Foreword

Australia and the world have been profoundly affected over the past few months. A rare pandemic of scale and impact not experienced for a generation is likely to trigger a global recession far worse than the Global Financial Crisis.

This is a crisis like none before it, and there remains uncertainty as to its further impact on human lives and livelihoods.

Leaders have been put to the test, forced to make decisions on highly complex and systemic issues amidst rising ambiguity and volatility. Over the months ahead, as countries navigate the health and economic crisis, organisations will emerge from hibernation and be faced with the task of powering back up.

Organisations and leaders have an opportunity during this recovery period to go beyond just getting back to normal. It is our belief that leading organisations will seize the opportunity that this crisis has presented to reinvent their business and create new sources of advantage in what will inevitably be a ‘new normal’.

There is no defined playbook for leaders in this instance; the only real certainty that exists is that no business strategy will survive fully intact. Leaders that focus on being prepared for the inevitable uncertainties will be better placed than those trying to predict the unpredictable.

Leaders must now refocus their organisations from one of crisis, contingency, reaction and inward focus, to that of programmatic and coordinated market-facing reinvention. Preparing a recovery plan of action should be the highest priority for leaders and doing so requires a more considered understanding of the new business environment.

The objective of this paper is to equip business leaders with questions to consider as they prepare their organisations for the ‘new normal’:

- What are the plausible scenarios that may unfold as a result of the crisis?
- What are the characteristics of the future business environment – the macro trends and sustained disruptions?
- What opportunities and risks will this new environment offer our industry and organisation?
- What changes should be made to existing business and operating models?
- What are the key strategic choices and ‘no-regrets’ moves to make in the next 3-12 months? (see page 18)

By addressing these questions, business leaders have the opportunity to shape a new path for their organisations – reinventing for the future and positioning to create meaningful and measurable impact for their customers, employees, stakeholders, and society.

It is this reinvention that inspires our ambition as an organisation and the positive impacts that result.

Jeremy Drumm
Lead Partner
Monitor Deloitte

“We have long encouraged leaders to emphasise preparedness over prediction.”
Introduction

Amidst the unfolding health and economic crisis, business leaders must comfortably oscillate between short-term tactical decisions and long-term strategic decisions at accelerated cycles. This ambidextrous decision-making capability will be what sets businesses apart. Organisations that can address immediate recovery aspects whilst reinventing their business and operating models will be well positioned for the ‘new normal’ that awaits.

Preparing for an economic and business environment that is no longer the same to that which your current business strategy was developed in requires scenario-based thinking versus prediction. Organisations should explore a variety of plausible future scenarios that are defined by a range of known, high-impact uncertainties. Choices and actions that would hold true irrespective of the scenario are largely ‘no-regret’ moves, whereas actions that have some commonality across the scenarios can be advanced with regular checkpoints.

Even before the crisis began there were numerous trends and disruptions at the macro environment level, across industries, and at a business and operating model level. Leaders have long experienced rising levels of business volatility, complexity and uncertainty, however the pandemic and resultant lockdown of economies has forever changed our collective calculus of uncertainty. Understanding which trends and disruptive forces have begun to accelerate, those that have slowed, and those that are counterfactual is an essential input to determining the characteristics of the future business environment.

Combining the insights gained from reviewing scenario-based uncertainties with the forward insights of likely characteristics of the future business environment, leaders can more effectively explore the opportunities and risks for their industry and organisation. And it is with this insight that leaders can determine the necessary actions to successfully reinvent their business and operating model.

The following pages provide more detail and perspectives across these three domains and pose the key questions that business leaders should work through to prepare their reinvention strategies and playbook, including ‘no-regrets’ moves to make in the short term (see page 18).
Section one: Health pandemic

In early April 2020, Deloitte and Salesforce hosted a dialogue among some of the world’s best-known scenario thinkers to explore different ways the unfolding crisis might play out, and what its effects could be on businesses and societies around the world. This work – *The world remade by COVID-19: Scenarios for resilient leaders* – defined various scenarios about how the COVID-19 pandemic could accelerate or redirect social and business changes over the next three to five years. While some of the trends incorporated in the scenarios may have already been in motion, others could be initiated by public and private reactions to the pandemic.

