

Stress Test Assessment Report: How Leaders Are Adapting to the Next Normal.

 OnStrategy

WIPFLI

An aerial photograph of a dense forest with a winding road. A semi-transparent blue overlay is applied to the entire image. A white rectangular box is positioned on the left side, containing the text '01. The Survey' in blue font.

01. The Survey

Survey Objectives

Following the rapid and dramatic changes caused by the worldwide Covid-19 pandemic:

- Gauge where organizations are on a continuum of recovery.
- Learn what opportunities have been realized.
- Understand what shifts have been made to adapt and ultimately thrive in the 'next normal.'
- Establish a benchmark to measure the pace of recovery.

Survey Details

How Organizations are Adapting to the Next Normal and Where They Are in the Process

- Conducted in June 2020
- Online
- Quantitative & Open-Ended Questions
- 551 Respondents
 - ▶ 86% Organizations <\$100M Annual Revenue
 - ▶ Cross-section of Industries, including: Professional Services, Non-profits, Healthcare, Education, Financial Services
 - ▶ Widely Disbursed HQ Locations
- Small – Mid-size Organizations → <\$100M Revenue
- Large Organizations → >\$100M Revenue

An aerial photograph of a river meandering through a dense, green forest. A road is visible in the upper left corner, and the river flows from the top right towards the bottom left, forming a large loop in the center. The entire image is overlaid with a semi-transparent blue filter.

01. The Findings

Where Organizations Are on the Path
to Adapting to the New Normal

The Recovery Phases



Responding

Managing for continuity, reacting to a sudden disruption, keeping essential services operating, ensuring safety and systems are addressed.



Recovering

Learning what the new circumstances are and considering the opportunities and how your organization must/should adapt.

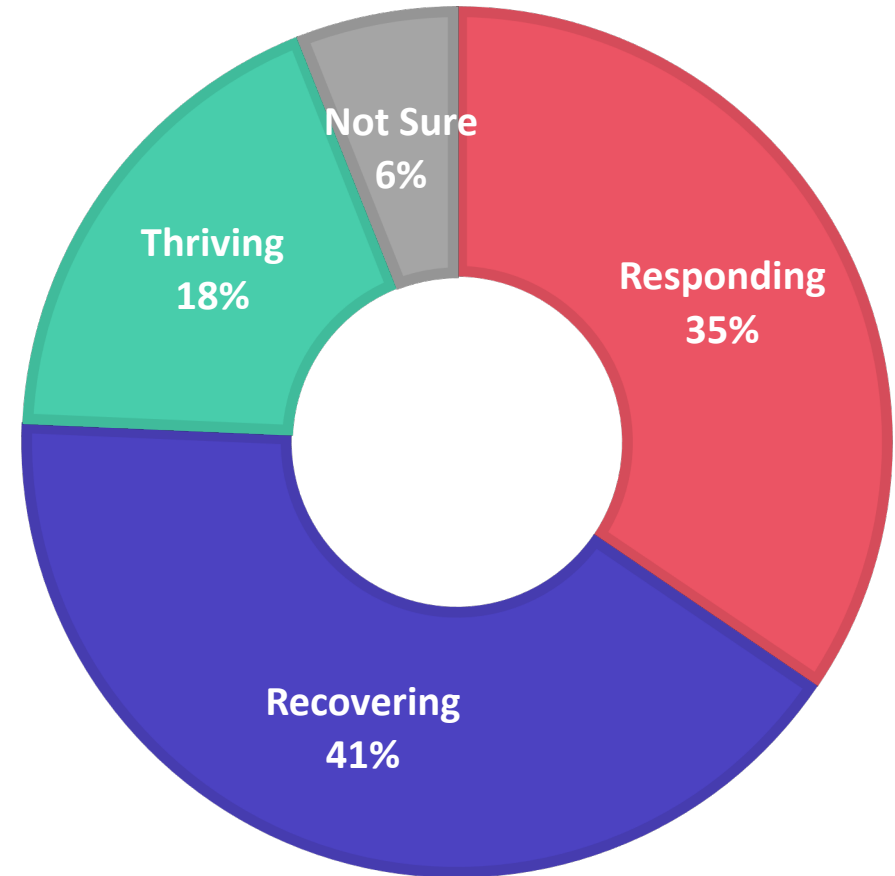


Thriving

Preparing for the 'next normal' by putting in place long-term strategies and shifts to be successful for the next 3 years or longer.

Most Organizations are **Responding** or Recovering

- For 41% of organizations, the changes they needed to make **were a mix of smooth and rocky.**
- For 42%, **mostly smooth.**



Organizations \$50M-\$99M or \$150M-\$200M are more likely to be in Responding Stage

Key Lessons From Those Recovering



Many Had Contingency Plans Ready

Hope for the best, prepare for the worst.



