Looking for the North Star to navigate uncharted waters

With the possible exception of world wars, the COVID-19 pandemic has created the most difficult challenges our leaders have faced in centuries. Never before have we shut down a modern economy, with disruptions occurring at unprecedented scale and lightning speed, striking countries, companies, communities, and the workforce. As the outbreak has swept around the globe, government and business leaders everywhere have struggled to stem the loss of life, and keep their economies and companies from collapsing.

The toughest leadership test

Leaders had to first act to protect health and safety. Millions of businesses worldwide were shuttered or forced to curtail their operations, affecting billions of workers. As populations came under government stay-at-home orders, millions of white collar workers were forced practically overnight into telework, creating the largest single case of “learning-by-doing” in history. Digital strategies that had been planned for rollout over months or years had to be scaled in days.

Fragile supply chains not only failed to meet sudden surging demand for critical medical supplies, food, and certain home items, they were disrupted across numerous industries as plants around the world closed due to illness in the workforce. Businesses serving the homebound scaled their workforces by the tens or hundreds of thousands in a matter of days. Complicating matters further were the hastily imposed restrictions on business operations that differed by country, state, and local jurisdictions. Leaders had to confront these challenges and make highly consequential decisions with imperfect information and data that changed by the day or week.

What of the future?

We look ahead and see little but uncertainty; a chasm filled with unknowns at both business and personal levels. In the best case scenario, we could be back to business as normal in 18 months, particularly if a vaccine is rapidly developed and deployed.

But, as the virus economy shifts under our feet, many believe this disruption will have transformative effects and lead to a new future state.
kinds of dramatic economic and business changes that usually take decades, but have occurred in a matter of days or a few short months.

Creative destruction is at work—some businesses are scaling, some are failing, and others, from health care to food packaging, have changed how they provide products and services. Businesses are taking a hard look at their supply chains, where they are located, and how deep and diverse they are. There could be a massive restructuring of production and sourcing.

Companies are deploying new technology, such as virus-proof robots and drones, and finding new ways to interact with their customers. New procedures have been put in place to protect workers in manufacturing, warehousing, and retail, from social distancing and extra cleaning to temperature checks, requirements to wear face masks, and shields between cashiers and customers. COVID-19 may be the triggering event for a massive expansion of telework. Notwithstanding a few challenges, many businesses have discovered that telework works. How many of the new teleworkers will return to the office when the pandemic subsides? Will businesses decide they can operate with less office space, saving on rent, utilities, and maintenance? And how would remote work change a company’s footprint, communications, information management, teaming, work practices and procedures?

Will legions of urban teleworkers fearing pandemics and tired of the high cost of living in crowded cities relocate to less expensive suburban and rural areas? What would that mean for business recruitment; workforce management; local business ecosystems that have supported office workers; and rural areas that have struggled with depopulation, declining economies, and job losses?

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For workers returning to offices and factories, will social distancing and the need for safety restrict the number of personnel allowed to work on-site, and require reconfiguration of work spaces and a host of new health, hygiene, sanitation, and work practices?

Leading businesses through crisis and uncertainty

Around the world, a debate about where we are heading is taking place in every business, big or small. Nearly every industry—manufacturing, retail, fashion, food, travel and hotels, transportation, energy, education, and more—are trying to figure out what it all means for their industry and markets. Employees and shareholders are looking for answers. But, leaders may have more questions than answers; no clear vision of the future; no map to a safe harbor. Yet they must act now.

What leaders and organizations do have to navigate these uncharted waters are values and principles, and these must shine through like the North Star—a constant in a sky always in motion, a reference point used for navigation for millennia. Like the North Star, which is more accurate than any compass and always marks the way North, values and
principles must guide decision-making and direction, and the first step is articulating them with unquestioned clarity.

In a time of crisis and uncertainty, some core values are critically important. When no one has the answers and times are tough, honesty will help build trust. The values of acting responsibly with integrity and fairness will give employees more confidence in the decisions organizations and individuals make that will affect lives and livelihoods. Transparency, with clear and frequent communications about company conditions, will create a “common operating picture” of shared knowledge, the situational awareness needed to support good decision-making and effective coordination, and appropriate action in an evolving environment. Make it clear that leaders and those they lead will shape their future together, expressing faith in people as creative and innovative problem solvers that can contribute to solutions. Again and again, this ingenuity, can-do attitude, and entrepreneurial spirit have proven to be a powerful and positive force across the virus economy.

In the long run, this will not be the last crisis businesses will face. There are numerous potential disaster and disruption scenarios, and disruptive events that will not have been imagined. Some will be global, like today’s pandemic; some will be national, for example, a trucker’s strike or fuel supply disruption; and some may be regional or local, for example, a wild fire, attack on the power grid, or an accidental release of a hazardous chemical from a local plant. It is not possible to plan for it all. What leaders can do is bake into the DNA of the company, community, and country the capacity, agility, and flexibility—powerful processes, well-trained people, and robust systems—to limit the impact and bounce back rapidly from whatever disruption or disaster occurs.