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Deloitte.
Insights



The heart of resilient leadership

Responding to COVID-19

In the crucible of crisis, resilient leaders are defined *first* by **who they are**....

Five qualities of a leader that distinguish between surviving and thriving amidst crisis

MISSION FIRST

Stabilize today, and harness both the **energy and the constraints** of volatile conditions to spark innovation tomorrow.

- *How are you turning the COVID-19 crisis into an opportunity to emerge stronger?*

SPEED OVER ELEGANCE

Decisive action – with courage – is often more essential than getting it perfect.

- *How are you empowering your teams to take courageous action in a volatile environment?*

DESIGN FROM THE HEART ...AND THE HEAD

Serve the heart of your organization, your **purpose**, and your **societal obligations**, while simultaneously making **hard decisions to protect financial viability**.

- *How are you balancing both empathy and decisiveness to serve your employees, customers, communities and ecosystem?*

OWN YOUR NARRATIVE

Paint a picture of a **compelling future and path forward** that your stakeholders can support and rally around.

- *How are you proactively filling the information vacuum to combat the spread of misinformation and rumor?*

EMBRACE THE LONG VIEW

Stay focused on what's on the horizon to instill confidence and steadiness across your ecosystem.

- *How are you anticipating and responding to the new business models likely to emerge post COVID-19?*

