

Business Transformation During and After the Pandemic

Chapter 2. Establishing a direction



The better the question. The better the answer.
The better the world works.

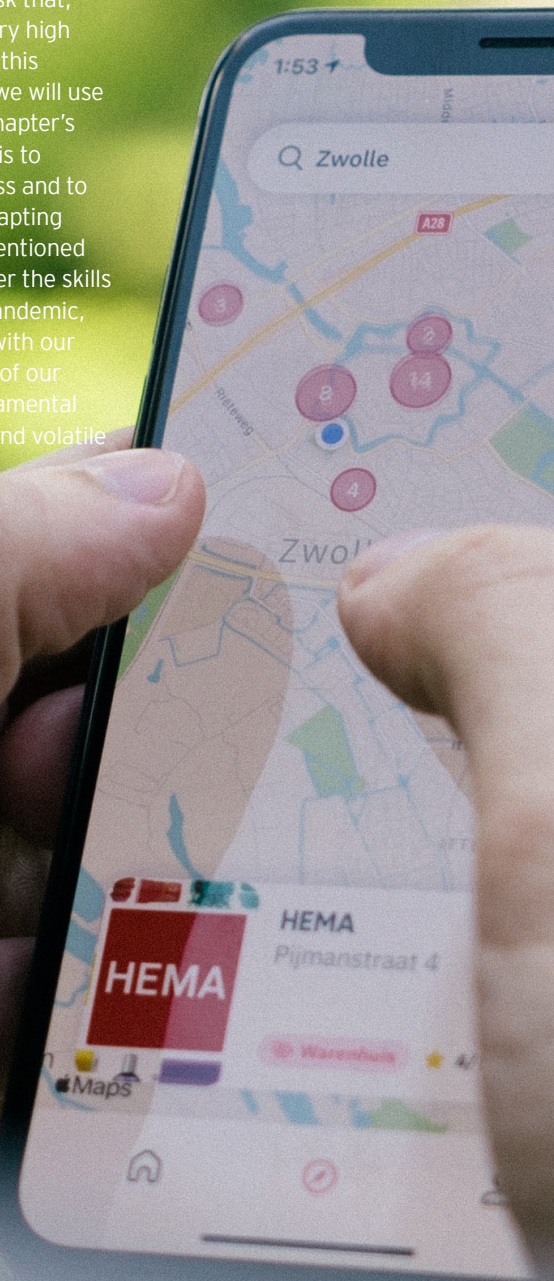


Building a better
working world

With no
direction, how
will you know
which path to
take?

Using what we learned

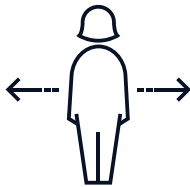
Charles Darwin once said: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change." This concept is directly applicable to our current situation. As discussed in the previous chapter, the pandemic is generating accelerated changes in every aspect of our lives and is forcing entities (individuals, organizations, institutions, governments, etc.) to respond as quickly as possible, but with the risk that, if we do something wrong, the price will be very high and there will be long-term consequences. In this chapter and the following of this publication, we will use the information obtained from the previous chapter's self-assessment. The purpose of this analysis is to establish a baseline for measuring our progress and to determine how successful we have been in adapting to the new environment. Through the aforementioned evaluation, we will be able to understand better the skills that allowed us to move forward during the pandemic, what skills we were missing, where we stand with our customers, the value of our culture, the drive of our leaders, and our foresight, among other fundamental aspects needed to face this highly uncertain and volatile situation.





Determine your starting point

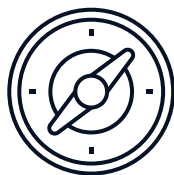
To move forward in the transformation process with the previous chapter's information, we need to establish a starting point clearly. A simple way to do this is by dividing the self-evaluation results into two categories: weaknesses and opportunities. When we answer the questions objectively, we are recognizing the created capabilities and identifying shortcomings and errors, among other findings. However, to avoid incorrect classifications, we have established the following specific criteria:



Weaknesses and opportunities

We all have likely performed analyses of this kind many times, but we will start by making a fundamental distinction about this analysis. **To have an opportunity, you need to have a matching capability**, which means that an opportunity is only an opportunity if we can access an ability (through a formal relationship with a third party) to seize it. For example, if I own intellectual property for customer segmentation and also have the ability to associate that information with the attitude towards the organization through social media, it will allow me to apply a targeted marketing strategy in the short-term. In this sense, the concept of **weaknesses is related to a lack of abilities, knowledge and resources, concerns, and adverse regulations**. Another example is home delivery, a currently popular trend, which I cannot classify as an opportunity if I do not have a technological platform or the logistics necessary to implement it in the short-term; therefore, I should classify it as a weakness because I have to develop capabilities to be able to leverage this environment condition.

Having defined this point, we can now start classifying each item obtained in the previous step by **the level of importance (low, medium, and high)**, and with this step, we will have completed the baseline. This will be the actual starting point of your organization during the current stage of the pandemic, and it will be very different for each organization due to its unique context, sector, or impact.



Where are we heading?

Once our starting point is clear, we must **establish a direction (desired future state)**, and although we are using our imagination, we have enough information to achieve a sufficiently balanced goal.

