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INSIGHT

July
2020



Pivoting your Operating Model to the “New Normal”

Navigating the aftermath of Covid-19

Introduction

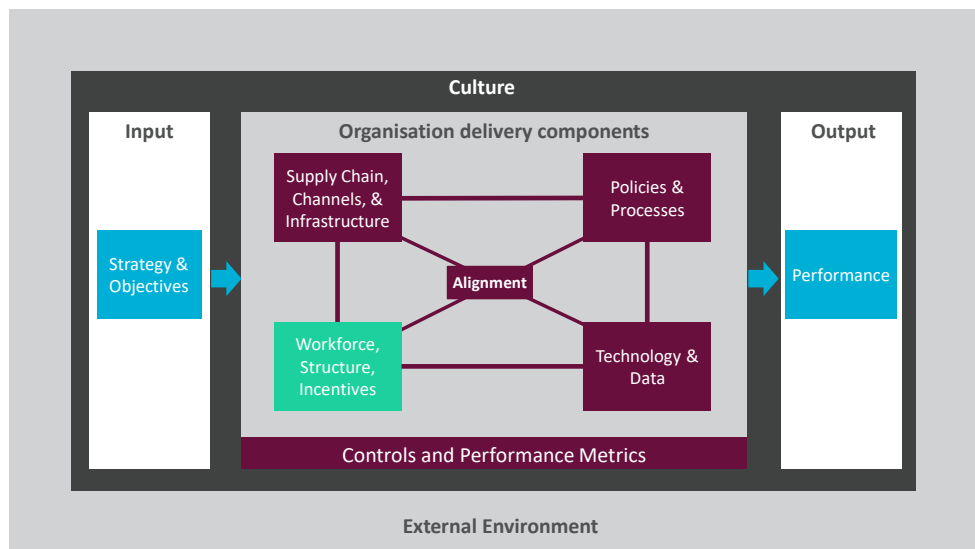
In our previous articles, [Re-engaging the Workforce](#) and [Pivoting the Workforce to the "New Normal"](#), we highlighted how leaders will need to change the way their organisations are set up to create and deliver value in the aftermath of COVID-19, starting with changes to the workforce.

In this article, we will look at the need to assess and address changes in the three other areas of the operating model, as shown in the below: 1) supply chain, channels and infrastructure 2) data and technology 3) processes and governance. It is highly likely that changes made to your workforce and broader business strategy will entail some degree of change in these critical, interconnected areas.

We also examine how this applies in practice for companies which are shifting their strategies towards sustainable growth; a key emerging trend from the market in the post-Covid economy.

diversify their supplier base or insource some activities. Others are increasing inventories and insourcing some production.

Your first step should be to consider the needs of your customers. As social distancing rules are still largely in place and travel options reduced, your sales and engagement channels may have shifted considerably. A significant part of your customer base may be unable or unwilling to travel, to shop in many locations, or may simply be prioritising other spending. In response to this sudden change in consumer behaviour, you may now find yourself racing to accelerate digital transformation projects to create new channels and processes to serve your customers.



Supply chain, channels and infrastructure

The effects of COVID-19 may be most visible in changes to your organisation's supply chain, sales and engagement channels, and infrastructure. Many organisations found that they were underprepared for disruptions in their pre-pandemic supply chains. As suppliers and vendors ceased production, businesses scrambled to find alternative procurement sources. Many are now considering ways to

As many offices remain closed and retail outlets operate with reduced footfall, it may be an opportunity to reconsider your organisation's physical infrastructure. Resuming operations will require reconfiguration of offices and the introduction of new ways of working to promote appropriate safeguards. You may also consider include new ways to monetise existing spaces, for example, by renting to third parties.

Cheatsheet: Consider these questions as you prepare to pivot your supply chain, channels, and infrastructure:

Supply Chain

- How has your supply chain been impacted as a result of COVID-19?
- What are the long-term implications for your supply chain?
- What are the strategic supply-chain options available to your business? Do you need to diversify suppliers, in-source, or enlist third parties?

Channels

- How have your sales channels been altered?
- Are you using increased digital channels, targeting new customer segments, or supplying new products and services via revised or new channels?