Resilient leaders are *then* defined by **what they do** along three dimensions



Priorities

The six functional areas most at risk during a crisis



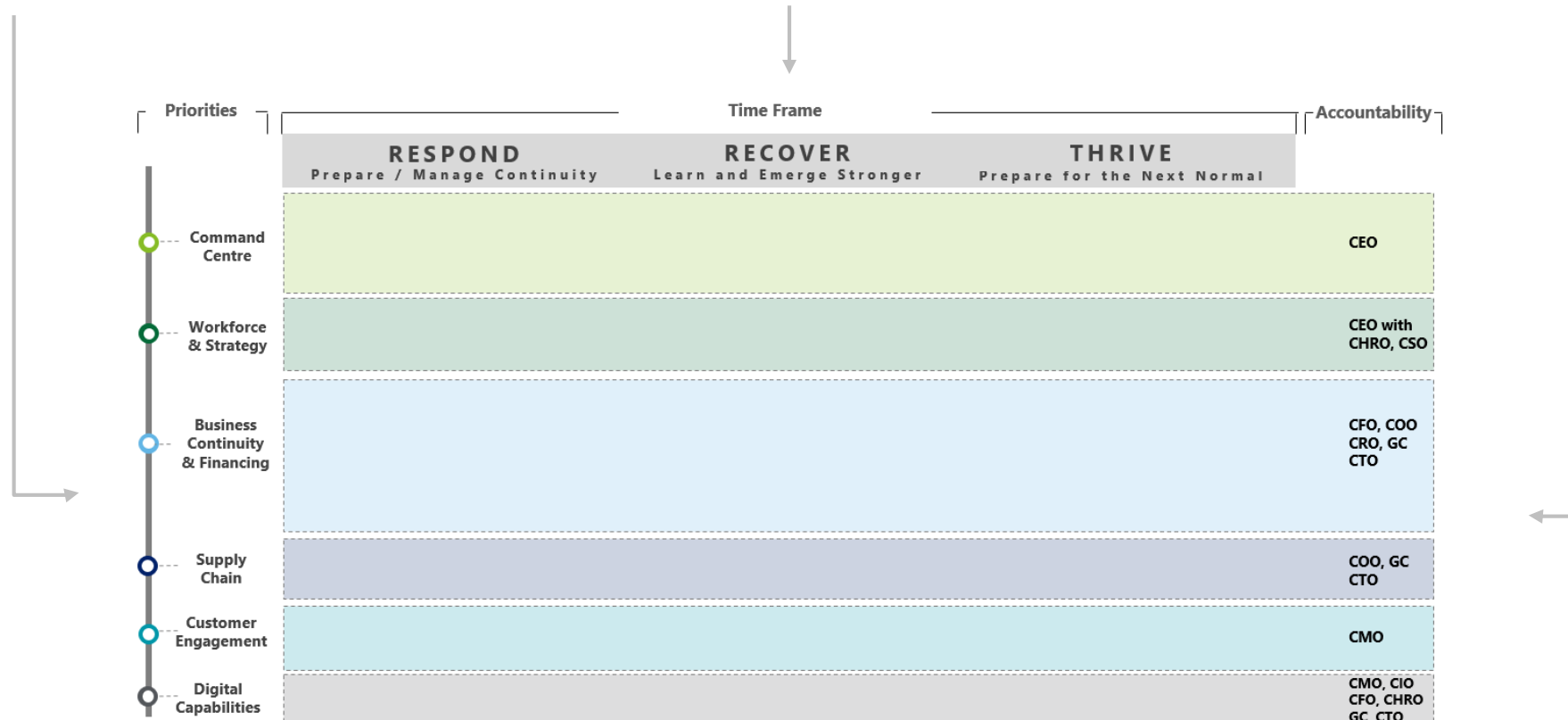
Time Frame

Thoughtfully selecting when to pivot from Respond to Recover to Thrive



Accountability

Defining who is responsible and accountable in the business



Resilient leaders in a crisis *take specific actions* across these three dimensions

Detailed briefings further covering these priority areas can be found on [Deloitte.com](https://www.deloitte.com).

Priorities	Time Frame			Accountability
	RESPOND Prepare / Manage Continuity	RECOVER Learn and Emerge Stronger	THRIVE Prepare for the Next Normal	
Command Centre	<ul style="list-style-type: none"> Institute crisis and resilience planning Nominate task force leadership team (and back-up) Activate and empower COVID-19 Command Centre Itemize organizational vulnerabilities by impact and value Develop and launch Communications Plan and Strategy Activate and communicate Pandemic Preparedness strategy Scenario plan to determine decisions to make today or defer 	<ul style="list-style-type: none"> Activate recovery contingency plan if required Reflect on lessons learned and rebuild with resilience Formalize and update crisis and resilience playbook Embed relevant Command Centre protocols into BAU 	<ul style="list-style-type: none"> Institute crisis and resilience planning as BAU Update crisis playbook to reflect COVID-19 lessons learned Organizational design for resilience and flexibility Regularly refresh vulnerabilities assessment 	CEO
Workforce & Strategy	<ul style="list-style-type: none"> Optimize corporate HR policy – leave, travel, global mobility Review employment contracts for potential issues Implement and monitor safe / flexible working arrangements Prioritize strategic choices and investments 	<ul style="list-style-type: none"> Reimagine workforce strategy and operating model Adopt “above-the-bar” regulatory / governance protocols Manage rapid employee return and ramp-up (future state) Execute on strategic growth, partner and M&A ambitions 	<ul style="list-style-type: none"> Rework employment arrangements to reflect next normal Employee education and training in crisis and resilience Consider shape of business models and ecosystems of the future Build scenario thinking / sensing into strategic decision-making 	CEO with CHRO, CSO
Business Continuity & Financing	<ul style="list-style-type: none"> Ensure actions uphold Responsible Business principles Implement cash conservation and recovery actions Evaluate working capital and liquidity requirements Rapid working capital optimization and credit solutions Control discretionary operating costs and capex Negotiate more flexible financing terms with lenders Communicate with other key financial stakeholders Understand impacts on contractual obligations (e.g. loss quantification, force majeure) Gather documentation for contract negotiations and claims Implement cash tax strategies / leverage government incentives 	<ul style="list-style-type: none"> Initiate claims and contract dispute resolution Ramp-up to normalized financial reporting Ensure internal audit resources reallocated based on risk Right size and operating model of support function (e.g. fixed vs variable resources; manpower vs technology) Implement equity raising and low-cost debt refinancing Exit of non-core and under-performing assets 	<ul style="list-style-type: none"> Maintain robust financial forecasts and scenario planning Stress test corporate model and capital structure Build resilience into operations and financing 	CFO, COO CRO, GC CTO
Supply Chain	<ul style="list-style-type: none"> Identify supply chain risks and potential disruptions Develop contingency plans for operational disruption Understand demand and supply side shocks and develop inventory strategies to buffer volatility and risk 	<ul style="list-style-type: none"> Establish multi-tier supplier network visibility to risks Collaborate with customers and suppliers to synchronize operations to priorities within constraints Manage inventory and cash flow through agile execution 	<ul style="list-style-type: none"> Establish control towers to predict, sense and prescribe risk responses Restructure supply chain to improve resilience Implement Industry 4.0 and Digital Supply Network (DSN) solutions to improve end-to-end visibility, synchronization, optimization, and agility 	COO, GC CTO
Customer Engagement	<ul style="list-style-type: none"> Engage with key customers to support business continuity Reinforce loyalty by protecting and rewarding customers Secure commercial and financial support from customers Develop communication strategy with front line employees 	<ul style="list-style-type: none"> Review orders vs commitments and inventory Use advanced technology in customer communications Reset receivables cycle and collections process and KPIs 	<ul style="list-style-type: none"> Establish open communication channels with customers Evaluate capacity / incentives to provide financial support Develop contingency plans for financial disruption Reimagine the operational model to strengthen customer engagement 	CMO
Digital Capabilities	<ul style="list-style-type: none"> Assess and address systems and cyber vulnerabilities Enable data-driven insights and situational awareness Develop real-time sensing / red flag reporting dashboard 	<ul style="list-style-type: none"> Update digital properties to synch with availability Design digitally-enabled flexible work arrangement Optimize e-commerce and customer / channel strategy 	<ul style="list-style-type: none"> Implement digitally-enabled future of work including for business processes and back-office functions Reflect on lesson learned and share best practices 	CMO, CIO CFO, CHRO GC, CTO

