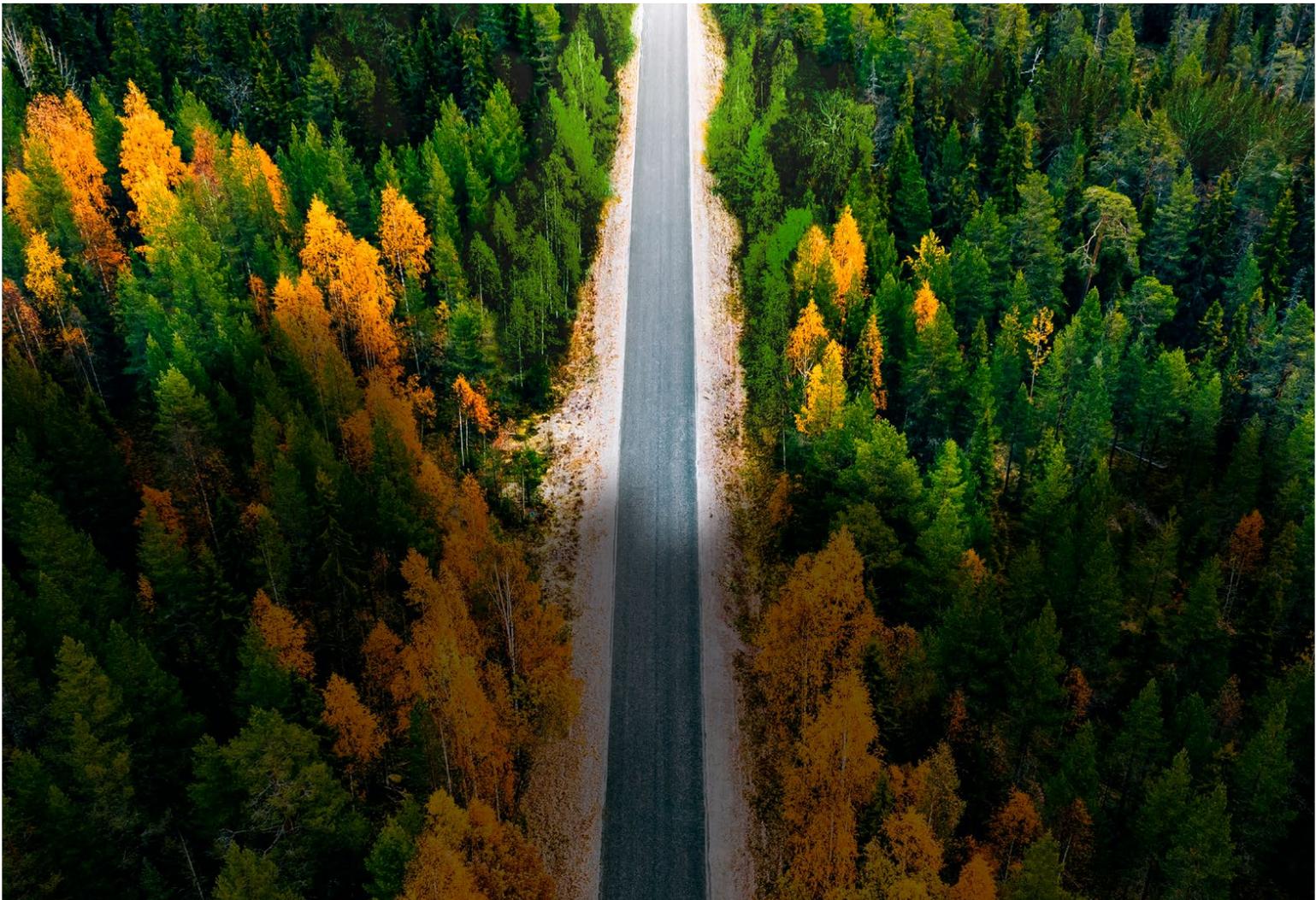


The Way Ahead Series:

# Practical Advice for Leaders, by Leaders

A new series of articles, written by many, and presented by Richard Moore, CEO of Mercuri Urval



**Mercuri Urval**

It's All About People™

# FOREWORD

Customers, colleagues, partners and suppliers will never be the same after the health, social and economic crisis created by the Covid-19 pandemic. *Or will they?*

Introducing a new series of articles, Richard Moore leans on the track record of Mercuri Urval's consulting team and insights from our global network to offer practical advice on important topics that CEOs and Boards face, through and beyond Covid-19:



**What are the new conditions we face and what opportunities can we see? *How to navigate the best course***



**What changes do we need to make in our organisation? *How to organise for success***



**What leadership do we need? *How to secure leaders that will succeed***



**What will improve leadership results in our organisation? *How to strengthen leader performance***

## Join in, please

In kicking off this series of articles I also invite you to **add to the advice we present, as contributors**. The goal is simple. With your active involvement we leaders can help each other with practical advice that makes for stronger organisations in the future. After all, our strength as leaders is built on our network. Harnessing the power of networks will help more leaders succeed at work. And that of course, is good for employees, stakeholders and the societies we serve. So please join in and send us your stories and advice, so we may include it in this series.