2-Way & Intentional Communication

Keep lines of communication open to maintain alignment of all staff with daily changes and rationale.



Invest in Technology

Becomes a tool for improving quality and how we function as an organization... A lot more efficient...



Adaptable Strategies Allow for Faster Reaction & More Ability to Capitalize on Opportunities

The need for agility...enable speedy response and be proactive. **Patience... Flexibility... Be Bold... Be Decisive...**

Key Lessons From Those Thriving



Working Remotely Works

It can be very efficient.



Stay Focused on Your Vision

Be focused the vision but have an open mind to other methods



Adapt Quickly

Adapt and step up beyond uncontrollable events.



Be a Glass-Half-Full Leader

Now is a great chance to make big changes.



Keep Your Clients & Employees Informed

Let them know we are here when they need us is the most important thing right now.



A Strong Culture & Stick to Your Core Values

Let them know we are here when they need us is the most₁₀ important thing right now

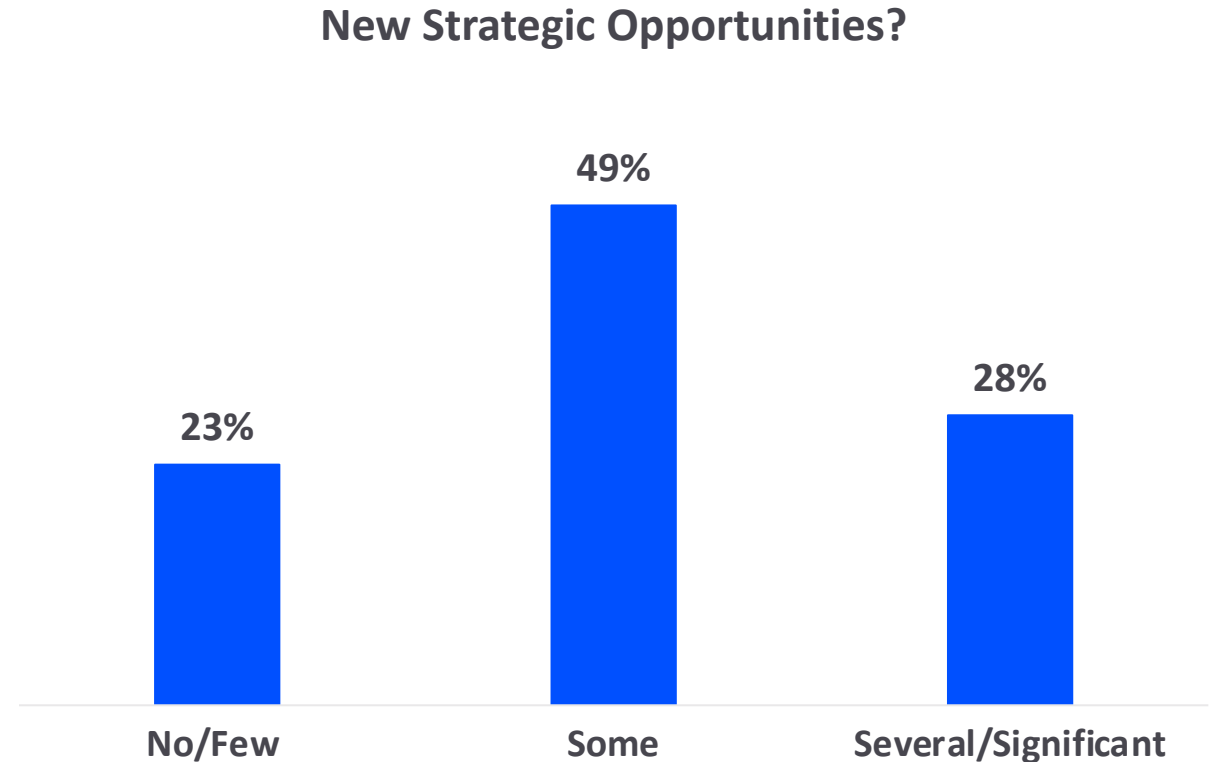


02. The Findings

Opportunities & Shifts

Majority Have Realized Some Strategic Opportunities

- **Responding & Recovering**
organizations are more likely to have identified new opportunities.



Organizations <\$100M realized slightly more significant opportunities.

Opportunities Realized by Those Recovering



Online Service & Product Delivery

Delivering programs virtually. Acceleration of eCommerce.



Continue to Diversify Client Mix

Diversity saved our bacon. Finding new targets.