Resilient leaders understand that **trust** is **foundational to their organizations' Recovery**

Embed **Trust** as the Catalyst to Recovery

TRUST IS A **TANGIBLE EXCHANGE OF VALUE...**

It has **no value in isolation**, and represents value only in an interaction / relationships with others.

It is **accretive**: invested wisely and prudently, it grows in repeated affirming experiences; invested poorly, it rapidly depreciates.

It **yields results** such as economic growth and shareholder value, increased innovation, greater community stability, and better health outcomes.

...TRUST IS HUMAN AND MULTI-DIMENSIONAL

Resilient leaders understand that Recovery is a **human experience** and in order to shift the mindset to Recovery, they need to understand the **Four Human Dimensions of Trust**:



Resilient leaders consider the following questions:

- Which **dimensions matter most in Recover** to each of our stakeholders, and what will **matter to them as we shift into Thrive**?
- Are we **communicating our intentions clearly and transparently** to our stakeholders – even when we don't have all the answers?
- Can we **competently deliver** on what we are promising to our stakeholders?
- How are we **monitoring and measuring our progress** in addressing stakeholders' needs across the four dimensions of trust?



The heart of resilient leadership

Responding to COVID-19

Leadership in the crucible of crisis

THE RAPID GLOBAL spread of COVID-19 has quickly eclipsed other recent epidemics in both size and scope.¹ In addition to the deadly human toll and the disruption to millions of people's lives, the economic damage is already significant and far-reaching.

In the face of certain challenges and a still-uncertain set of risks, business leaders are rightly concerned about how their companies will be affected and what they have to do next. In the heat of the moment, there are a number of lessons from history that can be applied now. We have pooled the insights of Deloitte leaders in affected areas around the world to provide practical insights for chief executives and their leadership teams in taking appropriate action.

We recognize that companies are in different phases of dealing with the outbreak, and therefore the impacts vary by geography and sector. But regardless of the extent of the virus's impact on an organization, we believe there are five fundamental qualities of *resilient leadership* that distinguish successful CEOs as they guide their enterprises through the COVID-19 crisis:

1. Design from the heart ... and the head. In crisis, the hardest things can be the softest things. Resilient leaders are genuinely, sincerely empathetic, walking compassionately in the shoes of employees, customers, and their broader ecosystems. Yet resilient leaders must simultaneously take a hard, rational line to protect financial performance from the

invariable softness that accompanies such disruptions.

- 2. Put the mission first.** Resilient leaders are skilled at triage, able to stabilize their organizations to meet the crisis at hand while finding opportunities amid difficult constraints.
- 3. Aim for speed over elegance.** Resilient leaders take decisive action—with courage—based on imperfect information, knowing that expediency is essential.
- 4. Own the narrative.** Resilient leaders seize the narrative at the outset, being transparent about current realities—including what they don't know—while also painting a compelling picture of the future that inspires others to persevere.
- 5. Embrace the long view.** Resilient leaders stay focused on the horizon, anticipating the new business models that are likely to emerge and sparking the innovations that will define tomorrow.

We believe that a typical crisis plays out over three time frames: *respond*, in which a company deals with the present situation and manages continuity; *recover*, during which a company learns and emerges stronger; and *thrive*, where the company prepares for and shapes the “next normal.” CEOs have the substantial and added responsibility to nimbly consider all three time frames concurrently and allocate resources accordingly.