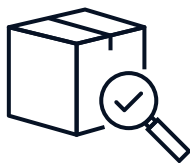
When I'm advising an organization, I like to explore ideas that could seem completely illogical or too ambitious, because when you achieve 10% of great ambition, you are really taking an enormous step. Creating a direction is thinking about the **future state** of the organization. It's a process that allows us to reimagine and determine where we would like to position the company within a reasonable timeframe (let's say three years into the future), which generates the opportunity to **rethink our business**: the possibility of performing actions with a specific purpose, of resetting the way we develop our business.

Therefore, it is crucial to set a benchmark to make decisions that will get us closer to the destination we imagined. Many organizations implement this practice by taking succeeded references from the digital world. In many cases, you hear ambiguous expressions like: "We're going to be the Uber of courier services," "We're going to be the Amazon of Latin America," or "Our goal is to become the Spotify of retail." Although they do refer to highly developed organizations that are certainly examples to follow, the real challenge is discovering what these expressions mean to the organizations that articulate their ambition in this way. One way to understand these expressions is to determine what sets these companies apart: their ability to personalize service or gain a deep understanding of the customer, their convenience (being available when required and providing what it is required through the channel that the customer is used to requesting it), their logistical capabilities, among other aspects.

In reality, a desired future state involves identifying the characteristics included in your ambition, so they will define your future organization and provide resilience, flexibility, and the agility necessary to respond at speed required by the business and a significant ability to innovate, among other aspects. The desired future state should also consider attributes related to the relationship we want with our customers. Some companies have expressed this in terms of service and satisfaction, others in terms of the emotions they instill in their customers, but in general, establishing a clear ambition has an almost re-foundational effect on an organization.

What benefit does establishing the desired future state?

Undoubtedly, establishing an exact destination and all the related characteristics facilitates the decision-making process. It is precisely a clear direction that promotes action at every level of an organization and allows the entire organization to come together to reach the established goal. Consider the following example:



A customer service company that sells shoes

The organization's goal is to provide the best service possible to the customer, and therefore, its business model is centered around that goal. This means that each employee of the organization has one goal: **to satisfy the customer**. The organization understands that its sales, recommendations, and growth result from satisfying the customer's needs. A direct implication of this philosophy is that the organization must find a personnel who are passionate about customer service, which is a complicated task, so to have the ideal employees, the head of HR needs to define and develop a talent recruitment model focused on the specific skills associated with the technical competencies required. On the other hand, the organization's leaders accept this approach's implications in their decision-making and risk management (focus 24/7/365, with a potential return policy of one year). It is difficult for financial management since it involves aspects related to the company's operations, which are discovered, expanded on, or eliminated based on the circumstances and events occurring with the organization's customers. The head of IT is also aware that the technology platform must meet fairly high efficiency, usability, and availability standards.

Clearly, this business model was not born with everything it needed to become what it is today. The company made decisions that gradually reduced the gaps between its different areas and became a benchmark for exceptional customer service. To achieve this, they asked themselves questions such as: "Is the action I'm about to take in line with the organization's philosophy?", "Does this action help me develop the abilities required to face the challenges

that come up along the way?" "What do I require from my leaders to improve our service model?" and "Do my suppliers help me meet my objectives?" As we can see, establishing a destination and staying committed to it will gear decisions and prioritization towards achieving our goal. This does not mean the road will be easy; the company made significant mistakes along the way but staying true to your philosophy will always help you find alternatives and redirect decisions in search of a common goal. Let's look at a description of the company's operations ⁽¹⁾:

"The organization is an excellent example of how a business can thrive with a model that centers itself around customer service and satisfaction. They publicly identify as a service company that happens to sell shoes, clothing, and accessories - and they support this identity in every facet of their business strategy.

First, they widely advertise the quality of their support. They recognize that just like clothing, a good support experience isn't one-size-fits-all - it is all about finding the perfect fit for an individual. As a result, they have quality, 24/7 support staffed by personable staff trained to resolve problems in a self-directed way. They are extremely lax with refunds, giving customers free shipping and a 365-day window to return items. The company will also spend as much time as necessary, making the customer's experience optimal. This even resulted in one service call between an exceptionally personable representative, and the customer ended up being just shy of 11 hours long!

Part of how this company takes its customer service to the next level is with person-level engagements. They encourage their representatives to get to know customers and create a strong, personal connection. For example, if a representative hears a baby crying in the background of a call, they may include a complimentary small blanket in the apparel shipment. These unexpected and thoughtful acts elevate the company's customer service to an exceptional level."

As can be concluded from the description, there is an essential series of elements associated with the direction that must often be created from scratch. In the above description, I underlined certain elements (strategic and tactical) that are fundamental for the business and its ambition, and that might even redefine the concept of what we know as "customer service."

This series of articles is not intended to be a recipe for getting through the pandemic successfully, because that would be pretentious and arrogant on my stance. These articles are meant to prompt reflections in organizations, leaders, and people to find viable alternatives to ease their transition into the new reality.

Chapter 3 will delve into the correct way to define, classify, and prioritize challenges to trace a route map and consolidate the efforts for recovery in the post-COVID-19 environment.

⁽¹⁾ <https://www.marketingevolution.com/knowledge-center/4-examples-brand-customer-centric-retail-marketing>



LOCATOR MAP



Map symbols
National forest
National park
Other National Park System locations

States and towns
National capital
State or provincial capital
Other towns or places

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