

# REOPEN + REINVENT

## VIDEO TRANSCRIPT

**Oli Barrett:** In this series we'll be tackling some of the biggest challenges facing organisations and discussing some of the pitfalls and potentials as they navigate their way through these times. Today I'm joined by Rachel Barton and Nnenna Ilomechina from Accenture Strategy and Consulting. We're going to look at how, in the wake of the pandemic, organisations can not only reopen but also reinvent.

Rachel, Nnenna, welcome. Rachel if I can start with you. Businesses everywhere are facing this huge array of on the one hand challenges, and also I suspect opportunities. Tell us how you see things.

**Rachel Barton:** Well you're absolutely right in that just a few weeks ago everybody was shutting down business operations, thinking about business continuity and shifting to virtual ways of working. Now organisations are under huge pressure to bring cash back into the economy. In thinking about how to do this, business leaders in general are reflecting on not just how to reopen, but how to reinvent and emerge stronger as an organisation post-Covid. And you know that has a number of different facets to it, the first one is that this period has definitely exposed what I think many of us already knew. Businesses were doing well because money was moving around the system, not necessarily because margins were high, so cost structures now have to be looked at. Obviously the recovery is going to be harder for some than for others. Different industries are going to emerge faster, travel is probably going to be slower than pharmaceuticals, so how do we manage those levers and everybody's modelling scenarios.

The fact is we just don't know whether we are heading into rapid remission or continuous recession and therefore thinking about how to build resilience and flexibility into your business is going to be more important now than ever before.

**Oli Barrett:** Nnenna, you work with some incredibly exciting industries in the media, communications, telecoms, and it's easy to read a picture of doom and gloom. Actually I'm sensing quite an abundance of opportunity.

**Nnenna Ilomechina:** I think in the comms and media industry we have a variety of challenges that we are faced with, and huge opportunities of others. I think our comms clients have had the opportunity now to double down and provide the communications, the network infrastructure that is required for everything that were doing today digitally. But on the media side of things it's been slightly more challenging at times in the sense of advertising revenues declining, offline advertising revenues declining. What we found is that the media clients that have been able to move a lot more of their customers, of their consumers digitally – whether it's streaming services or whether it's subscription-based services – they have been able to really flourish through this period as well and capture some of that digital advertising revenue which is still ongoing. I think one of the things they have to really think about now is how they transform their operating model to grasp entirely the digital experience.



So not just moving physical to digital as it was, but really re-thinking the purpose and the experience that is required digitally. So there is some really phenomenal examples out there of media companies that are used to the physical event space for example, and thinking about how can they recreate that experience digitally. And not just by a zoom experience of a concert, for example, but leveraging the gaming industry for example that's doing so phenomenally well and infusing a concert into a gaming environment. I mean those sorts of ways of working and thinking differently about what we're trying to achieve, I think it's a phenomenal period for that now.

**Oli Barrett:** And that is very inspiring isn't it Rachel, this idea of industries collaborating, learning from each other. Can I put a challenge to you Rachel, which is – I can imagine an executive saying we should probably schedule a board retreat for some time in September to really think the future through. It seems to me like you're suggesting now is the time to think about reinvention.

**Rachel Barton:** No, you're absolutely right. There's a very short window to make a move because before we know it, everybody's going to be back in some version of normality and you've got to make a statement very, very quickly to win market share. So, I would encourage everyone to make bold moves, think about innovation like you've never thought about innovation, and aggressively go after the market and show up as you want to show up in this post-Covid world. As individuals, we all want to emerge better, fitter, stronger. You've got to emerge better, fitter, stronger as a business.

**Oli Barrett:** And Nnenna, when I hear Rachel say those powerful words, 'show up as you want to appear in the world', I wonder to what extent organisations might find a new sense of purpose within this and what that might mean.

**Nnenna Ilomechina:** Absolutely. I think companies that have already figured out what their purpose is, have already seen that they've been able to ride the wave more effectively

because there is a certain focus that you can pull your entire talent around which means even if you have to change your model, if you have to change your cost structure a little bit, at least you're all collaborating around that specific purpose and you're working with your suppliers and your partners around that specific purpose. I think it's really important to have that clarity of why you exist to be able to enable your business model to transform through these periods as we move forward because there's going to be a constant changing environment, we don't know when the end of this is. So being agile and flexible but understanding what that ultimate purpose is going to be so important.

