Building a Resilient Organization through Innovation and Agile Thought Leadership

Introduction

The Covid-19 crisis has resulted in widespread disruption of our way of life, in both the home and workplace. Social distancing measures continue to impact everyday activities and businesses are faced with the dilemma of how to keep their workforce safe yet productive during these unprecedented times.

In response to the effect that Covid-19 has impacted on the world economy, industry leaders are transforming their businesses using a strategic approach to gain competitive advantages, emerging from the global pandemic with more strength, breadth and better results through innovation. Ability to pivot to new sources of demand, implement a flexible work strategy, and maintain a transformative culture holds the key to achieving a new paradigm for the business of the future. Digital technology solutions underpin the strategy for meeting these changing business demands. While we stand at a crossroads of an unknown path to the evolving landscape of the marketplace, companies must remain agile in their future approach towards an innovative business strategy.

COVID-19 could cause a permanent shift towards remote work and the virtual marketplace. Uncertainties challenge business to have the ability to quickly pivot to new strategies almost overnight. So how does an organization prepare for this journey down an unchartered road? Embracing these guiding principles will provide the compass to navigate your path to success.

Building Trust Within an Organization

Creating a culture of trust within an organization is essential to fostering an environment of innovation. A new outlook is built upon new ideas. While management teams generally will focus on the big picture and garner outside influences and industry examples, often times the best ideas for any organization are gained from the internal workforce. The employees that are immersed in the ongoing tasks and job functions required to conduct business on a daily basis, the people on the frontlines.

The old adage that trust is always earned, never given has never held more truth than in the context of an employer to employee relationship. The framework of innovation is built upon trust and transparency within an organization. Management can earn the trust of their workforce through honesty, consistency in their actions, fairness and keeping commitments.

In order for the employee's voice to be heard, they also need to be assured that they have a safe platform from which to speak. One that is free from repercussions for expressing what may be perceived as unwelcome opinions or contradictory points of view to the status quo of the organization. All employee feedback should be considered valuable and viable within its context with potential to impact the organization in positive and productive manner. Out of the box thinking should be supported and encouraged. Mistakes that arise from taking calculated risks should be viewed as learning experiences and not failures. Management can further develop a platform for innovative thinking by providing their employees with resources for success.

Mutual trust becomes even more critical in light of the need to establish remote work environments across the organization due to the ongoing Covid-19 pandemic. At the outset, entire organizations found themselves in the position to immediately require all non-essential employees to work from home. In many cases, the IT infrastructure for supporting this was not in place. Employees had no framework for conducting their daily business functions outside of the physical office. To make this even more challenging, households often times supported multiple people working from home, children required to be homeschooled and pets became part and parcel of the new home office environment. The need to implement new technology on the fly became the new pandemic.

Managers and business owners were now faced with the task of keeping their workforce productive in a remote capacity, without the ability to support and supervise workers in a direct office environment. The social engagement component of daily office life can be as impactful to the productivity and mental health of the workforce as having the necessary IT and communication tools in place. The emerging challenge for leaders is how to maintain the continuity of interconnectivity between employees and employer while needing to provide stronger than before leadership and guidance in a remote fashion.

Demonstrate Thoughtful Leadership

Company leadership plays a critical role in creating the right environment for innovation to flourish. Great leaders will drive innovation within their organization by inspiring and influencing their employees to view their individual contributions as an integral part of the bigger corporate picture. Providing a voice for your employees within the company is crucial to achieving a culture with the embodiment that the creation of the whole is greater than the sum of its parts.

The culture of a company is a direct result of the actions of the management team. In order to redefine cultural values to foster an innovation mindset within the company, leaders should strive to create an environment conducive to creativity and collaboration. This can be accomplished by establishing a framework of trust along with a safe playing field for the expression and implementation of new ideas. Leadership should seek to empower and mentor rather than dictate policy and procedure. Adopting this mindset will help to create an atmosphere of trust and responsibility that is conducive to both innovation and business success.

Visionary leadership requires a comprehensive understanding of the issues and trends within their industry, however thoughtful leadership is focused primarily upon building capabilities for the workforce of the future. The thoughtful leader has the capacity to inspire people and empower them to work in new ways that drive innovation and challenge the status quo.