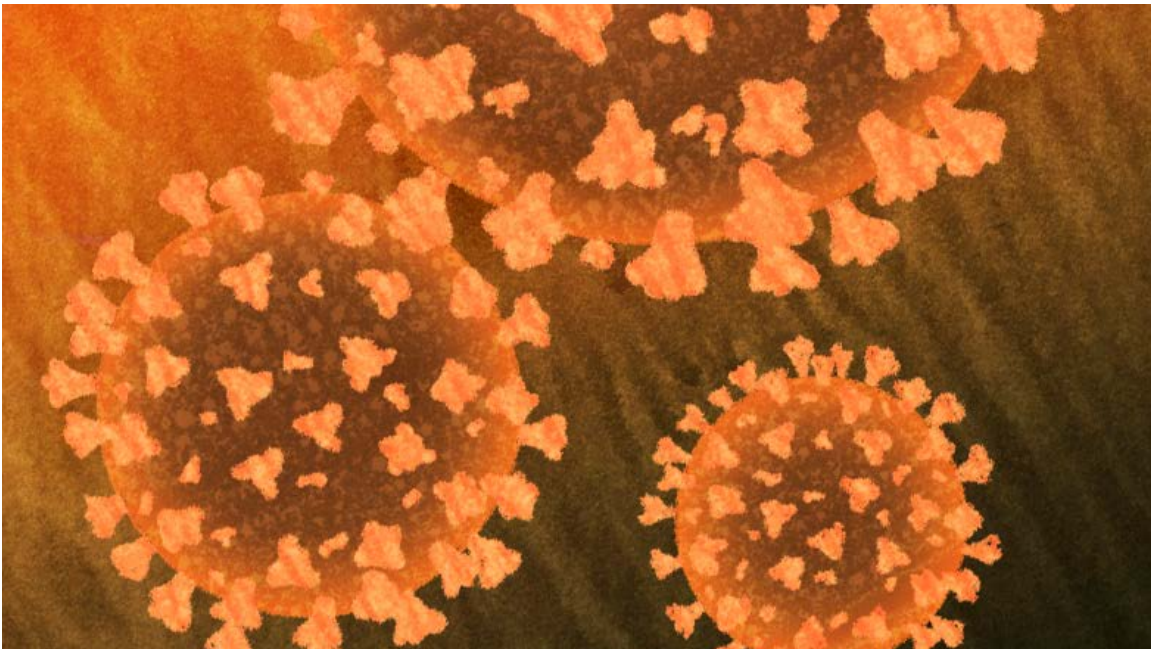
Within the framework of these broad imperatives, resilient leaders can take specific tactical steps to elevate these qualities during the current crisis, blunting its impact and helping their organizations emerge stronger. With the right approach, this

crisis can become an opportunity to move forward and create even more value and positive societal impact, rather than just bounce back to the status quo.

SPOTTING THE “BLACK SWAN”

Black swan events are unforeseen or unpredictable crises that often have extreme consequences. The outbreak of COVID-19 and its westward march across the globe has introduced a new kind of uncertainty:

- Recessions since World War II have usually been caused by either economic policy mistakes, oil shocks, or financial bubbles. The rapid economic deterioration of economies and stock markets amid the COVID-19 threat represents a new category: a global societal shock. We surveyed more than 4,200 US executives on February 26, 2020, asking them which of the three typical categories—or a fourth “something else” category—would trigger the next economic downturn, and 35 percent presciently selected “something else.”
- Whereas the 2008 global financial crisis was stoked by the shutoff of the supply of capital, disruptions on both the supply side and the demand side are the cause this time around. In China, for example, mass shutdowns of factories evaporated the supply of products such as auto parts, electronic components and apparel. Meanwhile, the mass quarantining of the population cut off consumption, most acutely in the travel, hospitality, restaurant, and retail sectors.²



Design from the heart ... and the head

AN ESSENTIAL FOCUS in a crisis is to recognize the impact the uncertainty is having on the people that drive the organization. At such times, emotional intelligence is critical. In everything they do during a crisis, resilient leaders express empathy and compassion for the human side of the upheaval—for example, acknowledging how radically their employees' personal priorities have shifted away from work to being concerned about family health, accommodating extended school closures, and absorbing the human angst of life-threatening uncertainty. Resilient leaders also encourage their people to adopt a calm and methodical approach to whatever happens next.

In everything they do during a crisis, resilient leaders express empathy and compassion for the human side of the upheaval.

The first priority should be safeguarding workers, ensuring their immediate health and safety, followed by their economic well-being. A survey of human capital policies and practices in China at the onset of the COVID-19 outbreak, conducted by Deloitte China in January 2020, revealed the following steps companies and not-for-profit organizations were considering in response:

- Ninety percent said that it was an urgent requirement to provide their employees with remote and flexible work options.