Customer Retention & Upsell

Adapt and step up beyond uncontrollable events.



Processes: Document & Become More Efficient

Created a digital knowledge center. Quickly moved to digital.



Reduce Office Space

Staggered work schedules. WFH means we need less space.



New Markets

New channels opened because competitors were not prepared. Providing more value by solving clients' current issues.

Opportunities Realized by Those THRIVING



Pandemic-Proofing

Business recovery services... tools to address pandemic.



New Strategic Alliances

Diversity saved our bacon... Finding new targets...



Adapt Marketing Message

Changed our message to focus on safety and stability.



Collaborate More

Collaboration among community groups. Working with vendors to improve availability. Partnering with other businesses.



Opportunity Markets & New Products/Services

PPP loans... Be more local... More customized offerings...

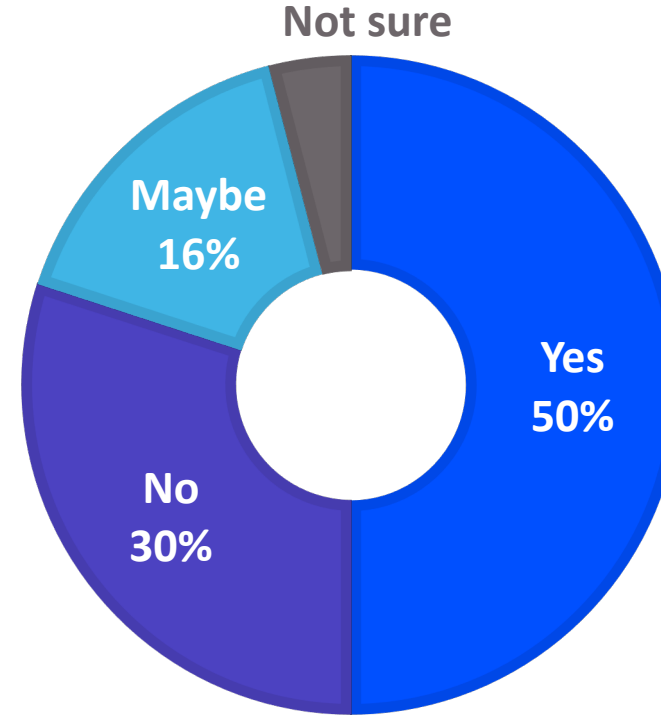


Hiring

Hiring laid-off talent.

50% Have Changed Their Business Model

- ~50% changed how deliver products/services.
- ~50% changed both how & what deliver.
- One-third made significant changes.
- Changes are equally likely to be temporary as permanent.



Regardless of the phase they're in, orgs <\$100M are more likely to have changed their business model.

70% who haven't changed, anticipate changing their business model in 12-18 months.

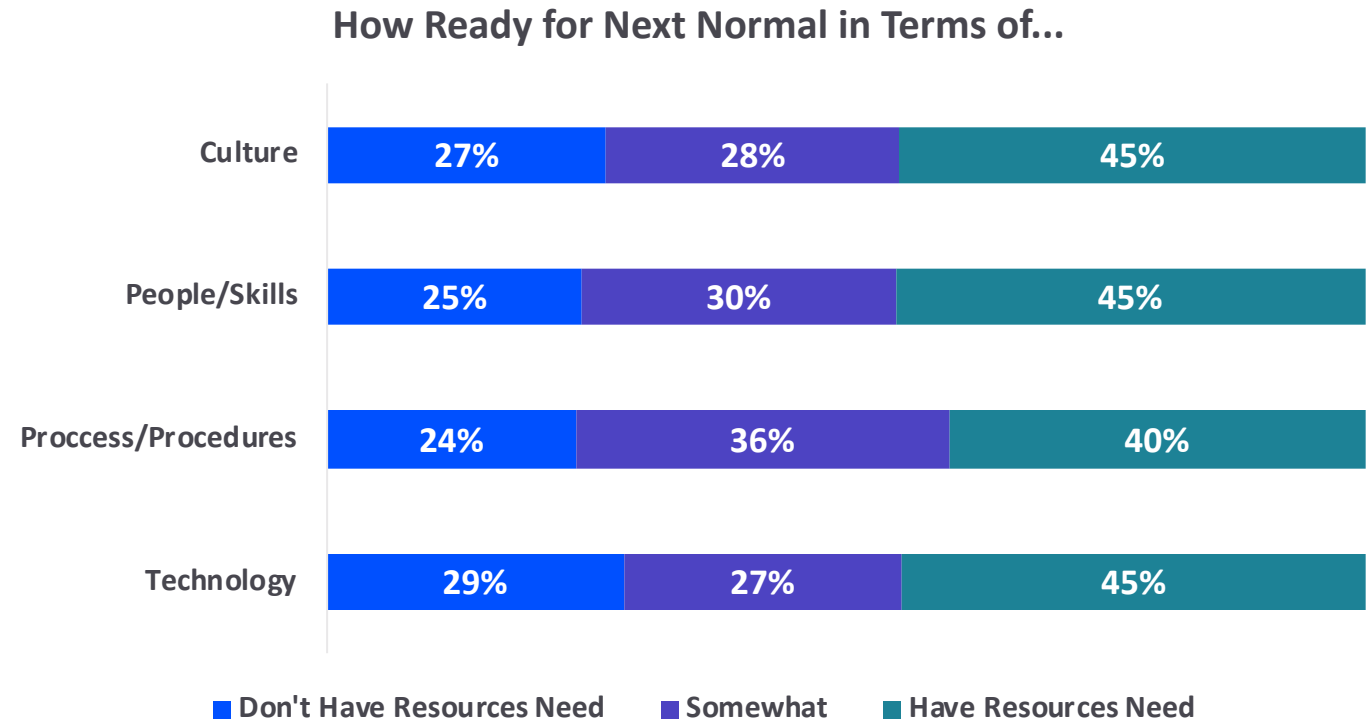
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03. The Findings