Agile Mindset and Effective Change Management

Organizations that have the ability to pivot their strategy to quickly adapt to changes in the marketplace will retain their competitive advantage and withstand the test of time. Reinventing the business model on a frequent basis is of increasing importance in today's current social and economic environment. The effective implementation of planned change within an organization is already a difficult task. Deploying change within an unpredictable and evolving landscape will absolutely require an agile approach to achieve an adaptable, sustainable and successful outcome.

An agile management framework is designed to be adaptable to what is occurring at the moment rather than following a rigid linear plan of action. To facilitate an agile approach, having self-organizing cross-functional teams will create fluid resources to support this effort. The cross-functional team will also have the ability to contribute different perspectives and diverse thought processes to be able to quickly adjust to shifts within the marketplace.

Adopting an agile change management approach requires making a break from the traditional top-down management strategy. Focus should be placed upon facilitating fluid change rather than striving to control it. The key elements of an effective agile change management approach are as follows:

- **Identify what will be improved**
- **Create a compelling vision of the future state**
- **Apply a structured change management approach**
- **Build strategic pivot points into the overall plan structure**
- **Communicate the planned changes to the organization**
- **Motivate and engage the employees to embrace the changes**
- **Mobilize the resources necessary to implement the plan**
- **Communicate frequently and openly**
- **Evaluate the progress, success and evolving landscape of the project on a frequent basis**
- **Adjust, adapt, assess!**

Creating a unifying vision surrounded by an atmosphere of trust within an agile change management framework is a winning strategy for success in a dynamic and unpredictable marketplace.

Driving a Culture of Innovation

In today's highly competitive, fast-paced, technology-driven world, the only constant is change. The ability to remain agile and innovative are critical factors for today's scientific organizations. The reality is that companies that do not innovate are destined to lose market share and be surpassed by more agile organizations that demonstrate the ability to reinvent themselves and embrace the need to change.

Success in today's rapidly changing world will require you to consistently reach above and beyond what you have done before in order to stay relevant. This means that it is imperative to build a culture, along with associated structures and processes, that fosters innovation throughout your organization and makes it a daily way of life. Bureaucracy stifles innovation by creating lengthy lead times, tedious procedural roadblocks, and unnecessary delays that slow the creative process. The innovation-focused leader will seek to minimize or eliminate corporate processes that do not contribute to the culture of innovation.

Once the stage has been set for welcoming innovation within the workplace, the thoughtful leader must be willing to encourage action on innovation ideas and create a safe space for experimentation. The clear communication of the goals of the company must be provided by the thoughtful leader but the path and process for achieving those goals should be allowed to take a more natural and evolutionary course to promote an innovative approach to the solution. Some of the recommended strategies for driving a successful culture of innovation are outlined below:

- **Demonstrate thoughtful leadership**
- **Agile mindset and effective change management**
- **Innovate to remain competitive**
- **Reinvent the company when necessary**
- **Adapt your business to drive growth and efficiency**
- **Constantly reach above and beyond to stay relevant**
- **Encourage innovation in all areas across the company**
- **Leaders to give broad discretion to think outside the box**
- **Build collaboration across the organization**
- **Create trust and build a blame-free culture**
- **Hire the best people**

Following these best practices will inspire and sustain employees in ways that promote this essential discipline of continuous innovation.

"Great leaders of innovation see it as their job to eliminate bureaucracy and encourage continuous and rapid experimentation."

Ludema & Johnson, Forbes[1]

Critical Success Factors for the Change Management Model

Creating the right environment to effect change in your organization holds the key to the success of the transformation to the new future of your organization. A drive for change without a clear focus for the vision of the future will not sustain the process of change. While establishing and communicating the broader goals lays the foundation for the change process, this effort must be accompanied by a clear description about how things will be advantageously different in the future.

Building the momentum for this profound change requires strong leadership and visible support from key people within your organization. There are two fundamental schools of thought surrounding this approach. The top down approach focuses on the leadership team driving the change process from the management level throughout the organization, while an alternate approach emphasizes facilitating and driving the change from the employee perspective.