- Companies in industries facing the biggest constraints on providing flexible and remote working options—such as energy, resources, and industrials—were focusing on providing stronger physical protection in the form of cleaner and safer work environments and personal protective equipment.
- More than half of government and public service entities were focusing on addressing employees' psychological stress.³

Designing for the customer's heart starts with understanding how that heart may have changed dramatically from what you perceived before. Consider that in crisis, customers often revert down Maslow's Hierarchy of Needs to basic desires such as safety, security, and health. How does the nature and tone of your customer communications and the sensitivity of your customer experience need to shift in the midst of the COVID-19 crisis? Customers relish the same kindness and grace toward them that you show your workers—they are struggling through the crisis, too, and expect empathy. Simple things can be big things. UberEats is asking customers if they want food left at the door rather than passed by hand. Many airlines have emailed customers to describe their enhanced plane decontamination efforts. Some restaurants have encouraged their wait staff to visibly use hand sanitizer to assuage patron concerns.⁴

Yet for the sake of those same employees and customers—as well as creditors and investors—resilient leaders must stay vigilantly focused on protecting financial performance during and

through the crisis ... and making hard, fact-based decisions. The adage “cash is king” is most real in the midst of an existential event. There are several critical steps in protecting performance:

1. **Centralizing decision-making** in fewer nodes for consistency, speed, and especially decisiveness—especially since uncertainty can paralyze some decision-makers.
2. **Cataloging the sources of cash the company has available**, including unused credit lines (committed and uncommitted), revolving credit facilities, and related borrowing restrictions; new sources of credit, such as fixed credit facilities to refinance existing revolvers; excess working capital (e.g., via inventory reductions, extended payment terms); equity infusions; etc.
3. **Rapidly articulating economic scenarios** across all served markets, generally scaling scenarios from mild to moderate to severe.
4. **Modeling the projected financial impact** of the scenarios on profitability and especially liquidity. This includes assessing the probability of violating debt covenants and terms, and determining when available cash sources should be drawn.
5. **Defining the non-negotiables:** Which products, services, customer segments, business lines, employee segments, and so on are the most critical to ongoing and future cash flow and should be preserved, although even those non-negotiables may be impacted if scenarios tend to the more severe.
6. **Identifying the levers leadership has available** (within the boundaries of the non-negotiables) to impact financial performance, such as discretionary expense reduction, hiring freezes, or temporary plant closures.
7. **Determining the actions to take now**, and agreeing in advance on the hierarchy of levers to be pulled as the severity of scenarios unfolds.

Companies that have developed a downturn planning playbook have a head start, since many of

the scenarios, projections, non-negotiables, and levers already have been articulated and may just need to be adjusted for present circumstances.

Yet amid the crisis, a company’s purpose should remain steadfast: It’s never negotiable. Purpose is where the head and the heart unite. While many organizations today have articulated a purpose beyond profit,⁵ purpose risks getting ignored in day-to-day decisions. In a recent survey, 79 percent of business leaders believe that an organization’s purpose is central to business success, yet 68 percent said that purpose is not used as a guidepost in leadership decision-making processes within their organization.⁶

Making decisions that tie back to the organization’s purpose is particularly important during a crisis, when companies are under increased pressure and stakeholders are paying close attention to every move. We know from research on purpose-driven organizations that they tend to thrive during challenging environments:

- **Purpose cultivates engaged employees.** When companies are centered on an authentic purpose, employees feel that their work has meaning. Research shows that employees who feel a greater sense of connection are far more likely to ride out volatility and be there to help companies recover and grow when stability returns.⁷
- **Purpose attracts loyal customers who will stick with you in a downturn.** Eight in 10 consumers say they are more loyal to purpose-driven brands, which can help sustain customer relationships in a downturn and beyond.⁸
- **Purpose helps companies transform in the right way.** Companies that are guided by their purpose when they face hard decisions have a sharper sense for how they should evolve, and their transformation is more cohesive as a result.⁹ When purpose is put first, profits generally follow; when profits are first, the results can be more elusive.

Put the mission first

ORGANIZATIONS IN THE middle of a crisis are faced with a flurry of urgent issues across what seems like innumerable fronts. Resilient leaders zero in on the most pressing of these, establishing priority areas that can quickly cascade.