I hope you will find this series of articles and their development as useful as we did when preparing them. And that you find a few moments to share and so help others succeed.

*Richard*

Please send your stories and advice to me:

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#LeadersHelpingLeaders

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# What are the new conditions we face and what opportunities can we see?

## *How to navigate the best course*

With 50 years heritage, we at Mercuri Urval, like many of you, have successfully navigated crises for, and with, our customers in the past. For me personally this is the third time to find an effective new *Way Ahead*. And as CEO of a leadership advisory firm, I am fortunate to be part of a powerful network of leaders in and outside Mercuri Urval. We know that new opportunities will emerge. Even the darkest of all clouds will have a silver lining. But what are these opportunities for you and your business, and how do you reach them?

1. **Secure a solid base:** A refresher on a sound crisis response. The best *Way Ahead* requires a proper reaction and an effective business continuity approach.
2. **Learn from before:** What do the lessons of past shocks tell us, if anything, about how to successfully face down this unprecedented challenge?
3. **Understand your current conditions and opportunities:** What has changed in your situation already and what do you choose to achieve next?

## 1. Secure a solid base

Learn from before

Understand your current conditions and opportunities

First a recap on our reaction to the crisis, to safeguard nothing vital was omitted in the initial response and continuity plans. As you, and your team, have no-doubt acted quickly, so we hope this forms a useful 'double-check' list:

### **Stay safe and carry on serving customers**

- Found a crisis management and rapid response team and establish policies; reset management and decision practices
- Keep colleagues safe by developing and applying new health and welfare policies
- Implement a communication strategy and channels to employees and customers: Open, empathetic and clear messaging. Decide on, and use, one main channel to communicate to ensure alignment.
- Explain remote and virtual work practices and make tools rapidly available to colleagues, customers and your supply chain
- Digital education of employees, customers and partners in how to use technology for continuity.

### Protect and stabilise your business

- Develop scenarios to safeguard your business financially. Based on these take the necessary steps to rapidly adapt your business to new conditions. Remove cost, scale up for a sudden spike in demand or work harder to keep continuity of supply – or a combination of all three
- Stabilise your business by securing capacity and continuity of supply to trade through the crisis
- Defend against short term revenue decline and retain power for increased demand in the future and/or refocus and energise your front-end teams
- Monitor liquidity and manage working capital forecasts. Establish and monitor contingency plans to know when reality deviates from your scenarios
- Review emergent government and regulatory support and secure further funding as required.

### Prepare for the future

- Start a *Way Ahead* team working on what comes next and be ready for the rebound or next stage challenges that will come
- Review your geographical footprint and market focus; model crisis duration and recovery in your sector
- Review, stop, start, accelerate or mothball strategic projects until the *Way Ahead* is clear
- Act to protect and develop the core revenue creation of the company.

The response needed to secure a solid base will have been very demanding and intense, and much of the work carries on for months. Especially in this crisis which goes far beyond economic shock, reactions are understandably those of anxiety, frustration and even fear. **Still, now for leaders, the real work is only just beginning.** The resilience you and your team have shown has served to create a foundation to build on. But before you start to build, what lessons does the past have for your *Way Ahead*?

Secure a solid base

## 2. Learn from before

Understand your current conditions and opportunities

We have seen radical disruption before, so remembering previous good practice will help.

### Look up, right now

In a crisis it is normal to become defensive, protective and even stubborn. It is even necessary to focus on detail and control. But only leaders that remove day-to-day constraints on their thinking, can help others look ahead. Harvard Business Review assessed responses from

leaders facing crises some years ago. Analysing those that did well after previous shocks. Unsurprisingly the most successful had the clearest short and long-term plans in balance from the start. They quickly modelled, predicted and prepared for what may happen in a year or two – as well as in the next quarter. And they made their organisations flexible, so preparing for that they knew they could not see. **The adaptable thrive.**

### Think different

In the Nobel museum, Stockholm, a video used to play on a loop. It tells the stories of those great minds that came with ideas that changed the world. They all reported that their big idea came not when they were hard at work but when they stepped back – in the bath, doing some gardening, whatever. There are good explanations for this in psychology of course, but for the purpose of brevity, accept that doing something different will help you think differently. **New realities need new solutions.**

### Think big

In the immediate response to this crisis, perfect may well have been the enemy of good for many leaders. Speed was an essential competence. But previous crises have shown, when it comes to finding the right *Way Ahead*, good is probably not good enough. Great is needed. Effortful thinking, asking questions and listening are essential behaviours. Leaders who switched thinking styles from fast to slow managed better. The past shows us that success in the next decade won't be based on the economic power your organisation had in the last one, rather your ability to change and be relevant in the next one. The mighty may also fall. **Carefully consider radical options.**

### Become clear

Only when leaders have analysed and thought properly, can they provide the clarity colleagues and customers need. Organisations that have succeeded through rapid change before, made sense of the disruption and created a purpose that others could follow. Faced with fight, flight, freeze, leaders that succeeded controlled their thinking and put discipline into their message.

