

Covid-19: Survive and thrive into the future

The flexibility, agility and sheer inventiveness shown by many organisations during 2020 have been nothing less than inspiring and should provide the confidence needed for recovery in the coming years. **Mike O'Neill** advises on what companies should be doing now

This past year has seen unparalleled global disruption, fear and deaths. Covid-19 is an ongoing crisis and with uncertainty remaining high, organisations are going to need strong and inspiring leadership to take them forward and meet the challenges of the next couple of years.

Organisations must have an open and frank process to review how they responded and adapted to the disruptions, and this must involve people from across all departments.

Questions we should all be asking include:

- Did we foresee a pandemic as a possibility?
- What did we do to reduce the impact of the crisis?
- How effective was the response and management of the crisis?
- What adjustments did we make and how quickly? and
- Do we see a route to recovery?

Many of our clients are finding that their reliance on the 'lean' model in supply chain management, stockholding and particularly human resources has caused problems in maintaining operations and needs to change. They are seeing that resilience requires more adaptability, flexibility and even a little 'fat'. However, this all comes at a time when budgets will be under stress and there will be more pressure to be efficient.

One cheaper long-term option for increasing capacity is the adoption of artificial intelligence (AI), machine learning or robotic process automation (RPA). UK manufacturers outside of the automotive sector have been slow adopters of robotic technology – with only 42 robots per 10,000 workers compared to 191 in Germany. This has been attributed to a preference in UK manufacturing for cheaper workers from Eastern Europe. However, Brexit and the ending of free movement may change this. RPA has been embraced within service sectors and is speeding up processes, particularly within financial fields.

The question of whether AI and automation will take away jobs is still unresolved as there is evidence of improved organisational performance leading to more recruitment. It is worth noting the increased use of self-checkouts in shops means the extra work has actually passed to the customer, allowing stores to reduce headcount.

Working from home was the mantra of 2020 and for those who could, it seemed to work well. The growth of Teams, Zoom

and other online platforms enabled a degree of communication that allowed many organisations to continue their operations.

We should acknowledge the hard work of the telecom providers that facilitated this huge jump in demand for broadband, landline and mobile services. One major UK provider reported the average increase for customers was 3.4GB per day. An agreement by the main video streaming services to cut the quality of their streamed video content, and other large companies scheduling update emails out of hours in different time zones, were some of the ways services kept going. However, the key reason appears to be the huge investment into upgrading and expanding the capacity of the Internet over the last two decades.

Many people welcomed spending less time commuting and more quality time with their families. However, junior staff working from their bedrooms in a shared house, or others tied

to their screens in online calls for hours on end, has prompted a growing enthusiasm to return to the workplace for at least a couple of days a week.

The most probable solution is a hybrid model, blending home and office-based working. More localised hub offices will reduce commuting time, but retain the creative advantages of working alongside colleagues. It would also help to introduce new staff into the organisation. This is likely

to result in a change in employment models and flexible contracts, and organisations need to avoid making this all one-sided, leading to a sense of isolation among workforces.

Regardless, empty offices will prompt tenants to exercise break points in their leases, or not renew them when they run out. This could cause huge knock-on effects for pension fund and other asset management firms that are dependent on long term stable income. In turn, this could lead to extensive repurposing of office stock, possibly to residential development, which could help ease housing shortages. It could also see a change to more flexible office space. This will be more attractive for businesses, as it avoids long-term commitments, but will require a radical change from landlords.

There is little doubt we will see less long-distance travel for business. Where it is necessary, this must be risk assessed and well managed.

The darker winter mornings and evenings will hamper those

still working at home from getting outside in daylight. Despite the improvement of mental health awareness in the workplace over the past few years, the effect of lockdown on wellbeing must not be overlooked. Enforced separation, uncertainty, fears about health, unemployment or worries about what will happen when various job support schemes finish, all contribute to mental health pressure. Employers must continue to push this awareness message and consider implementing support helplines for employees. We must all be alert for signs that family, friends or colleagues may be experiencing problems such as mood swings, irritability, confusion, fear and anxiety.

Cyber vulnerability

One of the biggest challenges we all face is increased cybersecurity vulnerability – mainly down to what a colleague described as: "Office seating plans now being composed of postcodes." Many organisations had to develop working from home policies and procedures rapidly at the start of lockdown, but most have caught up now. Nevertheless, there has been a big jump in phishing-related threats and staff impersonation. It is vital to raise and maintain staff awareness of these threats in a remote environment.

In addition to protecting employees, organisations must also prioritise managing cashflow by cutting discretionary costs, securing existing income streams and taking advantage of any available national or local support schemes.

Appropriate communication is key to maintaining good relationships with your workforce and stakeholders. Keep them informed and, where possible, involved with contributing to discussions and decisions. Your staff know your clients and can help you adapt your service or products to their changing needs.

Most companies like to stay with existing suppliers that are responsive and adaptable. Even if your clients aren't purchasing right now, it makes good sense to maintain communications with them. Find out what they are doing and tell them what you are doing. This could pay dividends in the longer term.

Despite the UK national risk register listing pandemic as the number one risk and repeated warnings that pandemic preparedness needed to be in place globally, little seems to have been done to prepare for this eventuality. We find that many clients only pay lip service to the risks on their internal risk registers, if they even have them.

In our planning and exercising work with clients we often find a belief that the responsibility for action lies with others in the organisation. A regular horizon scanning process will help you identify the challenges and opportunities that lie ahead. The world is always changing, but the events of 2020 have accelerated the changes in many areas. Two key questions to ask are: How does this affect you? And what can you do to protect yourself?

Plan for different scenarios, plot a timeline, and keep it updated to reflect changes.

Recessions have always been times of growth for organisations that look for opportunities and are adaptive. Entering into the next year with a positive and open attitude should help you and your colleagues not only survive, but also to thrive.

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