Readiness for the Next Normal

Organizations are Mostly Ready for the Next Normal

- **Thriving** organizations are significantly more likely to have the tech, culture, and processes needed.
- **Responding** organizations lack the tech, culture and processes, but feel confident in their people.



Large organizations are more likely to be ready in terms of technology, but less likely in terms of people & skills.

Culture

People

Processes

Technology

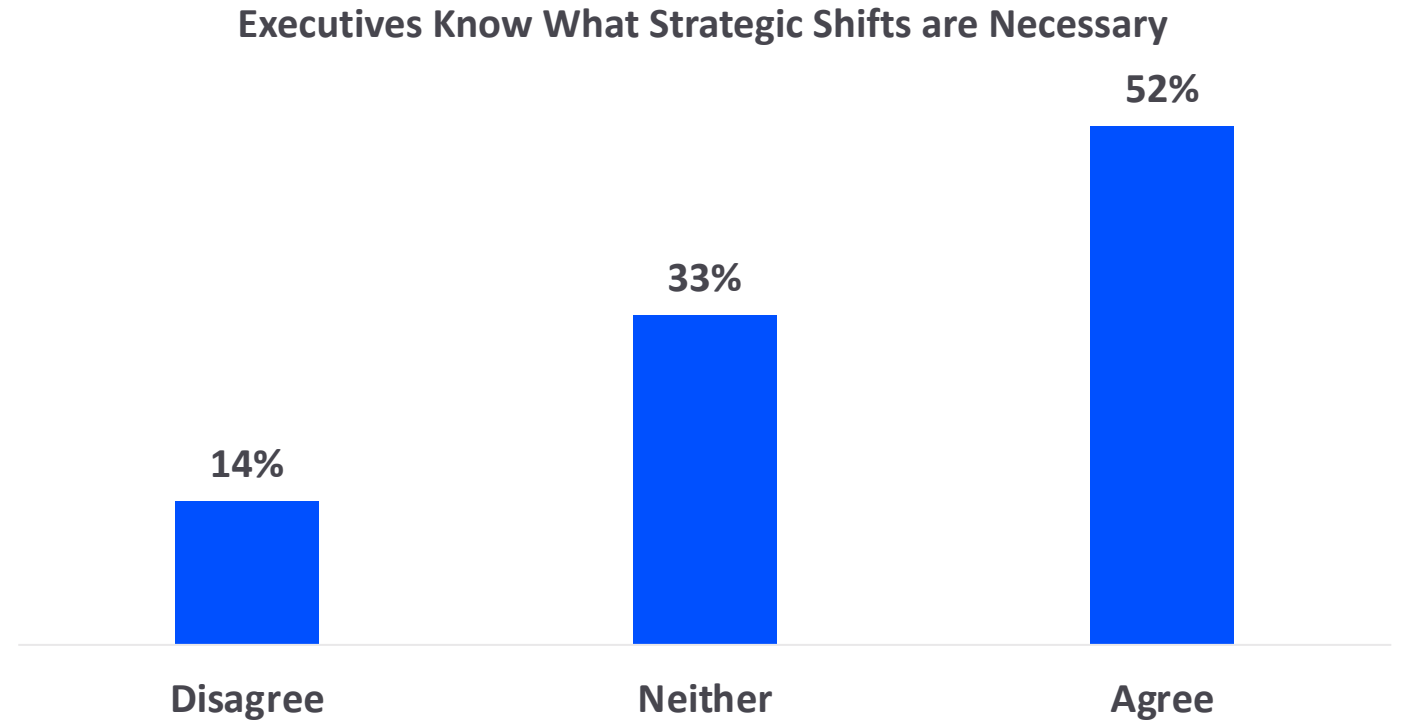
Questions Business Leaders
Should be Asking During
Covid-19