Based on our analysis of the leading practices of multinational companies in business continuity planning, especially related to major emergency management of infectious atypical pneumonia, H1N1 influenza, Ebola hemorrhagic fever, and other major infectious diseases,¹⁰ we have identified a number of key actions resilient leaders can take that can be grouped into the following categories:

- Launch and sustain a crisis **command center**
- Support **talent and strategy**
- Maintain **business continuity and financing**
- Shore up the **supply chain**
- Stay **engaged with customers**
- Strengthen **digital capabilities**
- Engage with your **business ecosystem**

See the appendix, **Action guide—putting the mission first**, at the end of this article for detailed activities and priorities for each.

The recommendations in the action guide are further informed by Deloitte’s on-the-ground

experience serving clients and supporting Deloitte professionals in the China market (see sidebar, “Key learnings from leading companies in the Chinese market”).

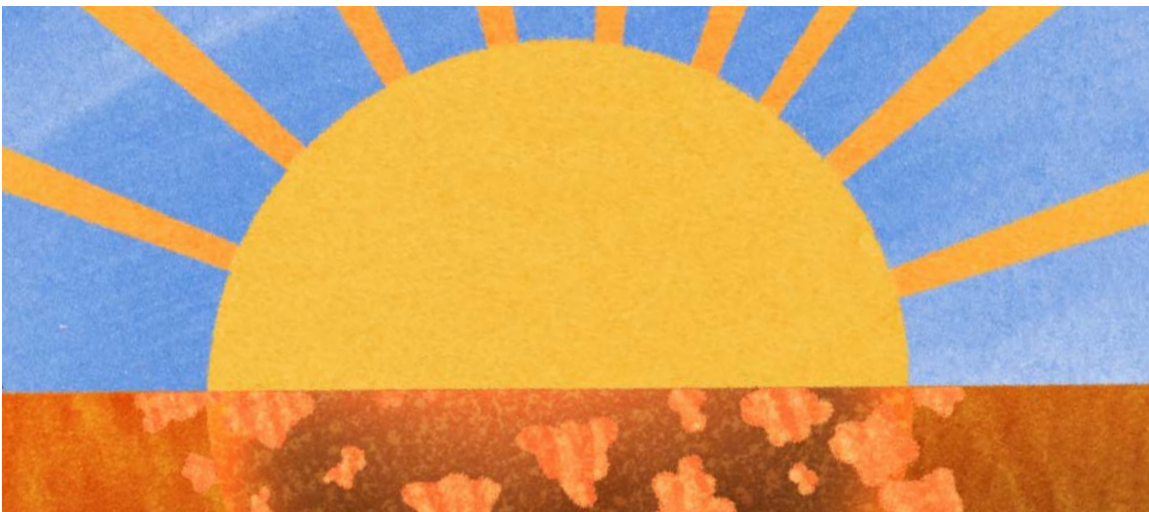
Apple provides an integrated case study. Its decision to close retail stores in affected areas¹¹ demonstrates a number of these principles:

- Empathizing with the needs and concerns of its employees, including continuing to pay hourly workers as though operations followed a normal schedule and amending its leave policy for COVID-related health issues
- Reducing further shocks to an already depleted supply chain
- Staying connected to—and overtly demonstrating concern for—its customers and local communities
- Leveraging its at-scale digital presence by keeping its online store open and running
- Continuing to engage its business ecosystem via new channels, shifting the annual Worldwide Developers Conference in June to a digital-only gathering¹²

Finally, Apple’s bold decision-making demonstrates the courage inherent in *Aim for speed over elegance*, the next quality we discuss.

KEY LEARNINGS FROM LEADING COMPANIES IN THE CHINESE MARKET

- **Command center.** Leading companies in China established emergency response teams right away in order to assess the risks and formulate response strategies after conducting robust scenario planning, which significantly improved epidemic response mechanism and toolkits.
- **Talent and strategy.** After the initial outbreak, companies began implementing flexible work arrangements for middle- and back-office staff in order to minimize onsite work while meeting basic operational requirements. With remote work capabilities being stress-tested, overall opportunities for improvement were identified and addressed. A digital employee health declaration system was also launched by some companies in order to track employee well-being and to comply with administrative reporting requirements.
- **Business continuity and financing.** Companies immediately began to update/develop business continuity plans to understand contractual obligations, evaluate financial impacts and liquidity requirements, formulate debt restructuring plans, and optimize assets to help restore financial viability. Another core focus was to understand financial impacts across the entire value chain.
- **Supply chain.** Companies in China accelerated investment in digital trading solutions to combat supply chain interruptions, overcome logistics and labor shortages, and get better visibility into local access limitations in order to ensure product supply for the domestic market. Operational agility and data quality were critical in supply chain scenario planning.
- **Customer engagement.** Companies quickly moved to maintain open and ongoing lines of communication with their customers on the impacts of COVID-19 to the business and the emergency actions implemented. This approach of working in partnership has built confidence amid the uncertainty.
- **Digital capabilities.** Companies are revisiting the current e-commerce landscape and developing digital road maps for the short, medium, and long term. Companies realized that digital capabilities needed to be implemented across the entire organization in order to embed resilience. Some leading companies in the service industry promoted “no touch” experiences in order to shift away from brick-and-mortar presence.



