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## Stop planning, Start preparing: Main topics

 Key questions

- 1 Planning vs Preparing: Set up
- 2 The situation: Where we are
- 3 The outlook: Framing the timeframe
- 4 What you need to do: Survive, Reset, Thrive
- 5 Wrap up, questions and discussion

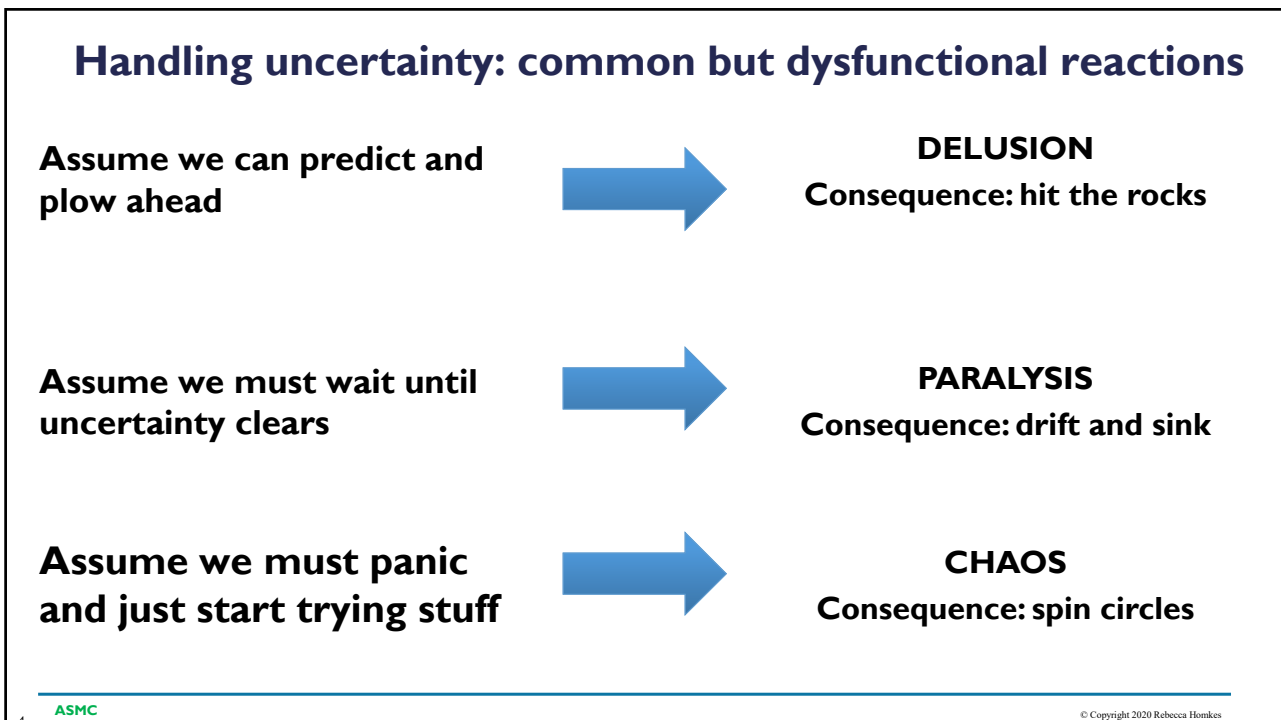
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## Stop planning, start preparing

### Planning

Based on **data**  
 Variables are **familiar**  
 Goalposts are **fixed**  
 Set **destination**  
 Optimise decisions for  
**efficiency**

### Preparing

Based on **beliefs**  
 Variables are **emerging**  
 Goalposts are **moving**  
 Set **compass heading**  
 Optimise decisions for  
**robustness**

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## The situation

Coronavirus is a mild illness for the many but a deadly threat to the few

Four patterns of reaction:

1. Immediate test and trace (S. E. Asia (Singapore, Taiwan, HK, S. Korea)
2. Rapid lockdown (China)
3. Delayed lockdown (most of Europe, US)
4. Herd immunity, restrictions (Sweden)

1. Contains infection with few deaths at low social and economic cost
2. Contains infection with some deaths at high social and economic cost
3. Hopes to cap a high level of deaths at extremely high social and economic cost
4. Risky, but currently low death rate and low social and economic cost

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## The outlook under reaction 3 (Europe and US)