Article: Culture Shift

- Culture – Revisit your values and norms of behavior.
 - ▶ Incorporate ability to innovate and change into your culture.
 - ▶ Allow for learning from failures with grace.
 - ▶ Ensure your organization is connected to a strong purpose and mission.
- People – Over communicate, job descriptions reflecting new expectations, clear priorities.
- Processes – Update and document.
- Technology – Stabilize for mobility and remote work.

You Mostly Know What Strategic Shifts are Needed

- **Thriving** and **Recovering** organizations are more likely than **Responding** organizations to know what strategic shifts are needed.



Large organizations less likely to feel executives know what strategic shifts are needed.

Strategic Shift: Revising Long-Term Strategy

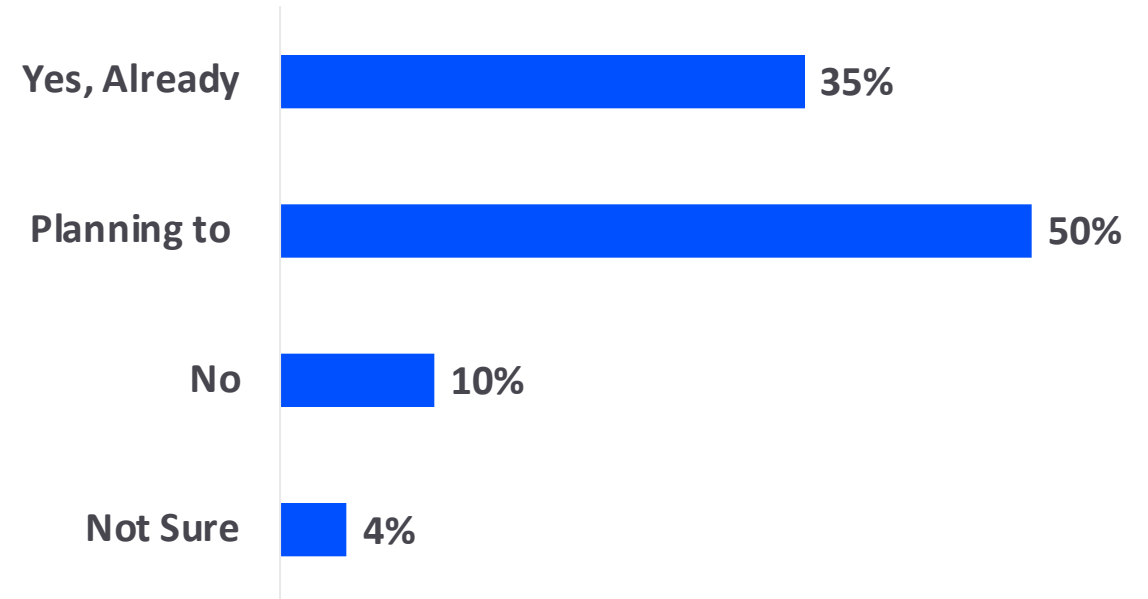
Responding & Recovering Orgs:

- Most are planning to adapt their long-term strategy.

Thriving Organizations:

- Half have already revised their strategy.

Revising Long-Term Strategic Priorities / Focus



Large, Recovering organizations are more likely to have already adapted their strategy than other Recovering organizations.