In 1995, Dr. John Kotter first introduced a roadmap for change management based upon his analysis of over 100 companies that have undergone a transformational process to make themselves more competitive. Dr. Kotter's pioneering work was published in the 1995 Harvard Business Review, titled "Leading Change: Why Transformation Efforts Fail". A guiding principle of Dr. Kotter's eight step approach to change management recommends a top down approach in which the leadership and management team plays a vital role in creating a powerful enough vision that enables the organization to create and maintain a sense of urgency in realizing that vision to keep the momentum moving forward throughout the process and ultimately as the 'new normal' within the organization. The eight step plan also addresses additional success factors such as removing obstacles such as attitudes and organizational structure that no longer serve to support the new vision. Dr. Kotter also notes the importance of including short term wins within the long term process as well as the cautionary advice of "not declaring victory too soon".

The alternate school of thought was developed by Kurt Lewin, PhD, University of Berlin in the 1900's. Dr. Lewin, a social psychologist, carried out studies on the effects of various leadership styles, group decision-making and over group dynamics in a variety of diverse settings. His work led to his theory surrounding his 'unfreeze, change, refreeze' three step change management model. Dr. Lewin's model is based upon human psychology, focusing on behaviors that drive or block change, thereby emphasizing change from the employee perspective. The underlying principle of this process is that in order to achieve change effectively, it becomes necessary to consider all the options for moving from the existing present state to a desired future state, and then to evaluate the possibilities of each and decide on the best one, rather than just targeting the desired goal and taking the straightest and easiest path to it.

Both change management models presented here stand the test of time in terms of providing a roadmap to the successful future state of your organization. One must carefully evaluate the current state of your operations, considering all of the internal and external factors that may have an impact on the success of your plan in determining the approach this is best suited for your organization and desired outcomes.

Kotter Change Model | Kotter's 8 Step-Process[2]

Extending Your Culture Beyond the Brick and Mortar Workplace

The global COVID-19 pandemic has caused an abrupt transition from the brick and mortar workplace to the remote workplace forcing companies to immediately adapt to a shelter in place work environment overnight. While some companies had remote capabilities in place as part of their standard business model, most were entirely unprepared for this unexpected shift to a 100% remote environment. Although the restrictions surrounding the epidemic are being relaxed, a large amount of uncertainty remains as to what can be expected moving forward. Many employers are maintaining a cautious approach to reopening efforts, favoring a continuation of the remote work environment to ensure the safety of their employees.

While there are many hurdles in preparing your workforce for offsite connectivity and team interaction, one of the biggest challenges that leaders are facing is how to extend a unified company culture within a remote workplace. Does the current culture of the company need to adapt as well to these new and unchartered circumstances? The successful thought leader will employ these vital strategies to foster their company culture in "the new normal" work environment:

- **Establish a shared vision and common goals**
- **Align the remote business model with the company mission**
- **Set clear expectations**
- **Maintain a high level of employee engagement**
- **Communicate 'face to face' on a regular basis**
- **Trust your employees**
- **Stay focused on goals, not activity**

Who knows how long it will be necessary to maintain a remote work environment? In fact, many companies are gaining efficiencies and experiencing higher levels of employee satisfaction as a result of these widespread changes. Many companies are in fact considering making a permanent switch to work-from-home and reduced office space due to cost savings and increased employee satisfaction. Success should not be dependent upon the physical location of the office. It is essential to the longevity of the company to have the ability to effectively extend the company culture beyond the traditional workplace.

Managing Performance and Expectations in a Remote Workplace

While the transition to a remote work environment has been a critical enabler of business continuity, managing the performance and expectations of the workforce brings about a new set of challenges. Management within a physical location has often relied heavily on the visual cues related to the perceived productivity of employees. So how does one make the changeover to managing a workforce in the virtual workplace?

The foundation of the successful virtual workplace requires reliable technology to enable employees to do their best work in any setting. Video conferencing tools such as Microsoft Teams, Zoom and GoToMeeting are essential to establishing the virtual meeting platform. Productivity tools enhances collaboration and work coordination, while Google Drive, OneDrive, ShareSync and Box file sharing services enable the transfer of digital information amongst the teams.

However, overseeing the performance aspect across the wide span of functions within the company necessitates an entirely different approach. One key area that deserves a high level of attention is the social isolation and detachment from the work culture that arises from working in a distributed setting. To alleviate the potentially negative impact of this, regular engagement of the employees in virtual face to face settings can mimic the conference setting while clear and consistent communication with the teams will underpin the virtual meeting place.

