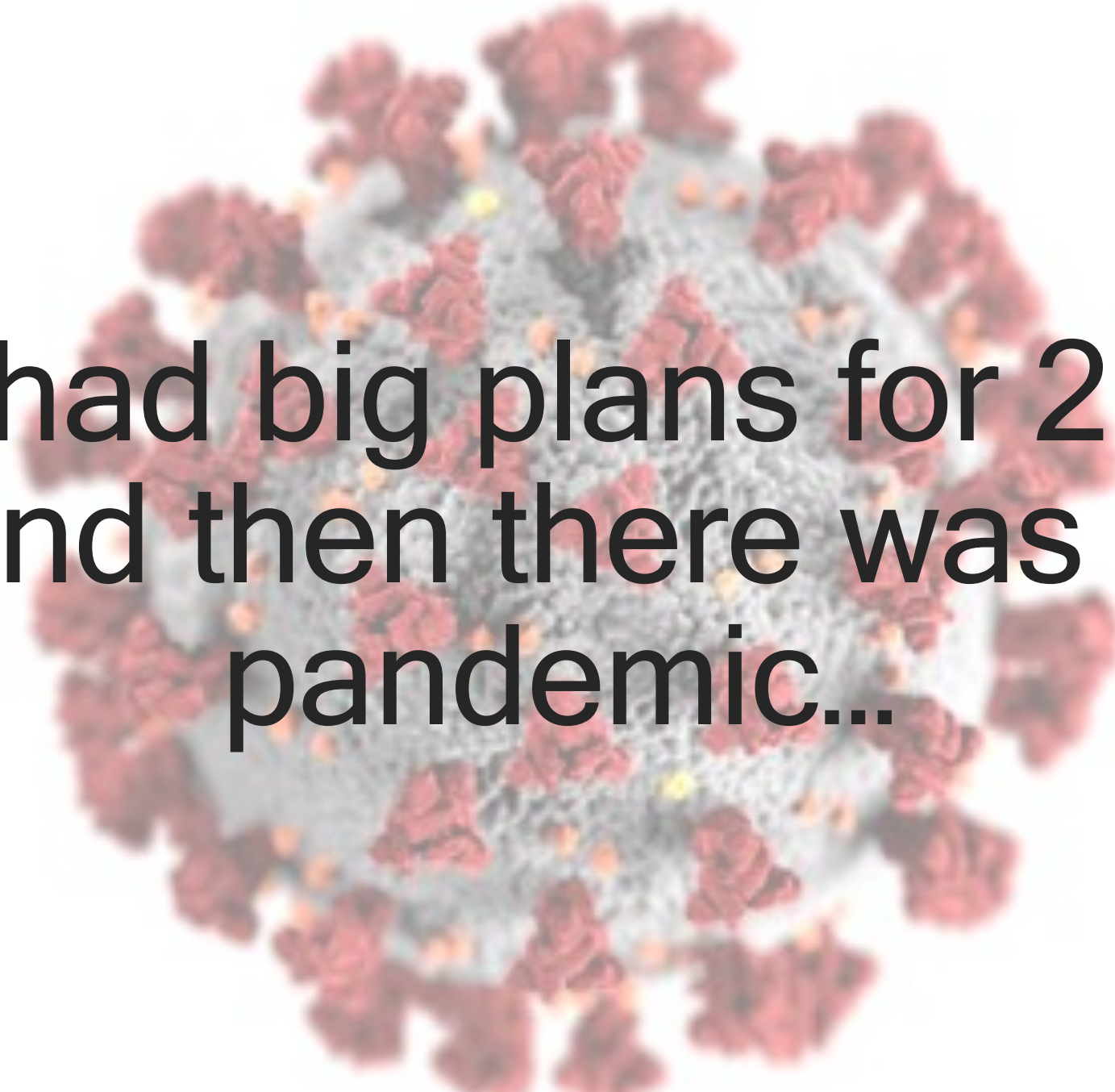




# Recognizing the Patterns in the Pandemic-Driven Crisis

Emerging models for consideration by organizational leaders dealing with business disruption