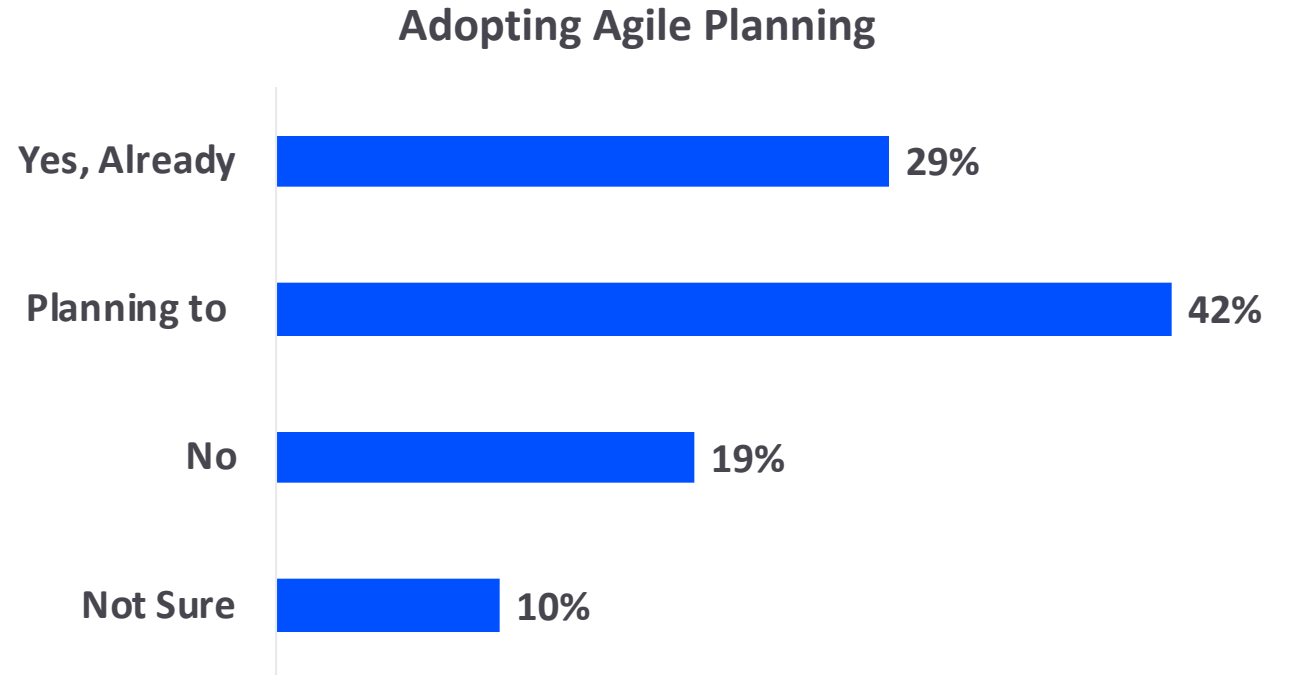
Strategic Shift: Agile Planning

Responding & Recovering Orgs:

- Just fewer than one-third are planning to.
- A quarter are not planning to do so.

Thriving Organizations:

- Nearly half already are.
- One-third are planning to.



Organizations <\$100M are less likely to intend to adopt agile planning if they haven't already.

Strategic Shift: Weekly Health Checks

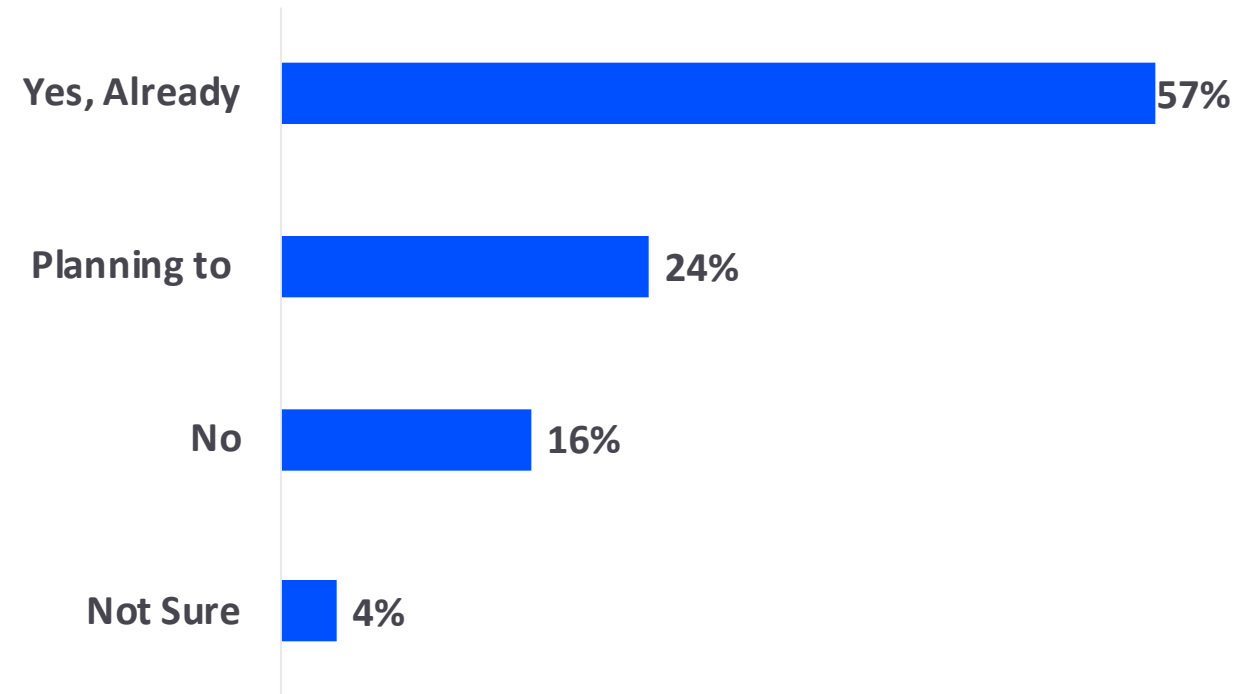
Responding Organizations:

- One-third are monitoring weekly.
- 42% planning to soon.

Recovering & Thriving Organizations:

- Majority are monitoring weekly.

Monitoring Key Health Metrics Weekly



Adapting Long-Term Strategy

[Article/Video: How Covid-19 has Changed How We Measure Success.](#)

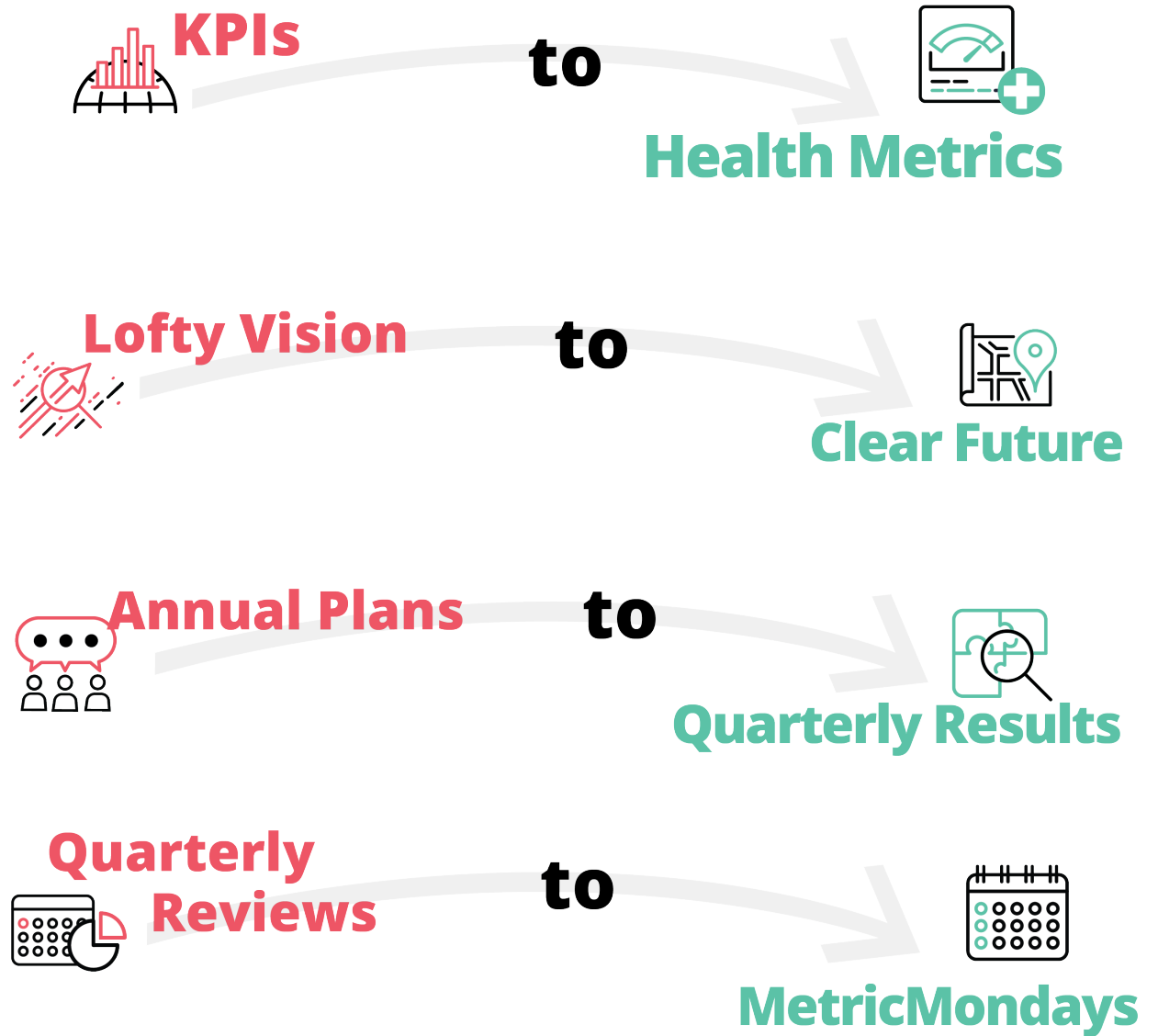
[Article: Resiliency. Making the Shift From Crisis Management to Future Thinking](#)

- Ensure your mission & values communicate a strong sense of purpose.
- Determine what temporary “ways of working” you will make permanent.
- Shift your value proposition to changing customer/client needs & expectations.
- Revamp your growth strategy – where to play & how to win.

