

The business world during and after Corona, consequences and recommendations for actions.

1.) Corona, a new dramatic example of our VUCA world and a black Swan

The COVID-19 pandemic descended upon us surprisingly and all of a sudden. The number of infected people increases exponentially and our daily lives have changed completely. Another dramatic example of a world with increasing Volatility, Uncertainty, Complexity and Ambiguity.

The management of the virus is mainly explorative and experimental.

Scientists use databases, hypotheses, assumptions and data models to predict the spread and severity of the pandemic.

Actions are decided daily in response to such new findings, though their effects remain uncertain.

For this kind of assessment big data and artificial intelligence are very important and useful. However many serious decisions are still taken by courageous humans.

This crisis hits our society extremely hard, everybody is impacted.

The urgent questions right now are:

How can we curb the transmission of the virus and stop the exponential growth of infected people?

How can infected people with severe medical symptoms be treated successfully in hospitals and how can potential fatalities be limited?

How can we contain the virus and protect the global population from COVID-19?

When will the severe restrictions imposed on the population be eased? After 2-3 months or after a much longer period?

How will my firm survive the next few months?

The big questions a few months down the road will be:

What will the world look like after the crisis? How will politics, economics and society have changed?

Will our lives be similar after the crisis compared to how they were before? Or shall we get used to new living conditions and change our lifestyle habits?

We are surrounded by serious questions without really knowing the answers!

2.) The uniqueness of the Corona crisis

This crisis is distinct from the previous big crises such as 9/11 or the financial crisis of 2008/2009. At that time the drivers were mainly of geopolitical and financial natures and impacted mostly the real economy.

The current crisis comes from the fringes of society, all humans are affected, no continent will be exempted.

The economic consequences will be shocks on both sides, offer and demand.

If, for medical reasons, this shutdown will last several months, the financial, economic and societal effects will be dramatic.

There is a high probability, that we will never go back to a world similar before COVID-19. Priorities will shift, we will differentiate more between important and unimportant things. Consumer behaviour might change, also the way how products and services are used and sold.

In these difficult moments we need to remain optimistic and prepare for the time after the crisis, despite uncertainties.

Successful societies, economies and companies will steer through the crisis with high discipline and determination anticipate what life after Corona will look like with creativity, courage, willingness to take risks and entrepreneurial spirit.

This extraordinary situation is an exceptional challenge for all executives.

They need to manage the Corona crisis in the short term and ensure the sustainability of the company in the long run in parallel.

We can seize the opportunity to break existing taboos and get out of our comfort zone.

Companies should assess the maturity of their business transformation critically, reposition themselves in the market and increase the speed of transformation.

3.) Business Transformation in times of Corona

Business transformation is mainly driven by globalisation, digitization and sustainability. These 3 drivers will be strongly impacted by Corona.

Globalisation has had a strong impact on the economy and on firms already for decades. Global interconnectedness and global supply chains will be redesigned and leveraged differently. For example the production of goods with high relevance for health and safety will in the future be re-localized in the different regions.

The geo-economic and technological competition between the US, China and Europe will take on another dimension.

The global set-up of many companies will be affected.

Digital transformation has evolved into a very important topic in many companies only recently.

Currently, in response to this emergency situation many companies accelerate their digitization programs, with people learning to work remotely. Looking at the horizon after Corona, companies will have to prepare and build-up innovative and digital businesses and think about joining new ecosystems. They should do it with strategic vision entrepreneurship and creativity. In the upcoming weeks many associates can be trained and reskilled in technologies such as AI; big data or augmented reality.

This additional know-how can, for example, be used in business model innovation.

Confidently dealing with a VUCA world as the new normal will qualify future digital leaders.

Sustainability is another important driver of business transformation and will be strengthened by Corona. The popular green movements from 2019 (Fridays for future) will not go down in history as a hype but as reality.

The danger of not reaching our climate targets is less concrete than COVID-19, however the potential impact is much more severe.

The consumer behaviour after Corona will be much more focused on sustainability.

Companies will have CO2 neutrality, the circular economy and zero waste in the design and production of their goods and services.

To ensure this for the complete supply chain, digitization and sustainability must be strongly linked.

