



CORAGGIO
FEARLESS OBJECTIVE ADVICE

BUSINESS OWNERS TIPS LEADING PRODUCTIVITY AND EMPLOYEES POST COVID

Thought Leadership Article



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Business owners and employees have a shared sense of purpose and a common performance culture - they know what the company stands for, beyond shareholder value and how to get things done right.

However with 'The Great Resignation', now being played out in the US as millions of people, from frontline workers to senior executives, equating to a mass exodus, company leaders are bracing for a seismic shift in the workforce, a trend that's heading to Australia.

People are questioning their work / life balance or now called life/ work balance, as they are seeking richer, fuller lives and it's also shifted the balance of power from employers to employees. Investing in human capital is the key to your business survival.

In a recent interview on Radio National, Aaron McEwan, from global research and advisory firm *Gartner*, said that as the pandemic is reshaping societal trends, people are seeking a sense of identity. It's also shifted the balance of power from employers to employees.

"Today, employees don't want to be seen as workers. They want to be seen as complex human beings with rich, full lives,"
cites Mr McEwan.

There's been a lot written about the stress caused by COVID-19 and while hope is on the horizon as the vaccine is rolled-out, there's been residual damage. While cyber security is considered the biggest people-related risk to business, according to research conducted by *Mercer Marsh*, the second largest risk is the deteriorating mental health of employees.

For some people, the uncertainties and pressures of last year have led to fatigue, despondency and even unorthodox workplace behaviour including aggression, depression, feelings of isolation, inappropriate interactions with fellow staff and exhaustion.

Exhaustion directly impacts a business through:

- Reduced productivity
- Higher sick leave and workers compensation claims
- Low employee engagement and morale
- Toxic workplace culture
- High turnover of staff.

Australian businesses of all sizes and across industries are suffering from an acute talent shortage. In fact, we are witnessing employers struggling to attract and retain skilled staff. Nationally, job vacancies in professional services are reported to be at record highs.

Employers have a duty of care to all staff which includes their mental and physical health.

Moving forward from a crisis as businesses mobilise, stabilise and return to work, a company that invests time and energy considering upcoming risks and pre-determining the right actions for each is more likely to mitigate risk and morph into strategic opportunities.

Coraggio recommends the following after-action review to collect data and insights on lessons learned from the pandemic, drive business performance and heighten employee morale. Executing these building blocks to prioritise actions to enhance business value today and build strategic resilience for tomorrow.

Generate a conducive working environment, remote working best practices and company culture

Employees are your greatest business assets and hybrid working is the 'new norm'. While executives plan to expand almost all tech competencies during their future digital transformations, the secret to success lies in human resources.

Business competencies that account for the largest part of a business's expected growth are those centered around employees and customers, such as workforce training and customer experience management. **So how do you navigate business productivity and the health and well-being of your staff post COVID?**

Simon Kearney, Founder & Director of Readiness recently launched a scientific program to proactively improve employee holistic well being and performance.

Simon cites,

"Business owners recognise they need to take proactive steps to maintain their staff's mental health and physical well being, particularly with 45% of Australians suffering from anxiety and / or depression. With the recent seismic shift in the workforce, it has never been more critical to maintain employees to future-proof your company."

To hire and keep top talent, the scarcest capital of all, means creating a unique and enjoyable working experience and committing to a renewed emphasis on talent development. According to the *IBM Institute* there's a gaping chasm between what executives think they are offering their employees and how those employees feel.

Establishing respectful, open relationships with staff and exhibiting empathy will assist cultivating an environment of trust and a sense of purpose for both their professional and personal life. Such as encouraging staff to take short breaks when things get too much.

Providing quiet spaces and encouraging regular exercise at lunch time can also assist staff to manage their stress and therefore prevent inappropriate behaviours.

Research is demonstrating that workers with a high degree of resilience are less susceptible to psychological distress. Even better, resilience is not genetic and can be learned – simply by stepping out of your comfort zone so you can acquire new skills, experience new life lessons and cope with adversity. Neurologists say you can widen your "resilience zone" by thinking about past challenges, the way you overcame them and the pride you felt after achieving success. These memories will assist strengthen your self-belief which leads to enhanced resilience.