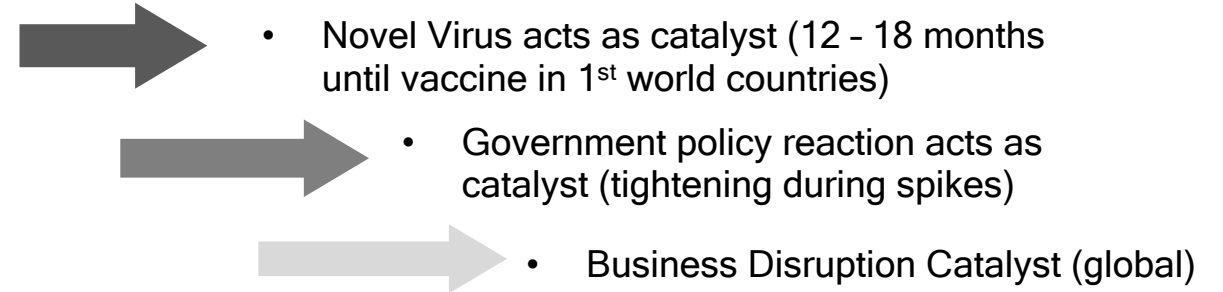




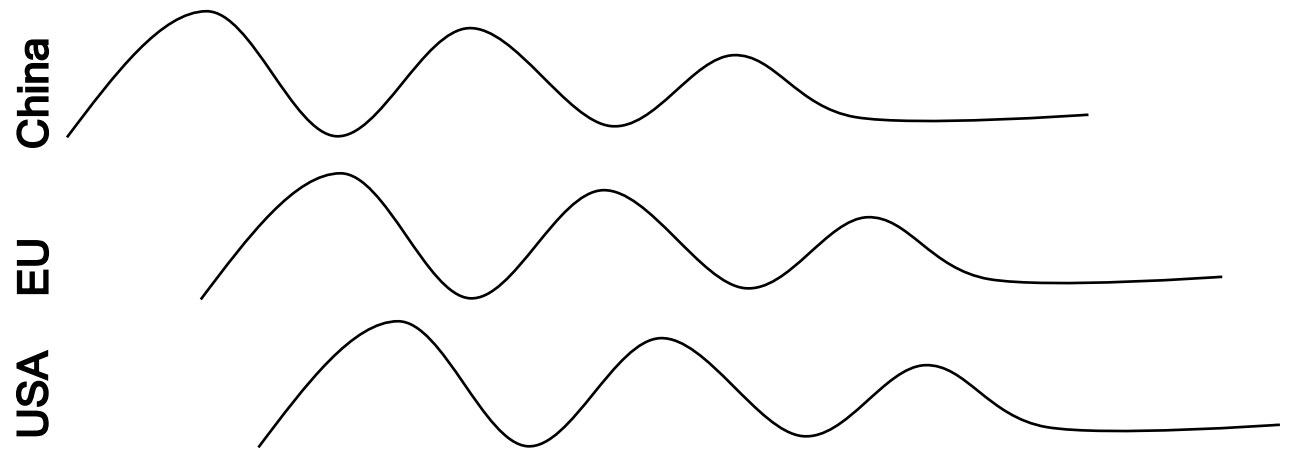
We had big plans for 2020,  
and then there was a  
pandemic...

# Macro level changes are occurring in the environment driving discontinuity into our industries and the need for transformation in our organizations.

**(A)** Three-part catalyst system that is driving disruption



**(B)** Likely three waves of COVID-19 will sweep across the world. The waves will not be in sync, forcing continued disruption to supply chains until they are more fully automated.

