

Thriving in the New Abnormal Requires Reinvention

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In the post-COVID resurgence, acute focus on strategy, leadership, and risk, by the executive suite is paramount. And the chance to accelerate the digital operating model may be once in a lifetime opportunity. With the unprecedented disruption across industries and geographies that COVID-19 has wrought, initial responses appropriately focused on cash preservation, expense reduction, and, above all, the safety of employees, customers, and partners. Now leaders must seize any opportunity they can uncover to maintain revenue streams and reset P&Ls in the face of downward forecasts. While companies have been forced to adapt overnight to working from home, those who rapidly embraced transformation through digital tools are even finding themselves *winning* from home. What did they do right?

The universality of this crisis is unique; whole industries faced an unprecedented moment of disruption with unparalleled uncertainty ahead. Which in turn presented an opportunity for a company to pivot, to reinvent itself, win market share, and even dominate. As we enter the next phase of the crisis and different pockets of the country, the economy, and the globe go back to work, how your company takes its next steps will be critical to its future. You can go back to doing things the way you did them before, reverting to your company's comfort zone of pre-COVID-19 norms. Or you could use this forced transformation, new-found speed of decision making, and adoption of digital tools to re-imagine your business. Tomorrow's leaders will have seized this opportunity to move faster, experiment, and fundamentally reinvent how they execute.

But what does reinvention mean, and how do you do it?

Sprint with Digital

What reinvention means is the easier question to answer. Companies have long known they have to "run to digital," albeit many were only jogging to it. In fits and starts, at that. Suddenly this spring, companies had to transform, digitizing processes and ways of working, successfully, overnight. To reinvent, companies must now **sprint with digital**. Leaders must maintain the courage to make bold decisions based on the facts they have, even if what's ahead is unknowable. Sprinting with digital is not a 100-meter dash; it's an obstacle course. Winning companies will go over, under, around, and through whatever is thrown at them. Some obstacles will be small impediments and others systemic shocks, and, while dodging projectiles, they've still got to watch their competitors. Companies will need to navigate unpredictable asymmetries with flexibility, to shift on the fly as different markets are locked down and reopened at different times.

While that might not seem like an easy answer, *how* to reinvent is an even harder question. Companies will have to begin by defining scenarios and game planning responses—utilizing design thinking can reveal breakthrough ideas. They must build their fast-twitch muscles to react decisively when confronted with obstacles that can't be planned for. Sprinting with digital is the only way to achieve the agility to navigate that obstacle course.

Companies that Sprint with Digital focus on three specific objectives:

Know which customers are ready to buy—and how, when, and what they need.

As markets and sectors reopen, companies must be attuned to their customers' evolving buying power and needs. This means making better use of customer data while simultaneously relying less on past to predict present and future behavior. Creating AI-driven data catalogs and applying advanced data science techniques can help reveal strategies to align messages with offer to individual customers. Even when the customer is not ready to buy, companies need to continue to engage, show empathy, and create value for their customers. Authenticity and empathy reinforce the brand and position the company for success when the customer *is* ready. Companies need to optimize marketing mix and spend and know which channels to activate when.

Once they have this knowledge, product companies must understand how production lines and certain supply chains can pivot to meet a need, seizing opportunities to sell. For service companies, it will mean creating new offerings, reducing ancillary costs like travel for their clients by executing remotely, and becoming more efficient in delivery. No matter which industry, cutting costs to benefit the P&L cannot curtail a company's ability to drive revenue.

Reimagine the organization and ways of working to ensure continuous productivity.

Companies need to be laser-focused on the elasticity of their organizations. They should expect to need to expand and contract operations repeatedly during this 'new abnormal' time. They must be able to pivot to seize opportunity. This requires an agility that's uncomfortable and processes that are digitized. Companies have to assess remote working to determine what's going well and what needs to be improved, establishing clear metrics for measuring productivity. We know people have stayed busy; in some functions, productivity has actually increased during this time. Now, companies must identify the processes that can be automated with digital workers, utilizing RPA and AI/Machine Learning. Companies will permanently transition some functions to remote workers. These choices will reshape hiring strategies as companies reemerge and begin to add to the workforce.

Maximize the value of digital tech and tools.

Sprinting with digital means adopting digital tools. We mentioned automation above, but the tools that will have the most impact in adapting are the ones we already use to communicate and get insights to make the best decisions. The uptake of collaboration and video tools has been extraordinary—they have increased transparency and created new ways of working.

We've learned through this first phase of the COVID-19 crisis that we have to make bold decisions, fast. To reinvent ourselves, we must permanently stay out of our comfort zone in decision making. Clearly, we need to distill our metrics and empower decision making across the business. Companies need to accelerate their application of AI, particularly for predictable scenarios where speed to decision is paramount.

Adoption has always been the challenge of digital—and it is the core of reinvention. Winning companies will not squander this opportunity; they will sustain and amplify the change that COVID-19 has thrust upon them.

These three objectives require investment. This investment won't always be financial, but will always require effort and leadership. Companies that already have big transformation programs in flight are simultaneously accelerating and re-evaluating their strategies to go farther, faster. Investments must be acutely targeted, surgically solving problems, or seizing specific opportunities to deliver wins and ROI quickly, before our reality shifts again.

This is not easy. Companies face a unique level of uncertainty. The foundation of most forecasting has always been history—and now history is irrelevant. This forced transformation has been a catalyst to sprinting with digital—possibly allowing some companies to thrive in the new abnormal.

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