**Director of End2end Business Solutions,
Annette Dixon cites,**

“Developing a culture where everyone looks out for each other will strengthen team work and help support your goal of providing a healthy and safe workplace. We call it QuarantEAM – working together to collectively navigate the challenges and uncertainties of life with and post COVID.”



Emphasise employees’ mental health and well being and skills development. All this assists facilitate trust, binding the right talent to your company long-term post-pandemic. Companies need to rethink their constructive

culture and operating model based on how their people work best. Conventional strategic thinking doesn’t assist companies to plan for the next “new normal.” Instead, the best answers have come from a hybrid approach: one that combines traditional business strategy with the latest thinking from social science and innovation theory.

Employees across all functions have learned how to complete tasks remotely, using digital communication and collaboration tools. In operations, changes will go further, with an accelerated decline in manual and repetitive tasks and a rise in the need for analytical and technical support. The following case studies demonstrate this shift.



Lion’s commitment to its people has enabled the organisation to position itself as a leader in the food and beverage industry. As one of Australasia’s leading beverage and food companies and manufactures some of Australia and New Zealand’s favourite milk, juice, yoghurt, cheese and soy beverages, along with market-leading beer and wine brands Lion has a strong focus on building the capabilities of its leaders, who crucially, can come from every level of the organisation.

Employees at all levels of the supply chain are encouraged to step up, share their ideas and introduce new processes and ways of working that benefit the business and its employees.

Diversity at Lion is defined as ‘all the ways we are different from each other’. Building on the foundation of a constructive culture, Lion has a diversity of thought strategy in place.

Full AFR Business case study:

<https://www.afrbiz.com.au/case-studies/lion-leadership-diversity-and-the-importance-of-great-people.html>

Build company culture and trusted stakeholders by incorporating sustainability and corporate social responsibility as part of your brand value

Corporate social responsibility (CSR) is a form of corporate self regulation integrated into a company's business model.



It's very likely at some point in your life you'll have eaten a product created by Baiada Poultry, Australia's market leader in fresh chicken. Baiada embedded and promoted their corporate social responsibility strategy within their brand architecture. The revitalisation of the Steggles brand, examining the various steps in the process and the development of a Corporate Social Responsibility (CSR) strategy formed part of the brand relaunch. Baiada's aim was to define Steggles as a distinguishable industry leader. This was achieved by designing and implementing a brand

revitalisation strategy by creating a strong and distinguishable brand identity - the outward expression of a brand, stakeholder communications and visual appearance.

The revitalisation of the Steggles brand was a great success. Unaided awareness (asking people to name a poultry brand, without providing them with any written or visual clues) of the brand increased, as did customer perception of the quality of Steggles products.

Full AFR Business case study:

<https://www.afrbiz.com.au/case-studies/baiada-revitalising-an-australian-household-name.html>

Equally, sustainability is an intrinsic part of forming company culture. Westpac Bank's business strategy annually proves 100 scholarships for social enterprises initiative. Another example, in the United States, Nike has introduced its '**Nike Refurbished**' circular consumer initiative. Shoppers can return their Nike shoes where Nike Refurbished will tidy them up and categorise them for resale or have them responsibly disposed of through **Nike Grind** – a program where shoes are recycled into other products.



Pivot – Old Concept with a New Twist

A lot of innovative entrepreneurs invented business models and applications to address critical needs that emerged through a crisis. In this moment, it's critical to adapt a mindset of learning and discovery by answering these three questions.

Firstly, **how does your business really make money?** Many companies haven't taken the time to articulate their critical strategic differentiators or map out how money, goods / services and information flow from their suppliers to their consumers.

Next, **who do you depend on to drive the business?** Define your most important stakeholders and their behaviours that affect your business model, including your employees and suppliers.

The third critical question, **what will people's behaviours look like after the pandemic** — including the needs and wants of your clients and staff. Even though the pandemic is temporary, it's lasting long enough to turn temporary behaviours into structural shifts.



Coraggio, CEO, Richard Skarzynski cites,

“The brain gets foggy when we grapple with great uncertainty. We may feel like it's impossible to plan for the future and we forget things can rapidly change. In this moment, as I say to our Coraggio Members, it's critical to adopt a mindset of learning and discovery.”