The current crisis is **first and foremost a global public health pandemic** that has triggered a range of disruptions that are having an immediate and, in some cases, irreversible impact on markets, businesses, and society.

Five fundamental uncertainties are likely to have a significant impact on the post-COVID-19 environment:

1. The overall severity of the pandemic and pattern of disease progression
2. The level of collaboration within and between countries
3. The health care system response to the crisis
4. The economic consequences of the crisis
5. The level of social cohesion in response to the crisis.

Based on these uncertainties and current patterns, four distinct scenarios emerge. These are not predictions, rather, they are hypotheses about how the macro environment and business contexts could be altered in the long term, highlighting new opportunities and hidden risks.

### Plausible future scenarios

<table>
<thead>
<tr>
<th>Severity of pandemic</th>
<th>Level of collaboration within and among countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower impact</td>
<td>Marginal</td>
</tr>
<tr>
<td>Higher impact</td>
<td>Significant</td>
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</tbody>
</table>

#### The passing storm

The pandemic is managed effectively through government responses, but not without lasting repercussions which disproportionately affect SMBs and lower and middle income individuals and communities.

#### Good company

Governments struggle to handle the crisis alone, with large companies stepping up as a key part of the solution and an acceleration of trends toward “stakeholder capitalism.”

#### Lone wolves

Prolonged and severe pandemic period, spurring governments to adopt isolationist policies, shorten supply chains, and increase surveillance.

#### Sunrise in the East

China and other East Asian nations are more effective in managing the virus and take the reins as primary powers on the world stage.

### Key points

- **The world remade by COVID-19**: Deloitte and Salesforce dialogue on post-pandemic scenarios.
- **Uncertainties**: Severity, collaboration, health response, economic impact, social cohesion.
- **Scenarios**: The passing storm, good company, lone wolves, sunrise in the East.

These scenarios highlight the potential for both new opportunities and hidden risks in the post-COVID-19 environment.
Questions leaders should consider when exploring each plausible scenario:

• Which of our previous expectations need to be rethought? What prospects seemed unlikely or years away, but could now be accelerated?

• What might consumers particularly value in each scenario? How might this vary across key variables (for example, regions, segments, or demographics)?

• What are the biggest threats to our current business in each scenario? What mitigations and preparations are required?

• What new providers, companies, business models, and ecosystems might emerge? Which existing companies are best positioned to succeed?

• What capabilities, relationships and assets are important in each of these scenarios?

• How might our investment choices need to change?
Macro environment shifts

The health pandemic is creating a number of discontinuous macro environment shifts. These macro shifts are redefining global markets and societies, setting the future context for organisations, institutions and individuals – a ‘new normal’ operating environment post COVID-19.

The disruptions to the macro environment can be grouped into three domains. Each of these domains should be explored to gain an understanding of the trends and disruptive forces that have begun to accelerate, those that have slowed, and those that are counterfactual. This understanding is an essential input to determining the characteristics of the future business environment.

<table>
<thead>
<tr>
<th>Political and regulatory</th>
<th>Economical and environmental</th>
<th>Societal and technological</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rise of the East</strong></td>
<td><strong>Liquidity and solvency</strong></td>
<td><strong>Virtualised connections</strong></td>
</tr>
<tr>
<td>Accelerated shift of power from West to East.</td>
<td>Extended economic lockdowns will give rise to more going concerns.</td>
<td>Accelerated adoption of digital solutions creating enhanced societal connections.</td>
</tr>
<tr>
<td><strong>More market intervention</strong></td>
<td><strong>Risk and resilience</strong></td>
<td><strong>Analogue renaissance</strong></td>
</tr>
<tr>
<td>Larger and more interventionist governments and regulatory regimes.</td>
<td>Business continuity will temper growth mantra in investment decisions.</td>
<td>Overabundance of digital touch points increasing the value of in-person experiences.</td>
</tr>
<tr>
<td><strong>Silent rise of nationalism</strong></td>
<td><strong>Increased inequality</strong></td>
<td><strong>Trust as a value</strong></td>
</tr>
<tr>
<td>Shift towards nationalist policies and protectionism.</td>
<td>Small business and lower socio-economic groups will be more severely impacted.</td>
<td>Greater expectations for trust, in and between organisations and all stakeholders.</td>
</tr>
<tr>
<td><strong>Agile governance</strong></td>
<td><strong>Sustainability and climate change</strong></td>
<td><strong>Privacy and security</strong></td>
</tr>
<tr>
<td>Acceleration of public policy development and more agile legislative processes.</td>
<td>Capital redirected to investments with sustainability goals and outcomes.</td>
<td>Surveillance to fight COVID-19 may force society to evaluate privacy concerns.</td>
</tr>
</tbody>
</table>
Macro environment shifts