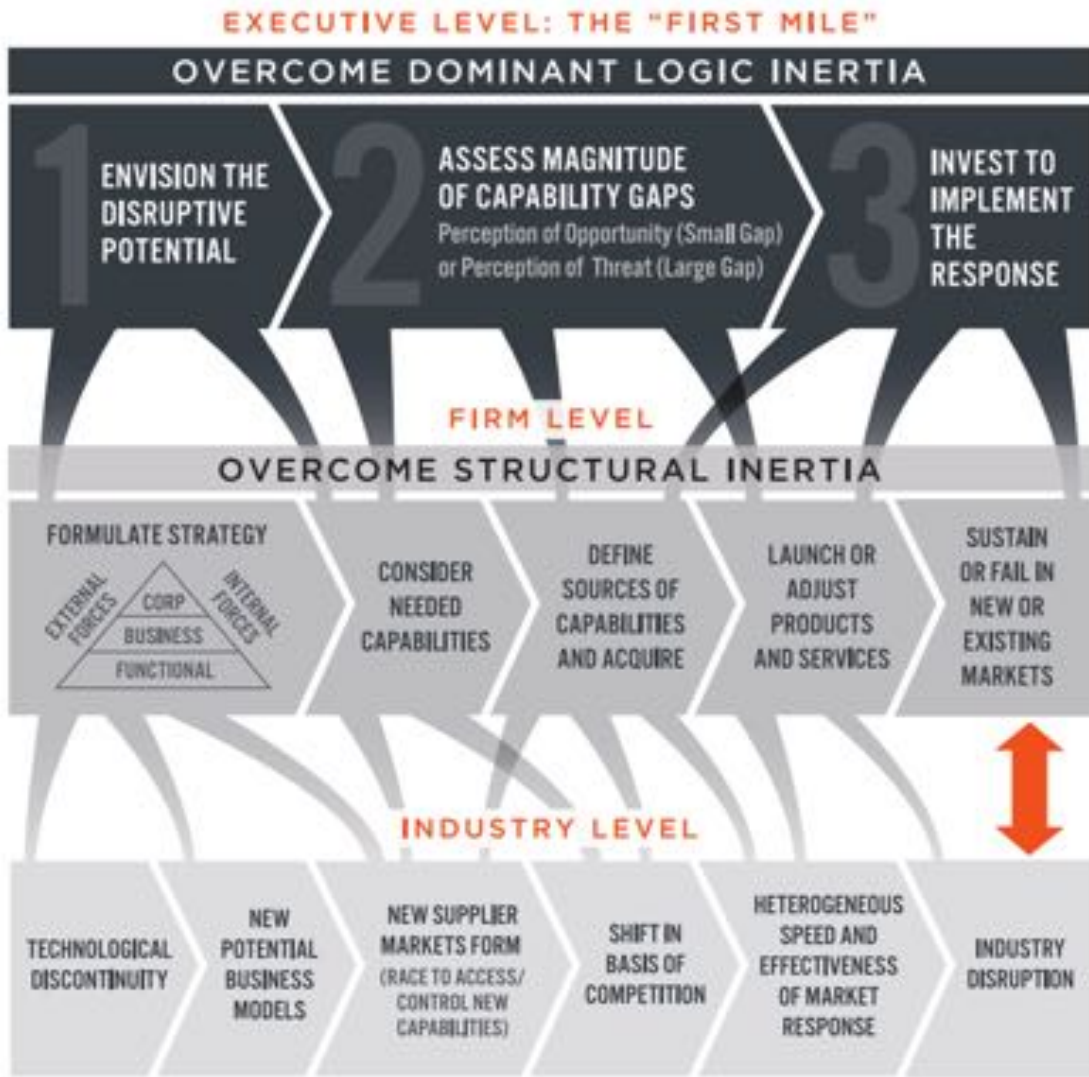


**(C)** Longer term reaction may be to localize supply chain (Nationalism)

**(D)** Virus-based illness may become more common globally

- Viruses and risk of regional or global pandemics may become a new normal with a major outbreak occurring 1 - 2 times per decade.
- Technology can soften or exaggerate the effects (mechanical automation, AI)