A successful business has to be able to adapt their services they can offer customers, clients and stakeholders as well as modifying their values and optimising operations to future proof their market offering in the 'new normal'. Consider what will your business' new operating environment look like?”

According to McKinsey these are the five qualities critical for business leaders to find their way back to the 'new normal' - resolve, resilience, return, reimagination and reform. We noted that there would likely be overlap among these stages, and the order might differ, depending on the business, the sector, and the country.



Some of the most profitable businesses and recognisable brands altered their market offering midstream before ensuing success, highlighted by the following case studies:

After trade with China dropped off due to the initial outbreak, Vietnamese farmers struggled to find buyers for their dragon fruit. One enterprising bakery bought up the unsold fruit and started producing bright pink dragon fruit baguettes and pastries that have quickly become a huge hit. Now, **KFC** is even releasing a limited-time chicken sandwich with a pink dragon fruit bun. Repurposing excess stock that'd be difficult to sell otherwise is just the sort of creative thinking that these unprecedented times call for.

Starbucks didn't start out as a franchiser of coffee shops. Initially, it sold coffee makers, bulk coffee beans and other items before shifting to its current model of coffee houses with a sense of community.

Attica, a fine-dining restaurant in Melbourne, now has a home delivery service, which previously would have been unthinkable for this sort of restaurant.

Consider initiatives that provide not just convenience but also the novelty of a new experience. Think ahead and adapt to meet new customer demands and needs. Map your customer's journey and be creative regarding serving clients who are staying at home.

- | |
|--|
| » Can you offer pick-up and/or delivery services? |
| » If a car dealership can drive a new vehicle to a buyer's residence, can you do the same for your products? |
| » Can you use teleconferencing to walk a client through the steps of a purchase? |
| » Or perhaps you can offer gift cards for future purchases? If clients buy a gift card now over \$100, maybe include a 5 minute video conference or phone call with the chef or owner, talking about how you prepare that special dessert or dish. |



According to Coraggio Member Dayna Cooper, Owner and Managing Director of award winning Gold Coast restaurants Social Eating House + Bar and Orzo shares,
"During the pandemic we offered local businesses online menu deliveries without compromising the quality of our dishes and more recently introduced hospitality days on Sunday and Monday to ensure we maintained our valued staff at both establishments."

McKinsey recommends launching targeted campaigns to win back loyal customers, developing customer experiences focused on increased health and safety, adjusting pricing and promotions based on new data, reallocating spending to proven growth sources, reskilling the sales force to support remote selling, creating flexible payment terms and digitising sales channels and automating processes for sales representatives to sell more.

Even though you may not be seeing your customers as much face-to-face, social media and other tech innovations let you connect with them differently.

For example, Mike Pritchett, Chief Executive Officer of **Shootsta** demonstrates that businesses can accelerate their sales processes through video enabling businesses to regularly create cost-effective quality video content for prospective customers and clients. Mike adds, *“Our lives are so full of noise at the moment. Everyone’s inbox is full of poorly thought out cold outreach emails. You need to stand out and add value.”*

Shootsta’s latest AI video sales tool, Elevate enables your sales reps and account managers to create professionally produced, well scripted videos with overlays, name titles, branding and music within 5 minutes in the cloud. This ensures your reps and key messages are consistently scripted and on brand. In addition Elevate seamlessly facilitates the best possible personalised overview of your company’s market offering to prospects.

Working with more than 450 of the world’s largest brands, Shootsta’s analysis highlights that some of these companies have received as high as a 70% response rate by using Elevate versus 10% cold calling and 15% from cold emails.

Mike cites,

“One of the key factors Shootsta discovered with our Elevate product is it assists companies overcome the unfamiliarity bias. When people receive a cold email, they don’t know them or if they are a person or a bot. However, when you receive a message from a friendly face and more importantly that friendly face delivers a clear and decisive message, that’s easy to digest and helpful in terms of providing a solution, they are more compelled to respond and take the next step in terms of engaging with your business.