Section two: Macro environment

**Political and regulatory**
The shifting geopolitical and regulatory landscape will affect national, regional and global dynamics. These dynamics may create tensions between socialist and nationalist policies, impacting the ability of businesses and governments to collaborate and openly innovate in a post-COVID world.

As Western democracies appear to be hardest hit by the social and economic fallout from COVID-19, this may accelerate a geopolitical tilt to Asia, with China positioned to capitalise on a global leadership vacuum.

The geopolitical landscape may also see an increased shift towards larger interventionist governments with nationalist tendencies. The immediate responses of governments to secure borders, protect citizens, and stockpile essential goods and services may have lasting impacts on trade and societal expectations. Changes in regulations and the fast establishment of state-based health orders that affect both individuals and businesses have accelerated changes across society and business alike. This directive approach has been deemed necessary and largely accepted, with individuals and organisations adapting to rules and placing a higher level of trust in governments and institutions.

**Rise of the East**
The rise of Asian economies and countries is not a new trend, but one which has been swift and will continue for the foreseeable future. This continued rise, coupled with how the pandemic is being navigated within the Asia-Pacific region is an important trend that will shape economies and businesses on a global scale. How and when countries emerge from the lockdown, manage subsequent outbreaks and adjust government policies will define the economic and business landscape for generations to come.

**More market intervention**
Government responses to the pandemic will shape key aspects of how businesses recover and behave in the longer term. Wider government interventions, regulation, and directives will further influence how individuals and society act and engage in the economy. Governments globally and in Australia have already deployed fiscal stimulus packages and a variety of lifelines to corporations and citizens.

**Silent rise of nationalism**
Countries, companies and individuals have been quickly forced into isolation, with walls (physical or otherwise) swiftly put up – from travel restrictions, to border closures, to breaks in global supply chains – with an inward focus of protecting citizens and local economies. The rise of a nationalist force is apparent and had been silently brewing on a global scale before the crisis.

**Agile governance**
The demands of governments are diversifying, deepening, and quickening. Traditional policy development lags innovation, and the incongruence between corporate and citizen expectations and the agility in public institutions is rising. The need for greater agility in government policy and regulation is particularly true during emergency situations triggered by events like the COVID-19 pandemic or the recent Australian bushfires. Traditional governance structures and policy-making models need to evolve from cumbersome and slow, to agile and responsive.
Macro environment shifts

**Economic and environmental**
Economic progress has been falling short of expectations even before the current health pandemic. Global productivity has been decelerating since the early 2000s and the dramatic concurrent halt of both global supply and demand that has occurred in recent months will see productivity contracting both globally and in Australia.

COVID-19 triggered an abrupt end of the 11-year bull-market run with global and local markets knocked off balance for the foreseeable future. Expectations have increased for policymakers to step in and implement stimulus measures aimed at safeguarding the economy. Through a cocktail of fiscal and monetary policy actions, the Australian Government has looked to facilitate stable lending and consumer activity. How the economy recovers and the longer-term implications of these ‘war-time’ measures are important trends to observe.

It is hard to believe that, just a short time ago, the trend on every business radar was climate change and sustainability. The recent Australian bushfires were seen as the most likely catalyst for a dramatic shift across corporate Australia towards climate action and a more sustainable economy. The opportunity remains for green-infrastructure and sustainable investments to support the recovery, albeit with less momentum than where the trend was previously headed.