To create a strong community for facilitating action oriented change, the common strategic goals of the company must be established and clearly communicated throughout the organization. From there, individual expectations and results-based goals may be addressed, with KPI's (key performance indicators) in place for deliverables and results- based tracking. While it is important to report and evaluate performance against KPI's, you must trust and support your remote employees working in a largely unsupervised environment, focusing on achieving the goals and not on overall activity and time tracking.


Staying Close to Customers in a Virtual Marketplace

Just as the workplace has experienced an extraordinary change in how they are required to approach their day to day activities in the wake of COVID-19, customer behaviors have also undergone a seismic shift with regards to purchasing conventions and their engagement with social media. Given the fluid situation surrounding COVID-19, one can be certain that customer behavior will continue to evolve dramatically.

In order to ascertain the best chance of success, companies must frequently assess their own brand's data and continually re-evaluate their content strategy to best serve their customer community. The initial reaction when facing a crisis of this magnitude is to effect cutbacks: reductions in workforce, defunding of "non-critical" activities, and decreasing marketing spend. Industry experts have demonstrated that increasing market spend during challenging times will lead to your best chance not only of succeeding but actually thriving during a crisis. A decrease in market spend will only leave you lagging behind your more business savvy competition.

History has shown that expansion over contraction with regards to your approach to marketing expenditure during a recession will not only lead to an increase in sales but an increase in profits as well. In a study of U.S. Recessions by McGraw-Hill Research, the results showed companies that maintained or increased their advertising spend during a recession and for the following 3 years showed a significant increase in sales versus those that decreased or eliminated advertising spend.

Comparison of Sales & Ad Expenditures
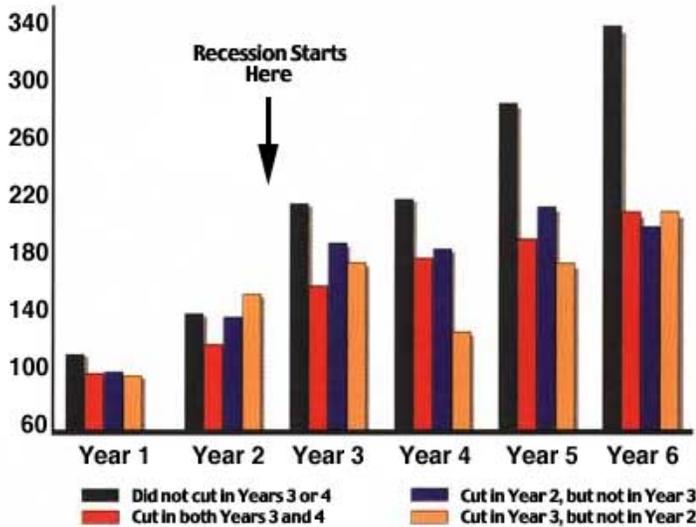
McGraw-Hill Research[4]

Now the question comes as to how to invest in marketing spend in the world of COVID-19? Current statics indicate that customer behaviors have shifted towards digital media and digital transactions as their primary mode of brand engagement. Performing a deep dive of your target customer base will help you make informed decisions about how and where to pivot your marketing strategy as you re-invent your brand strategy to embrace this new paradigm.

In the traditional sales handbook of best practices for developing your customer base, the in-person visit was mandatory for developing rapport and establishing long term business relationships. In the new normal, just because you are not able meet in person doesn't mean that you do not have the ability to form personal, meaningful connections with your customer base. Evaluate the many digital and virtual options that are now front and center in the marketplace and transform your messaging and customer engagement with this new opportunity that has presented itself!

Digital Transformation Internal and External to the Workplace

Digital Transformation is process of utilizing digital technologies to improve and enhance business processes, company culture and customer experiences to meet the current demands of the marketplace. It is a journey, not an event, and encompasses all aspects of the company internally and externally. The trend towards digitalization was underway well before the onset of the COVID-19 pandemic. Now, it is imperative for a company to have the most robust digital strategy possible in place while keeping a constant eye on rapidly changing technology advances as well as the industry and consumer adoption of those technology gains.