- The purpose of lockdown is to 'flatten the curve' by stopping further infection
- The delay means that the curve will in any case be too steep for available IUC capacity to cope
- The gap can only be closed by exponential growth in ICU capacity, currently being attempted, so lockdown just buys time to close the gap
- Current data suggests carriers can be infectious for up to 51 days from infection
- Lockdown must therefore last 8 weeks if rigorously enforced – as in China
- Under reaction 3, lockdown may have to last longer, but social and economic cost could become unbearable, leading to social unrest and also putting lives at risk

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## Likely endgame under reaction 3 (Europe and US)

Minimum lockdown to allow ICU capacity growth is 3-4 weeks, medically optimal period is probably 13-14 weeks, but entails social and economic cost that is probably unbearable

The likely way out is to relax lockdown to protect supply chains, maintain supply of vital goods including food, and prevent social unrest if people cannot afford to buy food

This can be done with testing and tracing to identify carriers and so allow shift from blanket to targeted isolation, focussing on carriers and high risk groups, and herd immunity to reduce spread of the virus

Timing of relaxation of full lockdown therefore probably depends on size of capacity gap, availability of testing kits and level of social unrest

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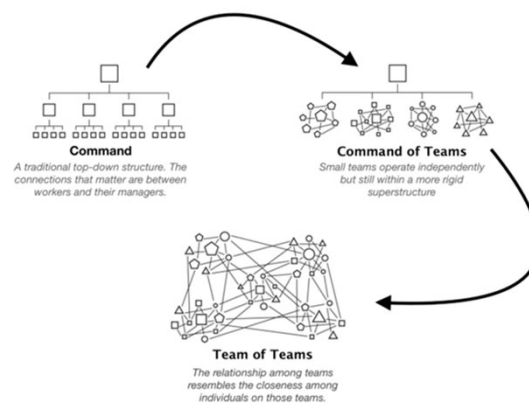
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## Organising your response

- Set up a dedicated team to orientate
- Sub-teams around them as 'team of teams'
- Update daily
- Use reliable sources
- Not decision-making body; provide input to management team who take decisions

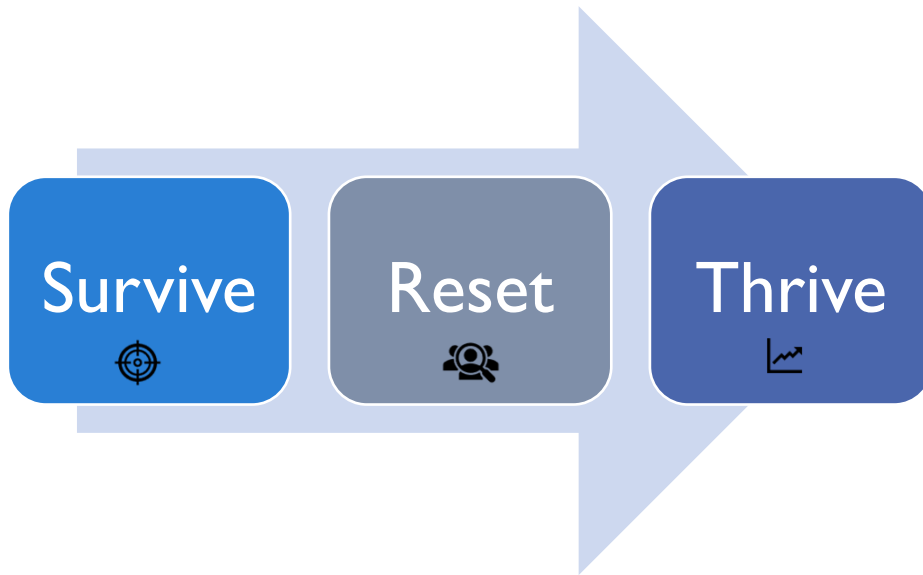


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## Growing through and out of the downturn: Three phased approach



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## Survive: Manage the crisis period

- **Get basics right:** low fixed costs, cash flow, strong balance sheet
- **Repurpose and partner:** What can be repurposed and what organisations can you partner with?
- **Employee engagement:** Now strategic: Keep hand on pulse and provide updates
- **Keep learning:** Learn faster, grow faster!
- **Make the tough choices:** Cannot always protect jobs but can protect people

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## Reset



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## Reset: Reset your strategy for the immediate (now), near-term (2020), and midterm (3 years) for growth