**Liquidity and solvency**
The ‘great lockdown’ of economies and society has led to a hibernation of many businesses, triggered significantly reduced consumer demand and has led to a strain on liquidity across the economy. Businesses are being propped-up by government intervention, but insolvency, restructuring and fundamental structural shifts across industries are inevitable – creating challenges for many and opportunities for the few that are well positioned.

**Risk and resilience**
11 years of a bull-market and the associated focus on growth has come to a dramatic halt. It can be expected that markets and investors will be looking for balanced risk and resilience over the medium term, which will inevitably shift corporate strategies and behaviours. Capital is likely to shift from risky assets, segments and geographies to more resilient domains that can provide stability and continuity.

**Increased inequality**
The COVID-19 crisis is producing many positive examples of global collaboration, but it is also exposing some alarming tendencies between and within developed and emerging economies. Although the virus is unbiased in who it affects, it is particularly detrimental to some of the most vulnerable members of our society. If left unaddressed, the social crisis created by the pandemic may also increase inequality, exclusion, discrimination and global unemployment in the medium and long term.

**Sustainability and climate change**
Sustainable business practices have become increasingly common place across most industries and in many developed economies. The sudden ‘powering down’ of businesses resulting from the crisis has highlighted what is possible in terms of reduced greenhouse gas emissions and dramatic declines in city pollution levels. This pre-COVID trend and the rise in climate change sentiment could see shifts in the redirection of capital and government infrastructure investments towards sustainable outcomes.
Macro environment shifts

Section two: Macro environment

**Societal and technological**

More than half the world’s population is now connected to the internet¹, with smartphone penetration rates surpassing 40%² and 60% of the global economy estimated to be digitised by 2022¹. This heightened level of digital connectedness can be misleading as the digital divide that still exists across many countries reflects and magnifies economic and social divides.

The rapid proliferation of devices, sensors, and intelligent connectivity will see exponential rise in data generation and capture. This accelerating trend will see new business models launched, industries restructured, and trillions of dollars invested globally. It will also intensify the risks of cyber security and cybercrime across businesses and governments, and for individuals.

An accelerated trend that is playing an important role in combating the pandemic is increased surveillance and the ability to track-and-trace at an individual level. This blurring of privacy boundaries, data protection and citizen rights will be a trend that cuts across all industries and will test many societal norms.

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**Virtualised connections**

An entire workforce, working virtually and productively, was not a generally accepted trend before the crisis. The instant virtualisation of work and workers has been facilitated by significant investment in digital infrastructure by governments and businesses over the last decade. This disruption is likely to remain in some form post-COVID and will create new opportunities across industries for enhanced collaboration and new digital solutions.

**Analogue renaissance**

Despite the critical role of digital solutions, connectivity and mass virtualised work, society may experience the desire for an extended ‘digital detox’. As lockdowns are lifted, societies open back up, and sport, recreation and entertainment become available again, we are likely to experience a resurgence and evolution of in-person and analogue business models.

**Trust as a value**

Faith in institutions, government and communities is essential during a crisis. This was evidenced during the Australian bushfires, and has only accelerated through the pandemic. Trust in, and between institutions is critical at both an economic and societal level. Businesses will require trust of their workers, stakeholders and consumers at higher levels than before the crisis, requiring a new approach to conduct and expectation management.

**Privacy and security**

Surveillance technologies and techniques will be an important aspect to suppressing the virus. This blurring of privacy boundaries, data protection and citizen rights will test societal norms and may reset the rules for future data security and capture regulations globally.
Questions leaders should consider when exploring the macro environment trends and what they may mean for their industry and organisation:

- What aspects of government intervention will create opportunities for our business? Which regulations will require changes in our current strategy?

- Do we proactively monitor the regulatory environment? Can we manage the increasing speed at which regulation is made and updated?

- Are changes to the geopolitical landscape affecting international trade or global supply chains?

- Is there a rise in interventionist or protectionist government policy?

- Have government interventions and stimulus packages been effective in helping economies hibernate and emerge relatively unscathed?

- Is there increased difficulty accessing capital for small or medium businesses?

- Is the balance shifting towards individual privacy and liberty or towards societal security?