**Oli Barrett:** Absolutely and Rachel I'm reminded there that when we think about cost structuring, presumably it isn't just about saving money its about where else to invest as we look at our reinvented businesses.

**Rachel Barton:** It's great to save money but certainly not to proudly show a lean business to the market. The reason for saving money is because you need to create investment capacity to grow. And this will be such an important time for a CFO to think about actually how are they going to make governance decisions on reinvesting money into innovation when it may look very different and be measured in a very different way to the approaches they've used in the past. I think the CFO now has got a huge job on their hands, it will be a pivotal role in helping organisations reinvent.

**Nnenna Ilomechina:** Just one point that I would add to that – that's an incredible point around the CFO's role – but also, I think mergers and acquisitions are very important for growth also during this period. I think the data also shows that companies that have invested in acquiring new businesses that fit into that purpose we were speaking about earlier because there's such clarity of purpose, companies that have acquired during such a downturn,



you've actually found that the three year returns have been much more successful than in other periods that they might have acquired businesses. And I think this is a great period to do that, not only because the asset prices may be more realistic but again because of that clarity of focus in terms of what you're trying to achieve.

**Oli Barrett:** I'm getting a sense of a new awakening, a new sense of collaborations – I wonder to what extent that means big and small organisations will work differently with each other.

**Rachel Barton:** I think we'll see that and all manner of collaborations actually whether that's large and small business, whether that's business and the consumer, whether that's business and society. The lines have now blurred around the role and purpose of business and the responsibility that it needs to take and can take going forward in order to help society as a whole thrive.

**Oli Barrett:** Nnenna that's absolutely fascinating what Rachel's saying there and I get the sense that the seeds of reinvention may have been sewn over these last couple months, the idea that businesses have a new sense of purpose and might grow into completely different areas based on what they've been through.

**Nnenna Ilomechina:** So for example some of the telecoms companies that have actually managed to weather the storm because they are providing this infrastructure are starting to think about what they can do to really support the small to medium sized enterprises for example that we're talking about. And there's so much information out there about how certain businesses are coping, are reinventing themselves as small businesses owners are reinventing themselves. Well the communications providers are thinking, 'well how can we support them in doing that'. And so they're thinking about new services that may not be core to the infrastructure they provide, but maybe additional type of cloud service that they could be offering them.

They could be offering them more professional services to enable those businesses to grow, so they're actually expanding their portfolio of services to these small companies but also collaborating with other companies that can bring those services onto their platforms to be able to enable the small to medium sized enterprises.

**Oli Barrett:** And I can see how that has a very galvanizing effect on teams and also customers. Nnenna now we're exploring how we collaborate in new ways, I wonder whether we have a new opportunity to be more inclusive as organisations. It's a challenge that so many have faced over these past few years, do you see some opportunity?

**Nnenna Ilomechina:** Oh I'm so glad you've picked up the people aspect of things because I often say that any digital transformation is actually more so about people in some ways than the technology, of course the technology is important but the people that enable that are so much more important. During this period, companies will have recognised that they have access to a wider pool of talent as they've supported their people through this flexible working environment and gotten used to the flexible working environment. They should obviously have been thinking 'good God, that means that actually what I thought was impossible to be done remotely *can* be done remotely.' So, people who have had constraints around where they can work or how they could work – that blows open all sorts of opportunities so actually you have a broader pool. And I am hoping that through this process and through the fact that we have now enabled our business models to embrace this different way of working, we will continue to perpetuate that as we move forward.

**Oli Barrett:** One hundred percent. Rachel can I just draw a distinction with what you're saying today.



Everyone will be aware that they have the opportunity to reinvent as they reopen. You seem to be making a slightly different point which is that if they don't seize that opportunity, they may miss it.

**Rachel Barton:** Absolutely. The window is now, think very carefully about how you want to show up post-Covid because there will be a very, very short space of time within which customers and consumers are judging you and deciding where they're going to put their money. So, show up well, do it deliberately, do it with purpose and make sure you emerge stronger from Covid-19.

**Oli Barrett:** That's a terrific message to end on. Nnenna, Rachel, thank you so much for joining us.

**Rachel Barton:** Thank you.

**Nnenna Ilomechina:** Thank you so much for having us.