- **Assess the situation:** Set beliefs and assumptions
- **Reset your definition of success: What you are trying to achieve?**
  - Direction vs destination
  - Be realistic (don't set team up to fail)
  - Be o.k. with a range
- **Your competitive advantage:** What do you have that is valuable, rare, and hard to imitate and how will this translate going forward?
- **Your top priorities:** Reset your strategic priorities and add must-win around operational efficiency

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## Beliefs are plausible, testable hypotheses which create a framework for decision-making

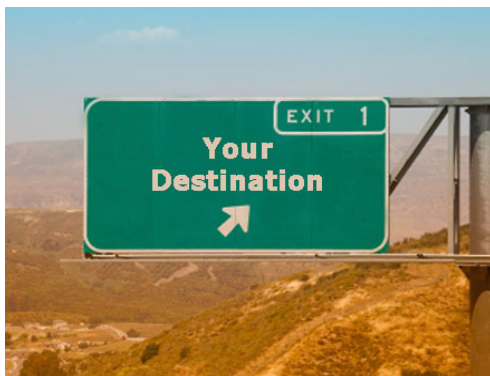
### What they are:

- Explicit
- Plausible statements about the situation and drivers of success
- Testable hypotheses which are open to revision
- Subject to revision at regular intervals
- Capable of reappraisal as new evidence emerges
- Principles which guide action

### What they are not:

- Tacit
- Unsupported opinions
- Items of faith
- Immutable
- Untestable
- Bland truisms

## Destination vs compass heading



## Setting direction

- **Midterm and (likely) 2020:** shift from destination to direction (compass heading)
- **Clear intent:** What we are trying to achieve and why it matters
- **Tight boundaries:** Parameters around action
- **Commitment cadence:** KPIs can be incorrect; focus on regular rhythm of commitments

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**How you will win: Revisit your true differentiation:  
How does it translate now and in the future?**



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## Thrive: Grow through the downturn

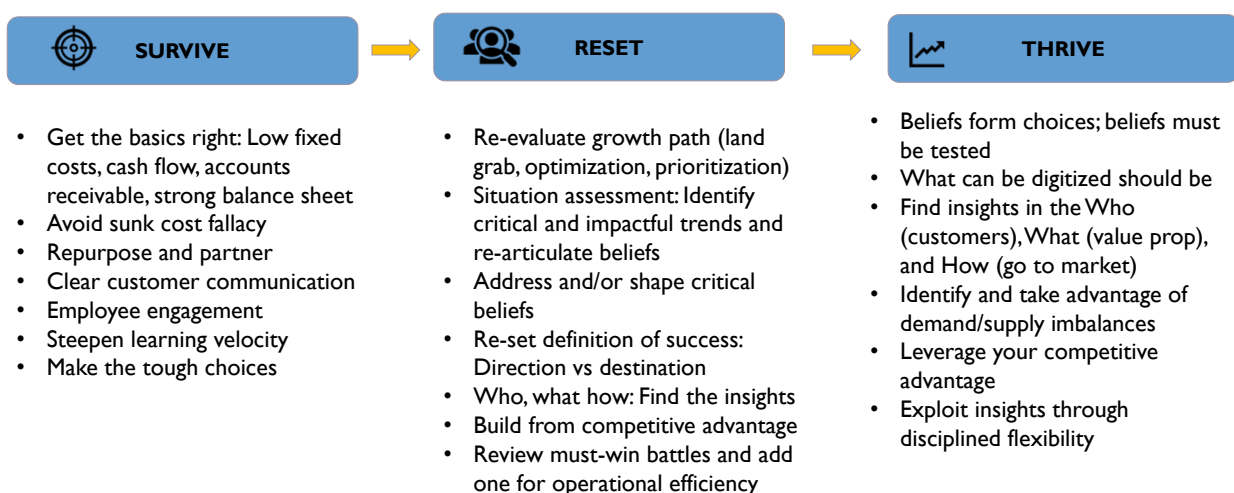
- **Test beliefs and assumptions:** Constant experimentation and information discovery to form choices
- **Find and leverage competitive advantage**
- Identify and meet **imbalances in supply and demand**
- **Automate:** What can be digitized should be
- Move forward with **disciplined flexibility**

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## Recap: Downturns are a great time to grow: Survive – Reset – Thrive