When the head of APAC was asked why one of the world’s largest brands uses *Elevate*, he said *“The world has changed, therefore the way we sell needs to change and Elevate is the ideal tool to accommodate the “new way” of engaging with customers.”*



To that end, consumer behaviour is increasingly moving into the online environment. For many Australians, gone are the days of trawling through newspaper classifieds in search of a bargain. Instead, they are online shopping – from the weekly supermarket shop to big ticket items such as a cars, bikes and boats.

carsales.com’s continued success and growth in the market is largely due to the **entrepreneurship** that commenced with Greg Roebuck, which has continued with the incubation of creative ideas within the business. Marketing researchers and authors of *Blue Ocean Strategy*, W Chan Kim and Renee Mauborgne, contend that in order for a business to be successful they must create ‘blue oceans’ of uncontested market space ripe for growth. A culture of innovation means creativity and new ideas become central to the internal environment of the business. New product development is a vital expansion strategy.

Full AFR Business case study:

<https://www.afrbiz.com.au/case-studies/carsales.com.au-effective-business-strategy-for-online-success.html>

Build an innovation, digital technologies and automation ecosystem

Businesses around the world had to react in agile and decisive ways. COVID has accelerated permanent market changes. Video conferencing will replace a large amount of travel to attend meetings. Doctors have learned to integrate telemedicine into their practices. Home delivery of groceries is now widely used. Working from home is common and more effective than most thought. Offices will be transformed to support the employees who need to be present, intermittent presence of other staff and team gatherings to build connections. Aggregate demand for office space is likely to decline significantly, with buildings repurposed for residential and other uses.

Business are working faster and better than they dreamed possible - maintaining a sense of possibility is an enduring competitive advantage source. The case study below highlights how Adidas demonstrates "how-to-keep-running-fast-in-a-post-Covid-19-world."



By the end of 2019 the Adidas Group was solidly the world's second largest multinational in the sportswear manufacturing industry. Following the successful implementation of a digital transformation initiated in 2015, the company enjoyed years of sustained growth and high profitability in the 2016-2019 period, strengthening its brand desirability and increasing sales volumes, especially in the online space. It ended fiscal year 2019 stronger than ever. The outbreak of the COVID-19 pandemic changed the business landscape.

Adidas was severely hit by the lockdowns imposed by governments. The new measures of social distancing were expected to have a lasting impact on consumer habits and consequently on the operations of companies such as Adidas.

Thus, unimaginable only few months before, the company's first earnings call of 2020 led by CEO, Kasper Rørsted focused on the negative results obtained in the preceding few months and the high degree of uncertainty looking forward. Aware of the many challenges facing the company, Rørsted decided on the following strategic initiatives to future-proof the company and keep it on a steady growth trajectory in a post COVID-19 world.

LEARNING OBJECTIVE:

1. Analyse the extent to which digitalisation has changed the retail sector
2. Analyse the extent to which the COVID-19 pandemic has revolutionised the business operations of companies such as Adidas.
3. Explore the need for a retailer's strategy to be adjusted in view of the pandemic and the ongoing digital disruption of the retail world.
4. Explore strategy in an environment characterised by a high degree of uncertainty associated with the COVID-19 pandemic.

Consider how your market has changed and the need and wants for your customers and clients. Focus on supply chain resiliency, cybersecurity and adoption of automation and artificial intelligence. Customers now expect AI-enabled experiences, therefore incorporating AI into your business presents a myriad of benefits saving time spent on tasks, decreasing costs, increasing results, improving flexibility and reducing risk. These include cloud-based data platforms, application programming interfaces (APIs), microservices and modern DevOps practices. One of the easiest ways to invest in artificial intelligence to improve customer service is with a Chatbot.

According to McKinsey these are the four key strategic qualities recovering revenue, rebuilding operations, rethinking the organisation, and accelerating the adoption of digital solutions.



Adaptability is essential as a result of crisis-related disruptions in supply chains and channels, which equates to adjusting the ecosystem and considering non traditional collaborations with partners up and down the supply chain.

