

The Transformative Power of COVID-19

[COVID-19](#) [THEOBALDS ROAD CONSULTING](#) [TRANSFORMATION](#)

ALICE FABRE, PARTNER, HEAD OF CONSULTANCY 08 APR 2020

As we embark on a national lockdown, we are already starting to see how the COVID-19 pandemic has the power to transform all aspects of our society.

Many are reeling from the string of recent announcements that have turned business, social and political norms on their head. Focusing on how to survive and thrive will minimise economic damage and facilitate a nuanced response to the new normal that emerges, supporting the country as it gets back on its feet.

Understanding the changes taking place is essential and some of them will help to supercharge growth.

We are all transformation experts now

Going into this crisis, corporate change programmes were more likely to fail than not – Bain & Co estimates that over 70% of change efforts fail.^[1] Digital transformation was the journey, which seemed to be taking far longer than anyone anticipated. COVID-19 has changed everything.

Companies have had to go through enforced corporate change on a timeline so fast it would make Superman shudder. Whole teams have moved from offices to working from home. Entire companies have shifted their business model overnight. Savvy marketers have updated their messaging to fit seamlessly into the changed landscape.

Normally these processes would take months of planning and delivery would be phased. Not this time. COVID-19 has provided a crucial sense of urgency, which has in turn, sharpened the other tools in the transformation toolkit. Communication and collaboration have come to the fore and prevarication has been quashed in favour of quick, decisive leadership. A challenger mentality, which can be elusive once corporations reach a certain size, has been ignited in the fight for survival.

Sue Unerman, Chief Transformation Officer at MediaCom has noted, “We are in extraordinary times which are challenging on multiple fronts for individuals, companies and society at large. As we work to acclimatise, I have been struck by the incredible response of both our people and our clients.

“It is important that we find some time, while we are dealing with what is so urgent at the moment, to acknowledge the changes that are going on now, so that we can harness the skills that have helped us adjust so quickly. These skills will be incredibly valuable in terms of ongoing corporate transformation.”

Corporate culture has demonstrated its value

Firms which have invested in understanding and managing corporate culture have reaped the benefits. When offices and engrained daily routines disappear, it is understandable that many may feel lost at sea. Companies with strong cultures have found the transition

required by this pandemic less challenging than others. In many ways this is unsurprising; McKinsey has found that of the 70% of transformations that fail, 70% of those failures are due to culture-related issues. [\[2\]](#)

Culture is the glue that has supported employees through the change and made them feel more secure in their new environment despite wider uncertainties, helping them to focus on the job at hand be that getting food on shelves or supporting clients through a difficult period.

Adrian Walcott, Managing Director at Brands with Values, our partner on cultural matters, says, “Leaders that view transformation as everything to do with ‘changing employee mindset’ and not just a series of new processes, systems and equipment will continue to win. Especially in periods of uncertainty. The reason for this being; they have understood that measuring and managing culture is the key to successful business transformation. “

Consumer conversations may never be the same again

The shift in our societal fabric should not be underestimated. Politically, a Conservative government has announced measures that are more socialist than could ever have been imagined pre-Covid19, Brexit has become a footnote and a country that was divided to its core has, for the most part, rallied together to try to stop this disease in its tracks.

Against this backdrop, consumers have embarked on a period of deep reflection. The foundations of Maslow’s hierarchy of needs have been rocked – finance, food and health all seem uncertain for many, if not most of the UK population. Priorities have shifted and family, the NHS and supermarkets have taken on renewed importance. Ways of life have changed dramatically, with people working at home or out of work, children out of school and people self-isolating with family or alone. Digital communications and ecommerce have been tested to the limits but are now truly embedded across our society.

People may not need or want the same relationship with brands that they did before Covid19 struck and the relationship will keep evolving as this crisis continues.

However, China can provide us with some helpful insight as it starts to emerge from its period of enforced isolation. Howard Thompson, Chief Strategy Officer for MediaCom China, considers that, “although it will take some time for the country to get back on its feet, people are really excited about getting back to reality. We are expecting regional variation in the recovery, so brands should pay close attention to how that emerges and plan their marketing activity accordingly.”

So, what next for the UK?

It is likely that this crisis will endure for some time. We do not yet know whether consumers and companies will bounce back uniformly to their ‘old ways’, or whether consumer attitudes and habits are almost certain to be irreversibly changed.

Companies should tune in carefully to what is unfolding. Identify the things that have worked well from a corporate perspective and seek to carry them forward. Continue to put corporate culture at the top of the priority list. Listen to consumers and make no assumptions as to how this will affect their mindsets and propensity to spend. Paying close attention to the new normal as it emerges is the only thing that will enable the strong and nuanced response that this crisis requires.

[1] <https://www.bain.com/insights/topics/change-management/>

[2] [McKinsey: Culture, 4 keys to why it matters, 2018](#)