

Prepare your business for life after COVID-19 and the three “P”s of future success

Over recent weeks we have become all too familiar with particular words and phrases - “unprecedented times”, “unchartered territory” and “the science” to name three of them. Social distancing has been the order of the day for weeks and will be with us, to some degree, for the foreseeable future. Peter Taylor, managing partner, Paris Smith LLP asks: “How will this impact on business?”

In this article I share my thoughts on this subject and the three pillars of performance by which businesses will be measured in the future.

We are now entering a world of commerce in which distancing and reduced direct contact will impact our businesses. Let's not kid ourselves, we won't be returning to the way we went about our work and business prior to the onset of COVID-19. So, where have we been focusing our client support and where will we continue to do so over the coming weeks?

The team and the workplace

There are a number of questions to consider for your team and the workplace. Social distancing will apply in the workplace and, as such, your staff will need and want to feel safe. When people feel safe, the brain chemical oxytocin is released and this means that staff are more likely to trust the leadership team. Trust is a pre-requisite for performance and productivity. So it's important to ensure the environment is clean and that physical distancing is maintained.

Other crucial questions which we have asked Boards to consider:

- Are you clear what your purpose is as a business? (the answer is not to make money – that is the product of how you do what you do) Is it still the same as it was at the start of the year?
- What culture and behaviours do you want in your business, in the 'new normal'?
- What do you want to achieve and by when?
- What will you do to make that happen?
- How will you know when you have achieved success? Complete the following sentence with three different endings, only one of which is financial: “We will know we have been successful when...”
- How resilient is your business? What do you need to do to ensure that it can withstand any shocks, global or otherwise, in the future? Be prepared to forego some level of efficiency to achieve the desired resilience you want and need.

- What resources, especially space, do you need to achieve success while maintaining agility, resilience and efficiency? Can you take costs out of the business as a consequence?
- How can you use technology to reduce costs in the business, while maintaining customer service levels/quality?

Supply chain resilience

Supply chains have been placed under strain. From the moment it was announced that there was a serious outbreak of the virus in Wuhan province, a centre for the production of automotive products, the supply chain for many businesses in the UK and globally came under strain. The globalisation of the supply chain and 'just in time' model has been proved to be flawed.

In reviewing the elements of supply chain arrangements, consideration should be given to the following:

- Are there costs that can be taken out of your supply chain?
- What are the terms of the contract? Knowing what you know, do they provide you with the outcomes and protection you want?
- Scenario stress test the component elements in the chain.
- Consider shortening your supply chain to remove risk.
- Look for suppliers who are geographically close.
- Do you have any exclusive supplier agreements? Do they pose a risk to the business? How might you de-risk them?

Consumer behaviour

Habits have been formed over recent weeks, many of which will continue. It takes 21 days to form a habit; I'm sure that many of us have realised that much of what we've been doing during the lockdown has been positive and we have seen benefits from it. People have increased their on-line shopping and there has been a surge in viewing of online video content. Social distancing in some measure will be with us for months until a vaccine is developed and manufactured in sufficient quantities. Accordingly, we know that

for the foreseeable future consumers will act differently. Businesses will need to adapt how they engage with clients and customers to reflect this changing behaviour:

- Analyse the demand and need for your products or services.
- How can you offer your services or products in a low contact economy?
- Has your target market of customers changed in character or demographic, as a result of the lockdown? How are you going to respond to that?
- Analyse your routes to market against the backdrop of social distancing.
- How relevant and different is your digital presence? Do you stand out from the crowd?
- What is your unique, differentiating proposition – and is that clear on your website and in your social media activity?

The measures of success

There will be three pillars by which the success of businesses will be measured in the future. To date the key and, in some cases, sole measure of success for business has been profit. That is no longer valid. What this experience has taught us is that there will be two other pillars of success. They are people and the planet. How businesses treat, engage with and make a positive difference to human beings will be valued. It's vital to invest in the development and careers of your employees. How businesses care for the environment will take on greater relevance. Support your communities and show you care about the world around us. The clearer air, the loss of smog in cities across the world show what can be achieved, and businesses should each play their part in creating an enduring legacy to this issue. Technology can and will play a key part in this aspect. These three “P”s of People, Planet and Profit need to be at the forefront of the minds of business leaders when they consider their fourth “P”, Purpose.

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