- Will societal and environmental trends that were rising pre-COVID return, accelerate or drop-off?
Section three: Business and operating model

No organisation, institution, or individual is immune to the health pandemic or macro environment shifts occurring. Many of these shifts are inevitable – trends that have been unfolding over years and suddenly accelerated as a result of the health pandemic. Other shifts and their impacts are still yet to be determined. Both however, will have a once-in-a-generation impact on industries, business models and how companies best configure their operating model.

Reinventing the organisation to mitigate the numerous risks and opportunities that these macro disruptions create is critical to business survival. Leaders must assess these key drivers of change in order to shape the medium to long-term strategic choices and short-term actions across their business and operating model.

Given the plausible scenarios and macro environment shifts unfolding, business leaders should focus efforts on determining the opportunities and risks that the new environment offers the industry and organisation. From this, leaders should then evaluate what changes to the existing business and operating models are required and develop a roadmap of strategic choices and ‘no-regrets’ moves that can be actioned over the next 3 to 12 months.

<table>
<thead>
<tr>
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</tr>
</thead>
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<tr>
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<td><strong>Supply illumination and certainty</strong></td>
<td><strong>Work redesign</strong></td>
<td><strong>Accelerated shift to cloud and platforms</strong></td>
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<tr>
<td>Ongoing subdued consumer confidence with a re-evaluation of normal spending.</td>
<td>Resilience-efficiency trade off across value chains, increasing transparency to ensure supply and service certainty.</td>
<td>Overhaul of how work practices, processes and workforces fulfil customer and stakeholder needs.</td>
<td>Accelerated migration to cloud infrastructure, virtualisation and the adoption of cloud-enabled platforms.</td>
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<tr>
<td><strong>Values-centred design</strong></td>
<td><strong>Operational continuity</strong></td>
<td><strong>Virtual and flexible work</strong></td>
<td><strong>Integrated physical and digital assets</strong></td>
</tr>
<tr>
<td>Increased focus on how products and services are designed, emphasising trust, quality assurance and sustainability.</td>
<td>Localisation of manufacturing and operations to minimise operational disruption and ensure continuity.</td>
<td>Increased flexible and remote working supported by increased digital literacy, workspaces and technology.</td>
<td>Increased integration and monitoring of physical and digital assets and infrastructure, accompanied by proliferation of data.</td>
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<tr>
<td><strong>Next generation commerce</strong></td>
<td><strong>Advanced analytics and automation</strong></td>
<td><strong>Adaptable organisations</strong></td>
<td><strong>Cognitive and AI</strong></td>
</tr>
<tr>
<td>Proliferation of online sales, contactless interactions and hyper-personalised digital/virtual experiences.</td>
<td>Rapid deployment of advanced analytics, intelligent automation and operations digitisation.</td>
<td>More agile and flexible operating models shifting towards networked talent pools and orchestration.</td>
<td>Broad scale adoption of cognitive and AI technologies to personalise and contextualise the human-technology interaction.</td>
</tr>
</tbody>
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Business and operating model shifts

**Customers and channels**
Consumer sentiment, expectations and behaviours have been adjusted leading into the health crisis and through shared experiences of the ‘great lockdown’. The joke about ‘who triggered your enterprise digital transformation – CEO, CMO, CIO or COVID-19?’ couldn’t be more accurate.

The requirement for rapid changes to customer interactions, sales, service and fulfilment resulting from the crisis, has accelerated online and digital connection, and put in to question the need for a review of current channel mix and physical stores. Consumers have had to adjust their expectations of price, value and necessity, with many taking comfort in trust brands, while others have sought alternatives given constraints across both access and supply of goods and services. Trust, security, conduct and quality have become table stakes in creating a sustainable and differentiated business model.

Customer behaviour shifts will create a lasting impact on global and local economies and the regulatory environment. Given that consumers have adjusted to contact-free models, online and remote sales and service, virtual delivery models and become more accepting of precision marketing and personalisation, businesses will be able to shift both their business models and investment in the capabilities (i.e. skills, processes, data, and technologies) necessary to create and capture value.