Infrastructure

- How have the utilisation of physical assets of your organisation, like locations, warehouses, or office space changed?
- How can you make your infrastructure more resilient?
- Do you require reconfigurations to enable operations, production, or customer interactions in the “new normal”?
- Can you repurpose or monetize these assets in new ways?

Policies and processes

The core processes that support workflow and productivity within your organisation are likely to have been impacted. In both B2C and B2B sectors, functions like sales, customer success, and inventory management have adapted to provide continuity of business to

customers and core functions, even while observing new social distancing guidelines and norms. These changes will prove lasting as the public’s expectations and behavioural norms shift.

Your first concern should be about the viability of your current organisation. Does your business’s pre-pandemic process architecture still support effective operations? Are decision-making, governance, and risk management processes still fit for purpose? Or are risks getting lost, decisions stifled?

We recommend looking for solutions that grant additional autonomy to those parts of the business that are customer-facing while ensuring that supporting units are configured appropriately to provide continuity of service while working remotely for the foreseeable future.

Cheatsheet: As your organisation seeks to adapt processes and policies to the “new normal,” consider:

- What core business processes exist in the organisation today? To what extent, does the organisational model support the execution of these processes?
- Can you improve the effectiveness of business processes in supporting the execution of the business strategy?
- Are all processes accompanied by suitable, clearly defined ownership and accountability frameworks (e.g. RAPID, RACI, Delegations of Authority)?
- What KPIs exist to track and monitor the effectiveness of processes? How are improvements in performance tracked and monitored?
- How can you adopt more agile, outcome focused working practices?

Technology and data

If the pandemic and ensuing response has shown us anything, it is that the movement to digitally enabled, data-driven, and agile operations really can increase resiliency. COVID-19 has accelerated trends towards increased remote and digital work. Newsflash: there is no going back. For digital native organisations, the shift to fully remote working and digital delivery may have felt seamless; indeed, a lucky few may have already been fully distributed. For those organisations with already developed technology and data capabilities, it was manageable. For organisations that had not yet institutionalised digital ways of working, this shift may have been challenging. And for some sectors that rely on in-person interactions and channels, it may have entailed a total cessation of revenue-generating operations. For all organisations, this is a time to consider the extent to which your technology and data assets – for example, your organisation’s CRM, finance, HR systems, and marketing systems – are really fit for purpose.

The reality is that the return to normalcy will not entail a return to pre-pandemic behaviours. Social distancing is likely to continue in some shape or form, even as government-driven mandates to do so are relaxed. Customers who have discovered digital experiences that meet their needs may end up preferring them to in-person interactions. Employees who have worked remotely for weeks or months on end may expect this to continue, at least in part. Your technology architecture must be able to adapt to support continued business despite these changes and your data analysts must have the skills and tools needed to unlock sources of future value by uncovering customer insights and creating tailored digital products.

Cheatsheet: Consider these questions as you prepare to pivot your technology and data components:

Technology

- What systems underpin or support the core business processes?
- What channels or mechanisms are used internally and externally to access IT and technology services?
- How do you help the workforce adopt new, digital ways of working?
- What technological competencies should the business be investing in for the future?

Data

- What data and information are required for the core business processes to be efficient and effective?
- What data is being leveraged to guide decision-making today? What data could be leveraged? How could these datasets be combined to find new insights?

Pivoting to respond to Environmental Themes

One of the few positives that emerged from the Covid-19 crisis relate to the environment.

Since the crisis broke out the world is witnessing an increase of interest in environmental issues. This trend was amplified during the crisis and driven by increased attention to health-related issues as well as a first-hand experience of cleaner skies and less pollution during the lockdown period.

Talking to many senior stakeholders and clients from the market we have observed that this has not gone unnoticed. Following pre-existing market trends on the issue and increased consumer pressures, many companies are planning to adjust their post-Covid strategies and shift towards sustainable growth, reducing their carbon footprint and environmental impact.

Implementing this strategy requires a number of changes in the operating model and its key components. In our previous article [Pivoting the Workforce to the “New Normal”](#), we covered the changes on workforce, structure and incentives. In this article we focus on the other three areas 1) supply chain, channels and infrastructure 2) data and technology and 3) processes and governance.

