling for a new normal. With the future in mind, returning to work does not mean returning to the old ways of doing things. How can leadership teams build on experience to bring back a stronger, more focused, more resilient company? How can they win in the new world? Most companies won't fundamentally change direction as a result of Covid-19, but the crisis has dramatically accelerated the speed at which they are traveling and how they navigate the journey. **That may be the definition of a silver lining.**

As the global pandemic deepens and the human cost of Covid-19 rises, the novel coronavirus outbreak is sending shocks through the world economy. But across industries, companies can take action now to protect their employees and customers and minimize the economic damage

Access to the full article https://www.bain.com/insights/covid-19-back-to-work-advance-retreat-adapt-repeat/