Agile Planning Shifts to Make

[Video: Build an Agile Roadmap](#)

[Article: Shift From Timelines to Triggers](#)



Weekly Health Checks

- Narrow your team's focus: each company-wide priority has 2-3 health metrics.
- Assign owners and set minimum thresholds.
- Clear timeframe, data sources & method for tracking.
- Adapt your weekly staff meeting.

[Video: MetricMondays™](#)

[MetricMondays™ Guide](#)

Strategic Shift: Change Management

Responding Organizations:

- 25% have already designed a change management strategy.
- Most of the rest are planning to soon.

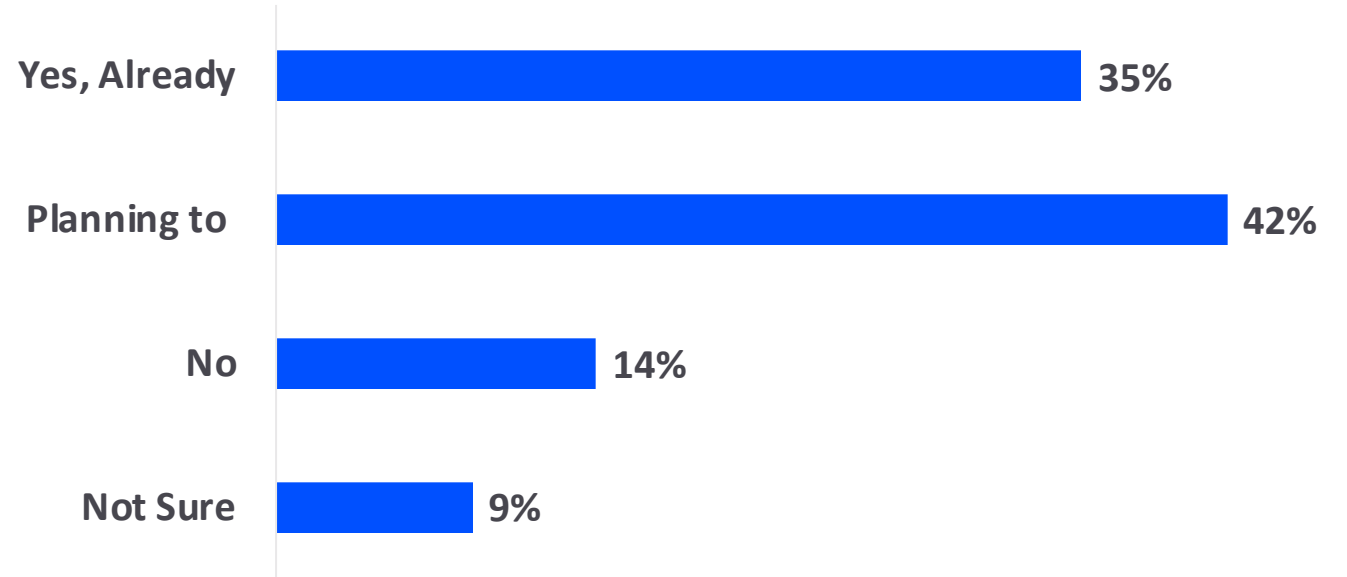
Recovering Organizations :

- One-third have already.

Thriving Organizations

- More than half have already.

Building Change Management Strategy



Recovering & Thriving organizations are more likely to not have nor planning to have to build a change management strategy.

Change Management

Step-by-step Guide to Unanticipated Change Management.

- Establish methodology – be ready for the next unanticipated change.
- Develop change management competencies across the organization – everyone has a role to play.
- Build a change network within your organization – what worked and what could be improved?
- Know the strengths you can lean on and weaknesses that might limit change management effectiveness.
- Conduct a “Retro” – what happened in the past 3 months, were there positive unexpected outcomes, lessons learned, changes we’ll make permanent?

What To Do Now

- Keep your team accountable to the strategy you set.
- Ensure the systems are in place for communication.
- Prioritize what people need to pivot and change rapidly.