# In the long run, companies will react to major disruptions much like they always have...

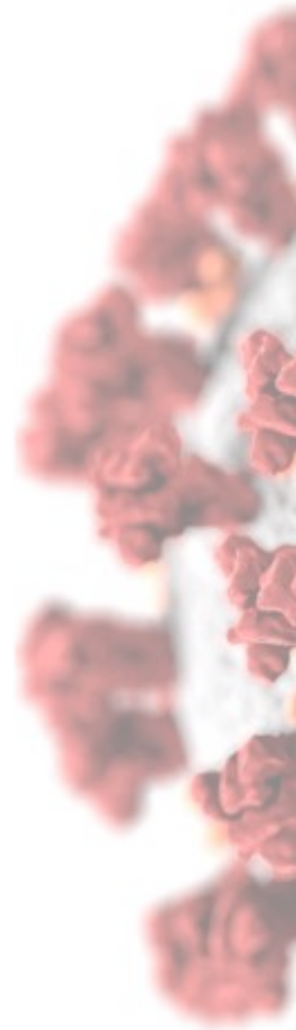


From *Competing in the Connecting World* (2018) © CGS Advisors, LLC

Generally there will be three interconnected changes taking place during a :

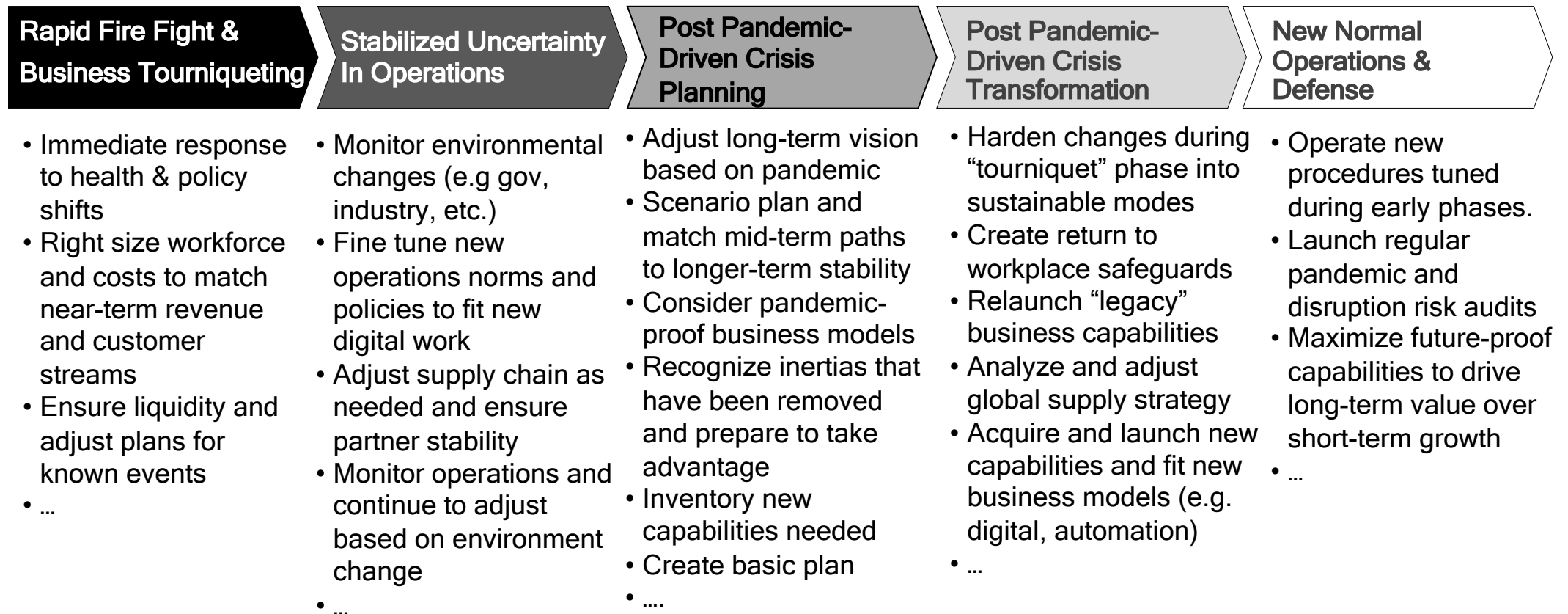
- Discontinuity will likely occur and always lead to industry disruption. (Base row)
- Firms will need to transform by gaining needed capabilities and divesting of unneeded ones to survive and thrive. (Middle row)
- Leaders will need to bravely respond and follow the “First Mile” to succeed. (Top row)

The COVID-19 pandemic and accompanying policy and economic reactions have caused many organizations to make such rapid change that they have overcome traditional inertia caused by traditional structure and by controlling dominant logic. It allows for a rare opportunity to make rapid transformation towards a new environmental normal.