Professor Milé Terziovski, Chair of the Department Business Technology and Entrepreneurship at **Swinburne University of Technology** cites that the unprecedented COVID-19 has forced large and Small to Medium Enterprises (SMEs) to rethink how they ensure business continuity. Digital technologies have emerged as key enablers of business continuity for those SMEs that recognise how the innovation ecosystem has been reconfigured by COVID-19. This includes connecting with larger incumbents, partner organisations, government, financial institutions and regulatory bodies (Chearavanont, 2020).

“Swinburne University’s research also demonstrates that SME’s survival during COVID-19 has largely depended on building innovation capability through the adoption of digital technologies such as zoom, cloud computing, cyber security, automation and artificial intelligence. What would have taken nominally 5 or more years to implement, high-performing SMEs have achieved transformation in a few weeks. The accelerated transformation has enabled these SMEs to establish business continuity in a reconfigured innovation ecosystem,”

says Professor Terziovski.

An “after action review”, enables companies to analyse how they performed during a crisis response by collecting data and collating insights from lessons learned to prioritise actionable areas for improvement and assist businesses recover.

Challenging assumptions and identify gaps are the first steps towards resolving weaknesses and leveraging strengths, for companies to capitalise on key lessons learned. *The attached **check list** from the International Federation of Accountants may assist.*

<https://www.ifac.org/system/files/publications/files/Small-Business-Survive-Post-COVID-19.pdf>

In conclusion, the COVID-19 pandemic has forever altered how companies operate and taught the business world it's to be fluid and adaptable. A wake-up call that the unexpected and the unlikely are more tangible and plausible than anyone previously anticipated.

Successful businesses will redesign their operations and supply chains to protect against a wider and more acute range of potential shocks. Companies that recognise this and willing to set new standards and upend old paradigms, will build long-term strategic advantage.

Mapping employee behavioural change and your customer journey over long periods of time and play out multiple scenarios will guarantee an unforeseen windfall, preparedness and establish the foundation for enduring success.

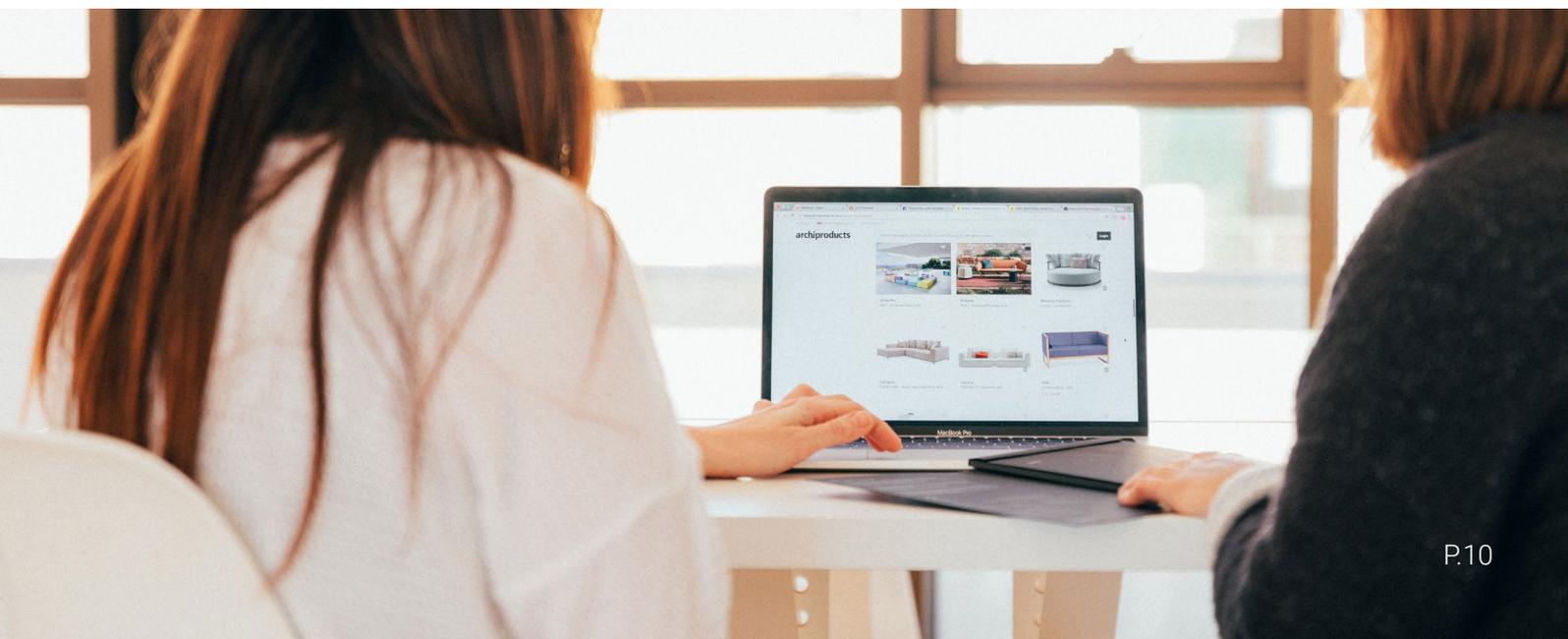
Executives identify competitiveness and workforce resilience as the benefits they most want from ongoing digital transformation.