**Consumer confidence**
Customer confidence and buyer behaviours will take a time to return to pre-COVID levels and may experience lasting adjustments in category spend, channel preferences and fulfilment and service management expectations. Customer sentiment will be more greatly influenced by business conduct, demonstrated levels of security, and whether they ‘trust’ products, services, and businesses.

**Values-centred design**
Leading into the COVID-19 crisis, the awareness of environmental, ethical and sustainable products and services was a trend becoming a norm. Consumer preferences are shifting to products, services and solutions that are valued for how they are designed, extending beyond the consumable to include the full ecosystem in which consumers interact. Buying local, is not necessarily in response to nationalistic views, but rather a shift in what consumers value.

**Next generation commerce**
The shift to virtual and digital customer interaction models has accelerated business model adjustments, necessitating rapid investment into capabilities across sales, fulfilment and service management. Contact-free models, e-commerce platforms, virtual and remote services, self-service, cognitive agents and intelligent automation are all trends that have become mainstream. With this shift in model comes a requirement to adjust the channel mix and how customer experiences are best created.
Business and operating model shifts

Value chains and operations
The impact of the shut down of manufacturing and supply chains due to the health crisis highlighted just how vulnerable many industry value chains have become. The pre-COVID focus on supply chain optimisation to minimise costs, reduce inventories and drive up asset utilisation has significantly reduced flexibility for businesses to absorb disruptions.

New illumination technologies are emerging that dramatically improve visibility across the end-to-end value chain, improving the ability to mitigate future shocks. The traditional linear value chains which dominated many industries are transforming into digital networks, in which organisations across the value chain are better connected to their complete supply network. This in turn enables more end-to-end visibility, collaboration, agility and optimisation.

By leveraging advanced analytics and technologies such as artificial intelligence, intelligent automation, sensors and 5G, digital networks will be designed to anticipate and absorb disruptions to mitigate impact on business operations.

Supply illumination and certainty
Supply chain illumination technologies, risk management and business continuity strategies have been a saviour for many companies impacted from the shocks of supply disruption, but many companies have been left scratching their heads. The fragility of global supply for many value chains has highlighted the requirement for more robust systems that provide visibility across the extended value chain, alongside enhanced planning and control tower solutions, to better sense and respond to issues.

Operational continuity
With borders and value chains closing or slowing down, many businesses are seeking continuity strategies to their core operations. On-shoring, re-shoring and in-sourcing of critical operations are all strategies being visited and deployed as businesses review their manufacturing and operational practices.

Advanced analytics and automation
Intelligent and robotic automation across business operations has been accelerating, with increased deployment of cognitive technologies to support heightened levels of demand in some industries and across business activities throughout the crisis. Further investment in advanced analytics and technologies, including sensors and 5G, will lead to enhanced operations and more data-driven decisions.
Business and operating model shifts

**Work and workforce**
Some things are certain post-COVID, for example, it will not be a return to old ways of doing business. The ‘great lockdown’ has forced organisations to reengage with the workforce in different ways, redesign how work is delivered, and fundamentally look at what is required from a future workplace.

Managing through the recovery and navigating all the complexities of ‘reopening’ business - returning workforces, distancing rules, heightened surveillance, and tracking techniques to protect worker wellbeing - will challenge all organisations. Leaders will need to reflect on what trends and accelerated disruptions have worked in favour of human capital strategies, what has been learned from others, and what opportunities exist for embedding practices from lockdown into business-as-usual.

The very nature of work was being disrupted well before the crisis – intelligent automation, artificial intelligence, the gig-economy and augmented workforces have all been trends shaping how jobs are designed and work practices adapted. The further acceleration of virtual working, connectivity and digitisation of processes and decisions is forcing a revisitation of operating models, including a review of the skills, competencies and configuration of talent alongside the extended workforce.

**Work redesign**
Work redesign could be the most substantial disruption resulting from the ‘great lockdown’. Organisations have been forced to examine how work practices, processes, policies, enabling tools and the workforce is able (and willing) to fulfil customer and stakeholder needs. This trend requires companies to look at what jobs are required, how to best assign those jobs, and the most suitable configuration of how those jobs are delivered.