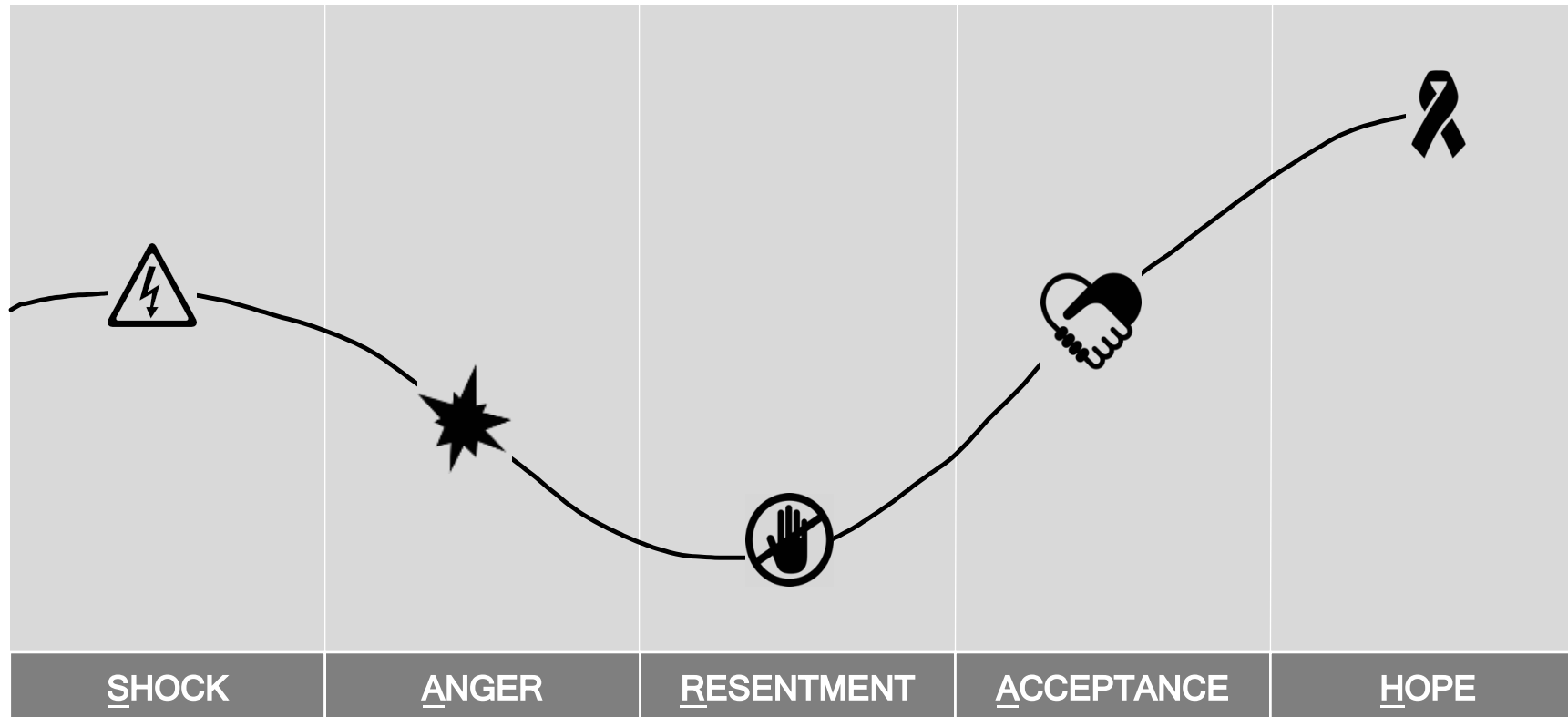
# ...however in the short run, it will look a lot like a reaction and normalization process.