Clear goals, focused teams and rapid decision making have replaced corporate bureaucracy. Now, as the world begins to move into the post-COVID era, leaders must commit to not going back. The way in which they rethink their organisations will go a long way in determining their sustainable competitive advantage focusing more on workforce safety and security, cost management, technology and enterprise agility.

The reality is many companies were already digitising their operations before COVID. If they accelerate these efforts now, they will reap the rewards and significant benefits in terms of productivity, flexibility, quality and end-customer connectivity.

Every business is now a technology business, and what matters most is a deep understanding of the customer, which is enabled by technology.

Leveraging imagination, facilitating leadership, inspiring passion and allegiance, whilst doubling down on real-time digital execution, is paramount to navigate the ever-changing environment. This will ensue promising tangible benefits in terms of increased business productivity, efficiency, innovation and initiate a radical plan unlocking a new era of growth for your business in a post-COVID world, positioning your business winning in the marketplace with the return of greater certainty and stability.



What is Coraggio?

Being a business owner is even more challenging during a crisis and may include facing uncharted territory. However, it doesn't have to be lonely at the top. Making the right decisions to future proof your business deserves more than the occasional conversation with a mate. It deserves to aggregate the experience and a shared knowledge of collective awareness from fellow executives to stay ahead of the curve.

Operating a company typically presents complex issues, sometimes on a daily basis. Imagine if you could leverage the experience from an extensive group of industry peers to improve your decision making and social proof as well as future proof a sustainable business, whilst being held accountable?

Also imagine if you gained the peace of mind to seamlessly access these answers and navigate business challenges, simply by connecting with entrepreneurs and gaining knowledge from business leaders? This is the strength of peer to peer leadership mentoring and impactful, meaningful relations.

Coraggio offers a mutual exchange of expertise, ideas and a support system enabling you to capitalise on a give-and-take dynamic amongst advisors who have walked the path before, mitigating risk to your business.

Leading business owners and entrepreneurs join Coraggio to become part of a highly effective business community facilitating leadership, guaranteeing accountability and sharing innovative ideas within a cohesive and confidential national network.

This mutual exchange of Member's expertise tangibly results in sustainable revenue streams, increased cash reserves and productive outcomes to future proof your business.

Coraggio Chairs are industry leaders, Members are forward-thinking advisors and all Advisory Boards are dedicated to the ongoing success of their fellow Member's businesses, offering *Fearless Objective Advice* – that's the Coraggio Spirit!

Afterall, in the words of Henry Ford

“If everyone is moving forward together,
then success takes care of itself”.





CORAGGIO

FEARLESS OBJECTIVE ADVICE

Being a business owner typically presents complex issues and may include facing uncharted territory. However, it doesn't have to be lonely at the top. Discover how Coraggio's proven methods can assist you build a better business and become a more effective leader.

JOIN BUSINESS LEADERS TO GAIN A COMPETITIVE EDGE

Contact info@coraggio.com.au or call **1300 899 006** to touch base with our Advisory Board Team.

Visit coraggio.com.au for an in-depth understanding of our Member's success stories applying the Coraggio competitive edge.

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