Aim for speed over elegance

PERFECT IS THE enemy of good, especially during crises when prompt action is required. Most companies do not have the infrastructure to deliver perfect information or data, in real time, on operations that could be affected during an epidemic. There will be many “known unknowns” in the days and weeks ahead. Are you ready to accept that you’ll need to act with

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imperfect information? Collect as much proxy data as you can to inform your decisions so you’re not flying blind. When the crisis is over, you will have the opportunity to conduct a thorough review to see how to improve information quality in future crises—but during this one, you will likely have to set aside that kind of analysis.

As leaders confront situations that were never anticipated, this is also a time to encourage more initiative and decision rights at all levels of the organization, trusting that the teams and individuals who are deeply embedded in a specific context may be in the best position to come up with creative approaches to addressing unanticipated needs. Make the objective clear, but allow more flexible local autonomy. To achieve the overall objective of reducing disease transmission risk in its stores, for instance, one coffee shop chain gave store leadership the flexibility to reconfigure tables to maintain social distancing.¹³ The

key, of course, is to ensure that all workers are clear on the objectives that matter and the guardrails that cannot be crossed. This approach may have value beyond the current crisis as organizations learn to conduct business in more and more uncertain times.



Own the narrative

AS WE HAVE seen, there is a fine balance between communicating in advance of having all of the facts and being late to comment. We have seen leading companies adopt a policy of shorter, more frequent communications based on what they do know and filling in details later. In the absence of a narrative from you, your teams and stakeholders may start to fill the void with misinformation and assumptions. Setting a regular cadence with a clear voice is critical. Incomplete or conflicting communications can slow the organization's response rather than providing better guidance.

In a time of crisis, trust is paramount. This simple formula emphasizes the key elements of trust for individuals and for organizations:

Trust = Transparency + Relationship + Experience

Trust starts with transparency: telling what you know and admitting what you don't. Trust is also a function of relationships: some level of "knowing" each other among you and your employees, your customers, and your ecosystem. And lastly, it also depends on experience: Do you reliably do what you say? In times of growing uncertainty, trust is increasingly built by demonstrating an ability to address unanticipated situations and a steady commitment to address the needs of all stakeholders in the best way possible.

It's also important to recognize and address the emotions of all stakeholders. This is not just about charts and numbers. Narratives can be powerful ways to acknowledge the fears that naturally surface in times of crisis, while at the same time framing the opportunity that can be achieved if

This is not just about charts and numbers. Narratives can be powerful ways to acknowledge the fears that naturally surface in times of crisis, while at the same time framing the opportunity that can be achieved if stakeholders come together and commit to overcoming the challenges that stand in the way.

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In the midst of crisis, Marshall McLuhan's famous observation that "the medium is the message" rings even more true. Many psychologists assert that the majority of communication is nonverbal. Emails, texts, and tweets miss the voice intonation, eye contact, and body language essential to trust-building communications. Encourage the use of video—especially to connect emotionally with your teams—instead of emails and other forms of communication. Just as you may feel overwhelmed by your inbox, so do your employees.

Embrace the long view

ANY PERIOD OF volatility can create opportunities that businesses can leverage if they are prepared. In the case of the COVID-19 outbreak, organizations that take a more assertive and longer-term approach can spark innovations that will define the “next normal.”

A *Harvard Business Review* assessment of corporate performance during the past three recessions found that, of the 4,700 firms studied, those that cut costs fastest and deepest had the lowest probability of outperforming competitors after the economy recovered.¹⁴ In other words, the group most likely to emerge from the recession as winners were those that struck the right balance between short- and long-term strategies by investing comprehensively in the future while selectively reducing costs to survive the recession.¹⁵ While the importance of this balance may appear obvious when the economy is strong, amid the pressures of a downturn, companies are particularly susceptible to a short-term mindset.