**Virtual and flexible work**
It is highly unlikely that the way workers work will go back to ‘normal’. Flexible, remote and virtual work has sustained many industries and has forced a crash-test approach to digital-workforce tools and flexible working approaches. Remote working has proven itself beneficial and opened up options for organisations to consider how they re-construct the organisation and workforce in the ‘new normal’.

**Adaptable organisation**
Businesses have been pursuing the incorporation of agility and adaptive practices for years. The instant shift to remote, virtual and global has unlocked leaders to move towards organising and interacting around networks based on how people work and behave. Moving from formal hierarchies and silos to multi-disciplinary teams with connected ways of working, led through orchestration versus taskmasters, will become a key feature of advantaged organisations in the ‘new normal’.
Technology and infrastructure
As organisations recover, the opportunities for new technologies – or indeed ‘old’ technologies that have been forced into mainstream – to enable businesses to emerge stronger and positioned for the ‘new normal’ is clear. Virtualised workforces, rapid e-commerce and digital interaction, supply illumination, advanced data and decision support tools, and all the necessary, secure and stable infrastructure will underpin an organisation’s ability to thrive.

The accelerated migration to cloud-enabled business practices and platforms will be the most significant and transformative shift experienced by businesses. The shift to the cloud will play a central role in how businesses create and capture value, driving advances in data collection and collation, use of deep analytical toolsets, and adoption of artificial intelligence.

Accelerated shift to cloud and platforms
To support remote and agile working, businesses have accelerated their migration to the cloud, virtualisation and the adoption of cloud-enabled platforms. While providing employees with greater flexibility, this shift strengthens system resilience, security and is unlocking new forms of advantage and business model opportunities.

Integrated physical and digital assets
As more physical ‘things’ become connected and technologies like the Internet of Things and 5G are advanced, the monitoring and integration of physical and digital assets and infrastructure will increase, unlocking insights and providing new sources of intelligence and business opportunity. The advancement of ‘digital twins’ capabilities opens the possibility of new services, growth into new markets and alternative sources of advantage.

Cognitive and AI
Broad scale adoption of cognitive technologies, such as machine learning, neural networks, intelligent automation and the broader domain of artificial intelligence will transform nearly every industry and how businesses compete and operate. How these technologies enable intelligent and personalised interactions between customers, suppliers, workers, and the organisation will underpin the future of work and how it is delivered.
Questions leaders should consider when exploring the implications of business environment trends and what they may mean for their industry and organisation:

• To what extent are customer needs, preferences and consumption patterns shifting? Will consumer confidence and demand take on similar levels in similar market segments?

• What business model changes are required in light of ‘new normal’ customer needs? What new segments, services, products and propositions will emerge from the crisis?

• Which sector value chains have proven vulnerable and lacking in resilience requiring fundamental overhaul? What new partnerships and ecosystem collaborations will sustain operational continuity in the new normal?

• How will the work of businesses change, and what are the resultant impacts on global and virtual workforces and workplaces?

• How has the criticality of physical assets and infrastructure changed? What heightened monitoring and remediation capabilities are required? What long lasting changes to the cost of global goods and services will occur?

• How will the wide scale adoption of digitisation, advanced analytics, accelerated cloud technologies and platforms and artificial intelligence create advantage for our business?
Implications, choices and ‘no-regrets’

Over the past few months, leaders have been put to the test, forced to make decisions on highly complex and systemic issues amidst rising ambiguity and volatility. Over the months ahead, as countries navigate the health and economic crisis, organisations will emerge from hibernation, faced with the task of powering back up and shaping their recovery in an economic and business environment that remains highly uncertain.

As articulated in the previous sections, there are a set of trends and disruptions that are already affecting individuals, businesses, organisations and society at large whilst other disruptions may likely gain momentum as each of the plausible scenarios unfolds.

Leaders will be required to make choices that will have immediate and longer-term implications. Having a more considered understanding of the evolving business environment, accelerating trends and a vision for what the ‘new normal’ aspiration for the business should be, is crucial.