Supply chain, channels and infrastructure

For most business this is the operating model component that will have the largest environmental impact. Changes in this area may cover:

- Reduce environmental footprint of products by making the manufacturing process less carbon intensive.
- Reduce waste in the manufacturing and distribution of products by implementing improved waste management strategies, shortening distances in supply chains, swapping to more environmentally friendly packing materials etc.
- Reduce the use of plastics and other environmentally hurtful materials in product design.
- Improve efficiency in inventory management.
- Incorporate environment-related criteria in vendor due diligence and selection.
- Improve environmental performance and energy consumption of buildings, offices and other facilities.

Processes and Governance

- Re-design processes to align with operating model changes. During this activity incorporate process improvement targets, aiming to automate processes where possible. Flag processes that can actively contribute towards your sustainable growth strategy and commit more effort and resources in getting them right first time.
- Set up governance structures to ensure clear lines of accountability and embed monitoring of the sustainable growth strategy implementation at the Board, Exec, and functional and team level.
- Add new KPIs and dashboards to periodically review the effectiveness and performance of your sustainable growth strategy implementation, taking corrective action where needed.

Data and technology

- Use data science and analytics to capture, analyse and report on the company's performance on achieving the targets set on the strategy. Our [Carbon Footprint Bot](#) can help you achieve this.
- Use technology and automation to make production processes more efficient and as a result, less energy intensive.
- Leverage AI capabilities as applicable in your industry to support sustainable growth.

Sia Partners is committed to accelerating carbon emissions reduction and the energy transition for 15 years. 12% of our revenue is generated by offerings related to climate change; we help clients in the public and private sectors navigate the on-going global transition to a low carbon economy. Talk to us to find more about our [Climate Analysis Center](#) and how we use data and technology to support organisations minimise their environmental impact

How can Sia Partners help? Data-driven approaches to operating model design and workforce planning

Pivoting your workforce is a key step in modifying the operating model to deliver changes in the strategy or business model. Businesses can pivot their workforce in an intelligent way by leveraging organisational data to develop winning designs and plans.

A common response to this approach is that organisational data either does not exist or it is difficult to obtain. In almost all cases, this is wrong. Organisational data does exist. However, it may not all in one place, the quality may be inconsistent or poor, or records may conflict across functions and systems. Even when it is easy to get, many businesses may not know how to apply it to improve organisational design or operating model alignment.

Sia Partners can help. We bring decades of transformation experience and innovative data science-based solutions to help you rapidly assess the current-state, examine future-state options, and implement impactful change for your organisation. We deploy sophisticated analytics and digital tools alongside our human subject matter experts, ensuring you receive support tailored to your organisation's context and needs. Our consultants rapidly assess your workforce, financial, and competitor data and define actionable insights that guide every step of the project, from assessment, to detailed design and implementation. Our Transformation Hub, an online portal of proprietary tools and aids, means that you have end-to-end visibility on the design process, with downloadable tools at your fingertips, on-demand, around the clock.

In the near-term, our team can help you understand how your customer demand is

changing and how to redeploy your workforce from areas of relatively low-demand to areas of high-demand or higher priority. We can also help you to align near-term workforce decisions to operational measures and targets to ensure you have an agile, nimble base from which to grow in the post-COVID world.

In the intermediate-term, our team can help you model options for the size, shape, and design of your future organisation. We obtain, aggregate and cleanse the most relevant data and then quickly assess your as-is state, delivering quantitative and qualitative insights that help you cut costs, define opportunities, and build a more resilient organisation. We start by helping you create design principles centred on your post-COVID business strategy and objectives. From there, we help assess future-state designs that maximise key variables like profitability, long-term growth, or increased organisational resilience. Lastly, we'll help manage the full implementation via our dedicated PMO offering.

Alterations to your operating model will also require you to consider the long-term impacts to your workforce. Are you recruiting and retaining the right talent for both today and tomorrow? Is the organisation growing a workforce with the skills and capabilities needed for the future? How is automation altering the workforce and employee base? Again, Sia Partners can help. Our approach to workforce planning uses both proprietary and publicly available data to help you identify the most critical elements of your workforce. We help you to account for trends like automation or technological advancement to craft strategies that strategically plan for both today's and tomorrow's needs.

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