Early on, most leaders will likely not have the opportunity to recognize the larger transformation journey that they are in. They will see the world through a more pragmatic lens of stabilization and focus on near term survival. Once they gain confidence that the immediate bleeding has stopped and near-term operations are normalized to the environment, leaders will begin to focus on what a future can look like and begin planning for transformation towards it. Generally we feel that an abbreviated journey will follow the following five steps:

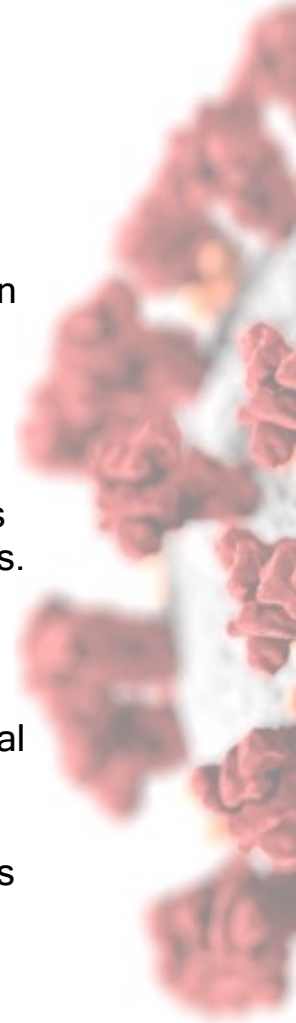


# People, including leaders, will deal with the realities of COVID-19, changes to society, and the economic effects as they always have.

Organizations can drive change in a programmatic way, however the ability for its leaders and teams to support the change will be more closely tied to how they are each dealing with the change. Each leader should take an inventory of how its key leaders are wrestling with the disruption and ensure an empathetic approach is being applied. The team for the pandemic response should (Phases 3 & 4 from the previous slide) should be made up of leaders that are in the acceptance and hope phases of Grief



- The grief curve is a proven model for how humans react to disruption.
- Each leader, and their teams will respond across this curve at different rates.
- Reactions will be influenced by factors at work, home, and in general society.
- The dynamic nature of this disruption will force set back across the curve.



# Attempting to move forward rapidly may require a shift in mindset.



**Difficult roads often lead to beautiful places!**

- Moving through the first phases of this stabilization and into planning is key for longer-term survival.
- Leaders will need to manage their own grief responses while at the same time monitoring the responses from their families, teams, customers, and partners.
- Only people that have moved into acceptance and hope, coupled with an organization that is ready to focus on post-pandemic planning and transformation, will be able to move forward as industries and society begin to loosen regulations.
- In the mid term, new health and safety-oriented capabilities may need to be turned on in order to safely bring the workforce back to productivity while the threat of a viral attack occurs.
- Longer-term health pandemic strategies will likely force a race to market for key capabilities (e.g. digitization, automation, etc.) that enable a more pandemic-proof business model for the future. The sooner you start, the more likely you will be positioned to capture these critical capabilities and fit your business to the future.

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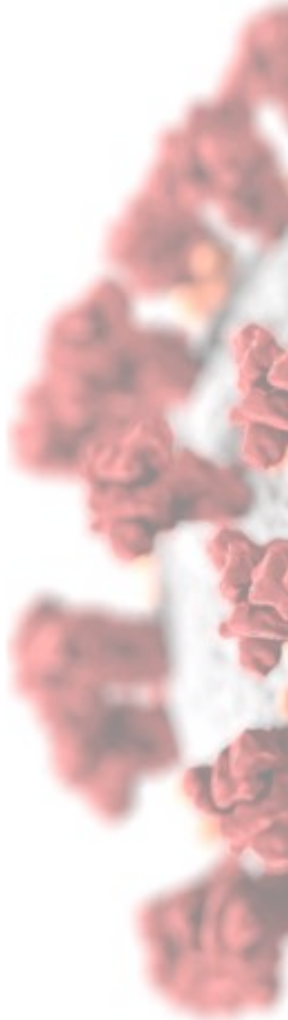


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