Digitalization requires several pillars of success to be in place to provide the foundational support for your transformative process. Primarily, the concepts previously discussed:

- **Thoughtful, digital-savvy leadership**
- **A culture of innovation**
- **Agile mindset and effective change management**
- **Redefining your Go to Market strategy**

In a comprehensive study published by McKinsey & Company, it was determined that organizations with the most successful transformation utilize more advanced technologies including artificial intelligence, the Internet of Things, and advanced neural machine learning techniques. Their results further indicate that the likelihood of a successful digital transform occurs when the key success factors outlined above are in place.

McKinsey & Company[5]

While the deployment of digital technology is a requirement in keeping up with current market demands and trends, opportunity exists for a complete redefinition of the new possibilities this transformation could provide for your business! Advances in technology allow for people to be removed from low impact processes and utilized for more strategic endeavors. Routine tasks can be accomplished with greater efficiency and less risk of human error. Digital modeling provides higher quality data at an accelerated pace. Investing in the digital transformation of your organization will bring you to the leading edge of innovation and allow you to take your business in a more exciting direction.

Staff Augmentation Offers Flexibility in Evolving Workforce Demands

The final key to positioning your organization for the ultimate flexibility to pivot to new or changing market demands is through staff augmentation. In a time of economic uncertainty, companies take careful consideration in their decisions surrounding permanent staffing needs. The landscape of the marketplace is rapidly changing in unpredictable ways, the need for employees to work in a remote capacity, hiring freezes and budget cuts are all contributing factors leading to a difficult to manage situation with regards to workforce requirements. Regardless, the work still needs to get done! New and additional skills sets are being required to navigate and facilitate change in this mercurial environment.

Staff augmentation is the solution to this new dilemma. The demand for flexibility within the workforce is higher today than in the past. The agile business model now requires highly skilled on-demand staffing resources, capable of accelerating or adjusting capacity with the changing needs of the business. With the COVID-19 pandemic creating an atmosphere of uncertainty in the world, companies will need to approach their workforce needs in a different manner. Who knows how long this pandemic will impact our lives and our business? Is it peak oriented or seasonal? Will there be a second wave expected as the economy reopens?

Partnering with an organization that understands how to manage these peaks and the critical nature of the skill set requirements provides real advantages in a challenging and evolving backdrop. Outsourcing highly skilled staffing needs will allow you to scale resources up or down to current requirements and demand. If the need becomes sustainable, the resource can be converted to permanent staff. All tasks associated with sourcing, onboarding and payroll associated with staffing resources are provided by the outsourced staffing firm. Should job functions need to be eliminated in the near term, the risk and resulting human resource issues are burdened entirely by the outsourced staffing firm.

The state of California has recently passed a new law surrounding 1099 worker classifications, referred to as Assembly Bill 5. Under this new bill, employers must properly classify employees to avoid misclassification penalties. Contract workers are classified as 1099 while employees of the company are classified as W2. Companies are not required to withhold income taxes from contract workers with a 1099 status, subjecting them to self-employment taxes. In addition, exempt vs non-exempt laws for W2 employees requires further consideration with hefty penalties exacted for not adhering to Fair Labor Standards Act (FSLA) guidelines. Employers may also be subject to intermittent audits to ensure guidelines are adhered to. While the state of California has been the first to impose these new restrictions, history dictates that other states will follow suit as a matter of course. With an outsourced staffing model, the duties and risk surrounding compliance with FSLA guidelines are no longer the responsibility of your company.

Adopting an outsourced staffing model to address your scientific and technology needs will lead you down the path to achieving an agile, transformative approach to your business in these volatile times. Outsourcing in conjunction with remote capabilities expands the availability of a highly skilled talent pool to a global level, enabling you to bring the best people on board for any project. This approach will help you to eliminate risk and scale your technical resource to the needed demand while gaining efficiencies and cost saving measures throughout your organization.

Conclusion

The effects of COVID-19 will have a lasting impact on the world as we know it. Embracing these changes will allow you to transform your business in ways not previously imagined. Organizations that leverage today's digital technologies throughout their operations, explore novel ways such as outsourcing models to address fluctuating staffing needs and redefining the guiding principles of your business will place you in the best position to adapt and thrive in the new normal. The race will be the survival of the fittest; the winners will be those able to straddle the divide between pre and post COVID-19 norms. A dual approach to understanding when and how to best use this remote environment will drive a balanced strategy to reinventing your business model. Creating balance and sustaining agile change management holds the key to building your business of the future.

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