The emerging implications and key considerations that businesses need to incorporate into their updated ‘new normal’ strategies and operating models include:

<table>
<thead>
<tr>
<th>Customers and channels</th>
<th>Value chain and operations</th>
<th>Work and workforce</th>
<th>Technology and infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers will become more...</td>
<td>Value chains will become more...</td>
<td>People and organisations will become more...</td>
<td>Physical assets and infrastructure will become more...</td>
</tr>
<tr>
<td>• Cautious and subdued</td>
<td>• Mission critical rather than increasingly virtualised.</td>
<td>• Digitally literate</td>
<td>• Integrated with digital assets</td>
</tr>
<tr>
<td>• Discerning and localised</td>
<td>• Focused on risk and resilience rather than cost</td>
<td>• Nimble/flexible, scalable and global</td>
<td>• Real time and digital in monitoring and remediation</td>
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<tr>
<td>• Mindful of sustainability, embracing ‘slow movement’</td>
<td>• Diversified towards more responsive suppliers/locations</td>
<td>• Adaptable and values oriented</td>
<td>• Technology will become more...</td>
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<td></td>
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<td></td>
<td>• Accelerated towards cloud and ‘as a service’</td>
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<td></td>
<td>• Skewed towards data, analytics, automation and AI</td>
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<td>• Sensitive towards security and privacy</td>
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Channels will become more...

- Online rather than physical
- Virtualised and contactless, with increased expectations for hyper-personalisation

Processes and operations will become more...

- Digitised and automated wherever possible
- Virtualised and delivered remotely
- Localised/on-shored for mass operations

Products and services will become more...

- Suitable for off-site delivery/consumption
- Centred on trust and relationships
- Scrutinised on quality assurance, reliability and provenance

Channels will become more...

- Mission critical rather than increasingly virtualised.
- Focused on risk and resilience rather than cost.
- Diversified towards more responsive suppliers/locations.

Processes and operations will become more...

- Digitised and automated wherever possible
- Virtualised and delivered remotely
- Localised/on-shored for mass operations

Products and services will become more...

- Suitable for off-site delivery/consumption
- Centred on trust and relationships
- Scrutinised on quality assurance, reliability and provenance
Implications, choices and ‘no-regrets’

Notwithstanding the health and humanitarian tragedies that have and will continue to unfold, business leaders have an opportunity to shape a new path for their organisation – reinventing for the future and positioning to create meaningful and measurable impact for their customers, employees, stakeholders and society.

Whilst the objective of this paper has been to equip business leaders with questions and considerations to prepare their organisations for the ‘new normal’, there are a handful of ‘no regret’ moves that leaders can undertake today that will pay off in the future.

These five key moves should sit within a portfolio of shorter-term priorities, focused on a transition from hibernation to reopening the business and ensuring a sustainable recovery. If not already established, it will be essential to stand up a Recovery Command Centre capability that is focused on the programmatic structuring and oversight of the portfolio of activities, investments and initiatives.

1. **Review your current business model and value propositions.**
   Considering the changing customer preferences and shifts in demands – what new opportunities may exist, what vulnerabilities in your current strategy can be mitigated, and where can you look for new sources of growth in the market?

2. **Invest in your digital and e-commerce channels.**
   Notwithstanding the need to review your current physical footprint, the requirement for enhanced digital customer and stakeholder interactions, sales, service and fulfilment is essential. Determining how to effectively target and personalise customer engagements and interactions to effectively operate in an increasingly contactless economy will be a source of advantage.

3. **Invest in the illumination of your end-to-end value chain.**
   Understand the vulnerabilities in your supplier, delivery partner and customer ecosystem. Strengthen and/or adjust any relationships to diversify supply and service, and ensure operational continuity.

4. **Enable your workforce with the capabilities, tools and confidence to embrace more adaptable work practices.**
   Undertake a review of how work can be redesigned to best deliver outcomes and the needs of customers and stakeholders, including the advancement of intelligent automation and cognitive technologies.

5. **Accelerate (or initiate) your cloud enabled transformation efforts.**
   Prioritise customer and core operations platforms, advanced analytics capability that supports data-driven insights and decisions, and robust cyber security infrastructure.
Acknowledgments

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