For some leaders it was to find a new purpose, for others it was to create a new business model and for a few it was a more minor repositioning. Whatever change it entailed, the message was sharp enough to galvanise a workforce and a customer base. Another lesson from the past is that providing confidence is key. **Give distinct direction.**

### Be inclusive, be ready to move

The past also shows us that big ideas are realised when many people make smaller steps together. Implementation requires buy in, and openness builds trust. This means developing the future should be inclusive – listen to your people, listen to your customers and read the data on your business. Leveraging current strengths – your loyal colleagues and customers – also helps renew confidence in your value and values. Successful change is forged on a basis of continuity as well new ideas. Inclusive dialogues inspire colleagues to join in and shape the future. This helps employees get ready to move when organisations need to change.

### Leaders need followers.

Having taken on board lessons from the past, it is time to make sure you know the present very well. After all, whilst the past has valuable lessons, selecting the right the *Way Ahead* this time is all that truly matters.

Secure a solid base

Learn from before

### 3. Understand your current conditions and opportunities

To realise opportunities, leaders should of course work through some logical thinking steps. A lot of advice on the process of forming a new strategy can be quite abstract or conceptual. Here are some practical questions and check points that may help you get started, or be of use to scrutinise your newly developed thinking:

#### **Be certain about your start position**

As any navigator facing a thick fog knows, the pre-requisite for a successful course is to be sure about your start position. Without that being correct, nothing else has value. What matters in a period of rapid change is live and accurate data, facts on your business reality as it is now:

- What does your data tell you about where your business stands now?
- What is different from where you stood before the crisis hit?
- Listening to customers and colleagues, what are the themes?

Especially in times of accelerated change, hunches, anecdotes and assumptions are the opposite of insight. Outdated realities from before also have no value. The right *Way Ahead*, like all journeys, starts with certainty about where you begin.

#### **Decide what you need to achieve in your market and operating context**

Knowing whether you are best to maintain the destination you had before the disruption, or plan an entirely new route, can be assessed through answering a few important questions.

#### **What are your future market goals?**

- What customer needs will you address?
- Which customer segments and locations will you prioritise?
- What competitors will you face?

#### **What position will you take towards stakeholders?**

- In society
- Towards shareholders
- For employees
- To the authorities

Whether the answers to these questions lead you to moderately adjust or radically change goals, having a clear decision about your future position in the market and with stakeholders is essential. Establishing these goals creates the frame in which you will lead and endeavour to succeed. If you need to think big, modelling 4 or 5 scenarios can be valuable.

## Determine your result ambition and the gaps in reaching it

With a clear purpose and goal towards the market and stakeholders decided, an ambition level may be set. What result will you produce on the market and for stakeholders?

- What type of financial performance will you plan to achieve?
  - Profit
  - Revenue growth
  - Cost effectiveness
  - Cash-flow
  - Development of assets
- How will you foster Business strength?
  - Position with clients
  - Competitiveness
- What stakeholder relations will you develop?
  - Societal fit
  - Shareholder satisfaction
  - Employee value proposition
  - Compliance to authority requirements.

Now your market and stakeholder goals are set, results are planned, and gaps are understood. A sound strategic plan describing the necessary effort and action can be formed.

## Identify the effort and actions required to realise your ambitions and close your gaps

It is time get practical and decide on priorities and actions. In these times of severe disruption, this will typically include changing how your organisation is structured to lead, manage and support the necessary actions. A reasonable scope to consider, may look like this. Of course, the sequence, depth and breadth worked through will depend on your goals, ambitions and gaps:

- Vision and goals
- Organisation structure, leadership and management
- Agility

- Values and culture
- Operations, processes and tasks.

With the best possible set up for success in place, the final and most defining element becomes clear.

## Become sure about the leadership capabilities you need to make it happen

- What leaders are needed to achieve results?
- How should leaders perform and engage others to perform, to achieve the result?
- Where in the organisation should leaders be placed in order to perform optimally?
- Which key skills will be essential for leaders to successfully achieve the expected results?

With these steps taken we can navigate the best course and realise the opportunities that will come. A final remark is of course to schedule regular reviews of your strategy. By following the data closely and listening constantly, you can course correct as needed. And as you do that, we hope this series of articles on the *Way Ahead* will address the important questions to come.

✓ **What are the new conditions we face and what opportunities can we see? How to navigate the best course**

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→ **What leadership do we need? How to secure leaders that will succeed**

→ **What will improve leadership results in our organisation? How to strengthen leader performance**

As we are all in this together, please send your ideas, additions, questions and challenges to me, and we'll develop our advice with your input included.

*Richard*

# Mercuri Urval

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## For more information

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## About Richard

Richard is Mercuri Urval's Chief Executive Officer. Richard leads the Mercuri Urval team worldwide, working closely with colleagues and clients in all sectors across Europe, Asia-Pacific and the Americas. Prior to this he has more than 15 years' experience in advising organisations in Leadership Acquisition and Business Transformation. Richard has a Masters in Psychology and is also a Board Member and Partner at Mercuri Urval.

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