

Addressing the impact of COVID-19 Navigating your organization through uncharted territory

As companies and public institutions around the world are grappling with how best to drive business continuity amidst the spread of COVID-19, we have awoken to a new operational reality that requires immediate action. A raft of new challenges to meet customer and industry needs have exposed the inadequacies of traditional architecture and ways of working. Furthermore they have highlighted the need to be adaptable in the uncertain future we are coming to terms with. The fundamental issue for all organizations is that they are structured around predictable and repeatable outcomes, that is;

- Suppliers that can be counted upon to deliver inputs
- Employees that can be dedicated to strategic priorities
- Leadership with the time, capacity, and energy to steer
- Predictable customer demands
- Capital sources that will underpin ongoing operations

Prior to this global pandemic, these factors justified functionally aligned organizations.

So what now? With no one able to predict exactly what the coming quarters will bring, a shift to more adaptable organizations has become a business imperative. Adaptable organizations exhibit resilience: growth mindsets that enable them to respond to changes in customer demands, economic and market landscapes, and evolving talent and capability areas. There are several mindset shifts which should be adopted, and various ways to start addressing the problems at hand.

Organizational risks during uncertain times



LEADERSHIP

At a time of crisis, most leaders default to centralized and risk-averse approaches, restrict the flow of information, and believe they (alone) have the field experience needed to navigate risky territory. This behaviour leads to bottlenecks or more stringent governance, resulting in increased overhead for individuals and teams.



ECOSYSTEM

Organizations take a long time to define their ecosystem: competitors, suppliers, customer base, and so on. When a crisis redefines this ecosystem overnight how do organizations respond and quickly adapt their terms of engagement to meet both customer and organizational needs?



ORGANIZATION

COVID-19 has seen many businesses forced out of their comfort-zone – testing the limits of remote working, and redesigning operations to bolster health and safety practices. Throwing challenges at an organization, its processes, and its policies should result in resilience and growth, not fragility and pain.



TEAMS






Teams with excess work in progress and conflicting organizational priorities will struggle to deliver outcomes at the best of times. Many organizations in times of crisis describe how effective their teams are – coming together to act quickly and decisively on urgent topics. Their ability to respond quickly to market changes is predicated on getting the right skills and experience on the team and providing them clear decision authority.



INDIVIDUALS

As of mid-March many parts of the world are now in completely virtual workplaces. Individuals will be challenged in new ways, from how they complete their work to their corporate social needs. With people being the most valuable asset many organisations have, making virtual work a meaningful experience could be challenging.

Five adaptability levers

	Building a resilient mindset	Getting started
 LEADERSHIP	<ul style="list-style-type: none"> Walk compassionately in the shoes of employees, customers, and their broader ecosystems Take decisive and courageous actions based on imperfect information: speed over elegance Own the narrative, build trust Challenge your leaders to transition from a 'problem focus' to 'solutions mode' and employ creativity to still deliver value 	<ul style="list-style-type: none"> Rapidly develop a COVID-19 organizational response – simply, honestly, and consistent with official messaging Dedicate/create new channels to share updates with your people and clearly communicate priorities Maintain an open door policy for team members to share honest feelings
 ECOSYSTEM	<ul style="list-style-type: none"> Customers, suppliers, partners, and alliances are all experiencing the same reality Quickly move to maintain open and ongoing lines of communication within the ecosystem to strengthen relationships and build confidence amid uncertainty Be clear on priorities and be flexible around negotiable aspects of your ecosystem 	<ul style="list-style-type: none"> Demonstrate initiative within your ecosystem by reaching out to key stakeholders to agree on new rules of engagement to keep momentum going Collaborate with ecosystem stakeholders around operating scenario planning and change triggers, then mobilize together around specific combined “must win” missions
 ORGANIZATION	<ul style="list-style-type: none"> Design from the heart...and the head. Focus on articulating the outcomes and purpose of the work Encourage cross skilling of key talent to transcend organizational and role boundaries Shift from a fear of failure to a learning perspective 	<ul style="list-style-type: none"> Accommodate agile/adaptive operating structures by detaching people from the complexities of matrix management and traditional reporting to get the job done Transition to virtual and flexible ways of work – not only through digital tools but also with practical pointers to ensure engagement and to nurture trust Institute lessons learnt sessions for teams to share learnings around new ways of work
 TEAMS	<ul style="list-style-type: none"> Teams need the autonomy to define priorities and manage their resources accordingly to achieve their outcomes Teams need to stop starting (new work) and start finishing (work in progress) Teams need to consider what is happening across different functions (to avoid working in their silo) 	<ul style="list-style-type: none"> Empower teams to define their mission and allow them to focus on this to avoid typical organizational distractions Teams need to articulate what work they're doing and understand why they're doing it Allocate time for individual teams to reflect on their productivity and performance Teams should be encouraged to change things that don't work
 INDIVIDUAL	<ul style="list-style-type: none"> Remember the individual and show compassion - each person processes and embraces change differently Individuals best know what they need to be successful themselves – allow them to tell you 	<ul style="list-style-type: none"> Dedicate time for informal and social interactions, e.g., virtual coffee sessions or team drinks Develop practical plans to ensure the health, safety, and wellbeing of employees Encourage employees to create new relationships and working groups

What next? The status quo has jarringly been shown the door. We could be in the early days of the birth of a new and dynamic virtual organization, and the coming year will form a new set of organizational priorities. To successfully navigate uncharted territory, organizations should first and foremost focus on communication to their customers and employees, and work collaboratively with all the aspects of their ecosystem. Secondly, they should take stock of the work they are doing and prioritize based on the best data available. Finally, being outcome-focused and flexible in the ways of working to achieve these will allow organizations to build resilience and take the next step in their journey towards adaptability.

Contact:

For more information on how to respond, recover and thrive:

- Connect to Deloitte leaders www.deloitte.com/COVID-19-leaders
- Visit www.deloitte.com/COVID-19

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