

# Are you prepared for change or reacting to it?

(PART 2)



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## Future-proofing the business requires a coordinated, collaborative effort. Our hypothetical case study highlights the very real issues involved.

(CONTINUED FROM PREVIOUS EDITION)

Although her call with Joel and Maha Menon, FooderFodder's CHRO, was meant to focus on where to go next and how to build resilience into the organization based on lessons learned, Sabrina felt there was still too much to be done now to think about what was next. "I blame bloody social media," she said as she explained today's crisis. "How can we keep up with changing customer demand when every new social-media video glamorizes the DIY gastro addiction?"

"And then there's the remodeling," Joel added.

Sabrina sighed audibly. "I thought when the pandemic hit and everyone went into lockdown, we'd have no demand whatsoever. And while our commercial appliance numbers have taken a hit, we can't manufacture enough to meet demand for every residential kitchen renovation going on around the world. Sales and marketing are texting and emailing constantly with the number of consumers we're disappointing – or losing – because we aren't meeting their expectations for personalization, prediction or delivery."

"FooderFodder's leaders will want to create a structure and a culture that is less top-down and more collaborative."

**Regenia Sanders,**  
Consulting US-Central Supply Chain and Operations Leader, Ernst & Young LLP)

### 3. Short-term thinking dims the CHRO's hope for an agile workforce

Knee-jerk reactions to disruption early make it hard for the organization to pivot quickly to meet demand later.

Maha was thinking with some frustration how a lack of end-to-end visibility across customer segmentation, data and supply chain had created one workforce headache after another for her.

At the onset of the pandemic, production ground to a halt, first because the

company couldn't get the raw materials or parts it needed from third-party suppliers, and then – more importantly in her mind – because whole shifts of workers began to fall ill or refused to come to work because the company couldn't secure enough personal protective equipment. The same was true for FooderFodder's distribution centers, resulting in not enough labor to get products they were able to finish out the door.

The COO and CFO responded by immediately laying off 50% of production, logistics and fulfilment workers to mitigate the anticipated negative financial impact. Two months later, Maha's HR team couldn't hire people fast enough to keep up with demand from either its retail customers or its own new (and still glitchy) direct-to-consumer ecommerce platform. Twelve months later, they were still playing catch-up.

And although the COO had just warned a new round of layoffs may be coming once the new robotics, shop floor and warehouse automation systems were installed, Maha didn't hold her breath. At the rate IT and operations were going, it would be years before FooderFodder's plants and distribution centers were automated to a point where she'd be needing to sort out layoff notices again – at which point she hoped she would have a reskilling/upskilling strategy in place to transform the workers they had into the workers they would need for the future.

Meanwhile, Charles Kumbo, FooderFodder's CEO, indicated with the vaccine rollouts going so well, he wanted office personnel back in its downtown towers ASAP. Maha suggested a hybrid work model may be the way to go as not everyone was going to feel comfortable returning to an office environment, but Charles wasn't terribly interested in her opinion on the matter. "Get 'er done," was all he said.

"Keeping our focus on what humans need to perform at their best, will help you define the organizational changes to achieve resilience across the enterprise."

**Stephen Koss,**  
EY Asia-Pacific Workforce Advisory Leader

### 4. Relationships strengthened during the pandemic begin to fray

A lack of individual resilience creates a disconnect among C-suite executives as they try to build resilience across the enterprise.

Sabrina was explaining her supply chain issues when Joel abruptly cut her off: "Sab, I hear what you're saying, but we're here to talk about the next, not the now."

Sabrina hated being called Sab. "With all due respect, Joe," Sabrina replied pointedly, "We could have had a conversation about the next, if we had anticipated the risks we are dealing with right now – or had some kind of business continuity or disaster recovery plan to help address things earlier in the pandemic. But until we have the 'now' risks sorted, I don't see how we can move on to 'the next'."

"And," Joel replied tartly, "if you had moved faster toward a networked supply chain rather than sticking with linear silos, as my last risk assessment suggested, you might have been able to get a better handle on your supply chain issues."

"You know I tried," Sabrina said hotly, "but I couldn't get nearly enough budget or IT resources to get it off the ground, so we're stuck with our disconnected, on-premise systems, versus the investment in cloud-enabled solutions I'd been lobbying for. Speaking of which, why is our esteemed CIO not on this call?"

"You know," Maha said, "I keep hearing the two of you talk about this risk model or that scenario plan or a digital transformation plan that can't get off the ground, but at no point have I heard you once mention the people – our people."

"I'm not really sure where you're going with this, Maha ..." Sabrina started to say.

"... Or what our people have to do with resilience," Joel added. "We're talking about, or, at least, we're supposed to be talking about, organizational resilience so that we can get ahead of the risks."

"But don't you think organizational resilience needs to start with individual resilience? With the health and wellbeing of our people?" Maha asked.

"Well, of course we want to make sure our people are healthy and safe," Joel said offhandedly. "But the board has demanded that we get out of a crisis mindset and prioritize enterprise resilience...emphasis on the enterprise part. Charles has tasked me with putting an enterprise resilience plan together and needs to report to the board on our progress at the end of the month. That's where our attention needs to be." ■

(CONTINUED IN NEXT EDITION)

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