Anticipate structural changes and their lasting effects

COVID-19 is likely to accelerate fundamental and structural changes that were inevitable in any case—but are now likely to occur *far* faster than they would otherwise. Consider that the “virtualization” of work—undertaken from home or elsewhere, with remote collaboration and reduced travel for physical colocation—has been evolving steadily. Today, all around the world, businesses—and their talent—are learning to communicate, collaborate, and coordinate on virtual platforms, and understanding the increased efficacy and

efficiency such modalities of work can provide. Virtual work and collaboration tools are likely to create a booming new market space.

These structural changes also may require you to alter your strategy and planning. For instance, if you shift your staffing model to allow more telecommuting or remote work, how could that affect your real estate portfolio? Are there cost savings you can achieve by shrinking your organization’s physical footprint? What sort of new liabilities or challenges might develop if you adopt a decentralized work model? Will you need stronger cybersecurity protocols? What changes will you need to make to management training and communication policies to run a more distributed workforce? What upgrades are required for video conferencing and network availability?

The necessity of operating differently gives businesses the opportunity to understand what they *can* do. One company, for example, tested the ability of its finance staff to perform their monthly close while working from home to determine if the company could meet its quarterly financial reporting requirements if conditions persisted.¹⁶ Once you discover that you can do things differently, you may want to consider whether you should continue doing so.

Become a market shaper

Shaping strategies can become a significant source of new value creation emerging from unanticipated crises.¹⁷ The market shapers—those that shape the future of their industry rather than adapt to it—will emerge stronger. Companies emerging from this crisis and shifting into the “thrive” time frame will

take part in this reinvention, either by identifying and solving for new opportunities, aligning themselves with the future-shapers of their industry, or actually becoming the nexus of the next ecosystem while their competitors focus on the crisis.

Consider the promise of additive manufacturing. Although 3D printing has been growing, existing global supply chains and the wage arbitrage opportunities they provide have provided powerful economic advantages. The status quo has already been tested by growing geopolitical tensions and protectionism, and growing concern about carbon footprints. Now add the impacts of COVID-19, and it is easy to anticipate huge investments in new additive manufacturing technologies that bring production back much closer to consumption—creating entirely new markets to be shaped.

Build future business models

Likewise, structural market changes and newly shaped markets prompt new business models. Imagine the creation of public-private partnerships to provide redundant infrastructure in a particular geography—an initiative at least one government agency already has sponsored in anticipation of circumstances such as these.¹⁸ How will emerging trends, structural changes, and new markets redefine how your company and industry will be organized tomorrow?

For example, many have long realized that education was ripe for significant changes enabled by digital technologies. With over 290 million students out of school globally due to COVID-19,

according to the United Nations,¹⁹ the demand for online offerings, curricula, and platforms will likely accelerate. Yet some universities and faculty are just beginning to improvise remote offerings.²⁰ Designing around the massive COVID-19 constraint demonstrates the real promise of potentially revolutionary changes in how we structure, locate, and operate our approaches to learning—which are likely to lead to dynamic new market-making opportunities in this area as well.

As another example, consider the growth in adoption of AI and robotics, which already are playing a key role in detecting and treating COVID-

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19. AI-equipped tools are scanning social media to analyze virus progression in real time, recognizing viral pneumonia in chest CT scans 45 times faster than humans with 96 percent accuracy, and conducting molecular synthesis and validation in days rather than months or years.²¹ Meanwhile, robots are disinfecting quarantined patient rooms to reduce possible transmission.²² AI also could accelerate drug discovery, preclinical drug development, and phase 1 clinical trials in which safety and toxicity could be tested with DNA-on-a-chip. Imagine how future health care models might change if the typical decade-long pharmaceutical research and development cycle could be slashed by over half. What's more, post-COVID shifts in popular opinion could suddenly enable changes in the regulatory framework concerning fast-track approvals.

A test of resilient leadership

COVID-19 IS A crucible within which resilient leadership is refined. Acting without perfect information, often with only a few hours or days to spare, CEOs will have to guide their organizations through myriad decisions and challenges, with significant implications for their company's whole system—employees, customers, clients, financial partners, suppliers, investors, and other stakeholders—as well as for society as a whole.

Clarity of thinking, communications, and decision-making will be at a premium. Those CEOs who can best exhibit this clarity—and lead from the heart and the head—will inspire their organizations to persevere through this crisis, positioning their brand to emerge in a better place, prepared for whatever may come. Crises like these, with deep challenges to be navigated, will also lead to opportunities for learning and deepening trust with all stakeholders, while equipping organizations for a step change that creates more value not just for shareholders, but for society as a whole.

