



Jonathan Weinberg

Riding the business rollercoaster safely

What changing market conditions should leaders start preparing for now?

There's little doubt that the coming months and years ahead will prove to be some of the most turbulent ever experienced by British businesses.

Indeed, in April, the International Monetary Fund (IMF) warned we face the worst global recession since the Great Depression of the 1930s. Other experts claim the fallout could be far worse. Times - for businesses and consumers - are pretty bleak.

Adapt now or die

It is true that ever-changing market conditions are nothing new for businesses. However, the current COVID-19 pandemic has turbocharged the speed at which things are moving and many have been caught out by sudden and unexpected events.

Some have successfully pivoted

their models already. A large number of restaurants, for example, have moved to 100% takeaway and delivery or started selling groceries.

Wholesalers who usually supply businesses have gone direct to consumers. And everyone from physios to fitness instructors and yoga teachers have taken classes to live video platforms.

Heather Delaney, managing director at Gallium Ventures, believes the biggest companies too, must firmly embrace this sort of start-up mentality. She says: "COVID-19 has forced large enterprises to adopt this thinking and make critical business decisions quickly without endless levels of sign-off.

"To survive they need to shift their strategy to optimise for speed, flexibility and adaptability, providing

customers and staff with the tools and services needed to remain relevant."

From adversity

Giants such as Groupon, IBM and Microsoft were born out of past downturns, suggesting positives amid the current gloom. However, realigning to market fluctuations - whether that be lower consumer spending, cashless payments or limited availability of certain products or parts - doesn't always mean building from scratch.

Jason Clarke, director of Minds at Work, says innovation should be tackled like a home renovation. "The quickest way to re-engineer your business is to renovate it. What are the things you would like to keep, chuck, change or add? Success often means using a fresh set of eyes," he says.

Richard Skellett, of social enterprise Digital Anthropology, agrees and adds that companies and their people must be 'mutable', or in a permanent state of reinvention. "Those who have change in their DNA will survive," he says.

"There is no right or wrong, it's just a choice. Innovation comes from conversations not from a fixed agenda."

Supply and demand

Rules and conventions are now being ripped up so fast it's difficult to predict what changes come next. But John Pearce, CEO of Made in Britain, a 1,200-strong network of like-minded British manufacturers, says companies can mitigate this by focusing on the essentials first.

"Anything related to food or health-care or infrastructure will be a priority in every territory so use these themes to talk about your product if you can," he advises. He says businesses should monitor the FCO website or other government websites in each target market to understand the changing regulations and what levels of disruption will affect exports and imports.

Pearce believes putting time into people's diaries every day for scenario planning, even just for one hour, is now crucial, as is monitoring progress against the plan.

"Think big, strategic challenges together with groups of diverse colleagues, not just HR and management teams and 'stress-test' a variety of scenarios," he says. "You may be able to revise policies to look more positively to the future."

New ways of working

Coronavirus has already been the catalyst for so much rollercoasting of market conditions. Many are now here to stay. Working from home has become the norm for so many while meetings, conferences and learning have shifted online.

But when borders reopen and supply chains resume, C-Suites that have shown a willingness to explore new ideas, dump existing plans and take huge risks during this period could thrive.

Many millions of people have also been able to do things differently or learn new skills and many agree this could hugely benefit the economy going forward if it is harnessed rather than forgotten amid a rush to get back to business as usual.

In a recent survey, the Association of Project Management found three



in 10 (29%) of those it questioned said the pandemic has caused project goals to be reviewed.

"Work is often increasingly complex, carried out in uncertain and unpredictable environments," says David Thomson, head of external affairs at APM.

"That demands different behaviours and skills from leaders."

Eyes on the financials

One area of market change that will need constant review is company finances.

Government support in the form of loans, 80% of furloughed staff wages and grants have been welcomed short-term but James Pinchbeck, partner at Streets Chartered Accountants, says holding larger cash reserves will be crucial to surviving in the future while relying on debt could be tricky.

"There is a real threat that businesses may face increased financial pressure if they seek to increase borrowing," he says.

"Seeking funding is likely to be protracted, making it difficult to restructure and progress."

Jarod Greene, general manager of the non-profit Technology Business Management (TBM) Council believes smarter spending and visibility is also required.

"During times of disruption, it is critical CIOs re-evaluate investments to align with the available resources and shifting strategic priorities," he says.

"Leaders will often find spend is being allocated to projects that have been completed or cancelled. This enables them to re-allocate funds to more mission-critical projects or apply these savings to other areas to create more value."

New behaviour

Identifying and implementing changes based on data and behaviours must now happen fast for it to be of use, insists Dave Thomas, customer director at Spark Emotions. New, repeated habits by consumers can become norms in as little as 18 days, according to Thomas.

"Businesses should adjust to their customers' needs before their behaviour changes," he says.

But, executive coach Susy Roberts, who founded people development consultancy Hunter Roberts, believes that there is one critical aspect of future behaviour that all companies need to monitor and adapt to... mental health.

She said bosses must rethink their approach to staff welfare and consider this area as one of the biggest changes ahead.

"The crisis has introduced an unfortunate new equality into the workplace with people at all levels experiencing homeworking issues, grief, anxiety and bereavement," she says.

"The idea you shouldn't bring your personal life to work has been blown out of the water.

"We need openness and genuinely caring wellbeing practices."