4.) Leadership during the crisis- action items

In a moment of crisis real leadership competencies of executives will be revealed, such as vision, resilience, capability to motivate , fast learning and adaptability.

The most important task of a leader right now is to act and decide despite all uncertainties while shaping the future of the business.

In the next weeks the following action items for executives will be in my opinion especially important.

Many companies are already implementing at least some of them.

- Protect the health of your workers and their families, this has highest priority.
- Ensure the liquidity of your company for the next weeks und be prepared for a shutdown for a longer period. Take all hard, painful, adequate and effective measures of cash and cost management.
- Maintain a minimum level of delivery capabilities and be well prepared in your complete value chain for fast rebound of the business.
- Be well informed about government and public aid programs, use them quickly.
- Use your professional and personal network frequently in a broad and intensive way via all kinds of digital channels. This personal exchange, at a moment of high uncertainty, is valuable and will support you to better understand different perspectives.
- Stay in permanent contact with your customers, suppliers, partners and other stakeholders. Be proactive and don't wait until others take initiative.
- Build up new digital sales channels in the next weeks, you will have many opportunities to test them with customers and in the market.
- Communicate regularly ,openly and authentically with your teams, preferably every day. Share with your team any open questions and also uncertainties. Give orientation and promote a culture of trust.
- Take the opportunity to deploy all possibilities of virtual collaboration. All associates now have the chance and responsibility to use new technologies and to employ a different way of communication. Make the required hardware and software available for all of them.
- Be aware your teams are losing stability, their daily/weekly routines will disappear. They will need your guidance and determination.
- You should benefit from the next weeks to train and skill your people in new areas such as digitization. Now you can demonstrate your conviction and commitment to lifelong learning. The possibilities for digital training (e-learning, webinar,..) are unlimited, there are no excuses.

5.) Preparation for after Corona, action items

To position your company successfully after the crisis I recommend for entrepreneurs and executives to follow these recommendations:

- With all currently available information try to make assumptions and hypothesis of your business environment for the time after Corona. Especially do it for the 3 main drivers of business transformation: globalisation, digitization and sustainability.
- Assess how much the premises of your current business model might change after the crisis. Start thinking and shaping your business within new ecosystems (for example smart city or intelligent mobility). You have a possibility to stop silo thinking in your company und to extend your vertical excellence (mastering the value chain) to horizontal excellence (Connecting different industries).
- Exploit your personal network to initiate new partnerships to rebound into a stronger position. There will be many attractive and unexpected opportunities for M&A.
- Use the free capacities of your people to work on innovative products, services and business models. Virtual innovation management should be learned and tried. The new moto is: remote thinking outside the box.
- Make a consistent assessment of your existing know-how gap and which additional relevant competencies will be required after the crisis. When business rebounds your position could even be stronger than before.
- During the next weeks take care of training and skilling your associates in important and missing competencies. Benefit from new opportunities to acquire external competencies in the market. Transform your team into a self-learning organization.
- Think and define right now how you will adapt your organization and leadership culture to be more agile, faster and flexible in the future. You should consider the VUCA world as your new normal and adapt your strategy accordingly.
- Ensure a good balance between activities to manage the crisis instantly and to shape the future after Corona. Both deserves high attention and acknowledgment.

6.) The future of Europe after the Corona Crisis

I will close with a very personal concern:

It will be important to our societies, economies and companies how Europe will get out of the Corona crisis.

Will Europe grow together and strengthen its position in the world or will each country act on its own and thus weaken Europe in an irreversible way ?

It is the responsibility for decision makers and for all of us to transform Europe in this very critical moment into a powerful and influential global player.

During the COVID-19 crisis we need solidarity between the European States and population, close and open cooperation of the national health institutions, joint activities for the survival of our economies during the shutdown and a successful early economic rebound across all countries.

Additionally, it will be crucial also for democratic and liberal states to demonstrate that they are able to combat a pandemic successfully.

However, the current severe measures, restricting our freedom, should be limited temporally.

After the crisis programs initiated by the European Commission on climate protection (green deal) and Digitization should be implemented quickly and decisively.

The experience of the Corona crisis might thus even generate some tailwind.

The real big task and challenge for Europe is to position itself and act on eye level with the US and China for all relevant geopolitical and geo-economic issues.

It is in our common interest to strengthen Europe now !

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