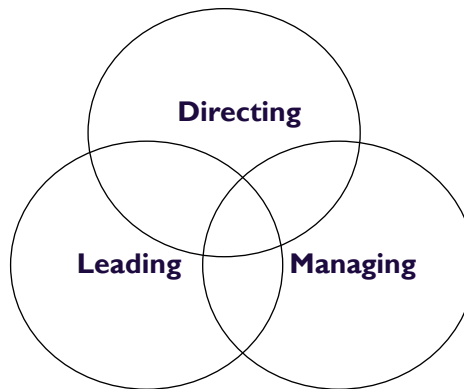


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## Leading an organisation requires different mixes of directing, leading, and managing



See: Bungay, *The executive's trinity*, Summer 2011

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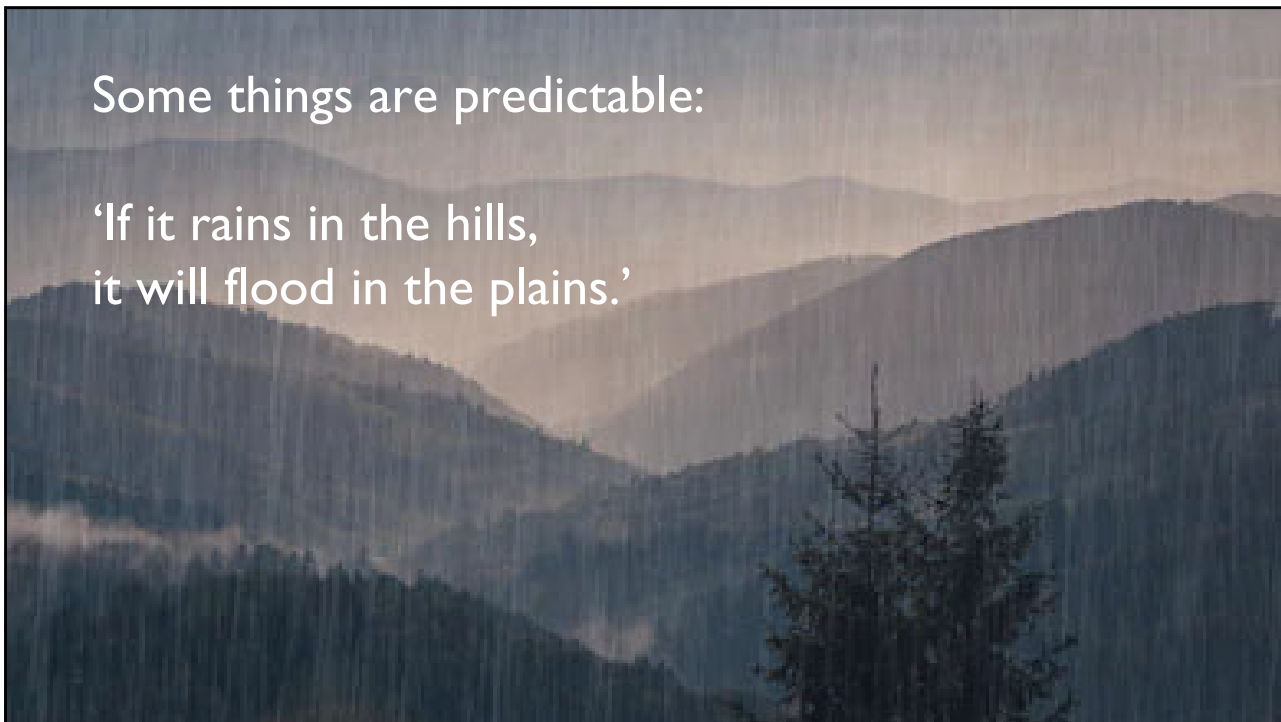
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## Your role in preparation:

- Preparation: Acknowledge difference between planning and preparing; set aside time for preparation
- Keep on the pulse of the employees and manage emotions
- Make tough people calls now – especially ones you have been putting off
- Prepare the team to review and reset the strategy
- Regular rhythm of setting and meeting commitments
- Make sure the top team is directing, not just managing and leading
  - Thinking broadly
  - Considering scenarios
  - Setting direction
- Not about developing an HR strategy, *understand* and *support* the business strategy

**Don't try to predict the endstate: understand what is happening now**  
**Don't fret about what you cannot control: make robust decisions about what you can control**

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