



RE-ARCHITECT YOUR BUSINESS TO OUTPACE CHANGE

AUDIO TRANSCRIPT

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By

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Businesses must reinvent themselves to be relevant and resilient in the post-pandemic world.

The Indian economy, severely disrupted by the pandemic, is gradually finding its feet again. After hunkering down to let the initial storm pass, organizations in India continue to ride the waves of supply and demand volatility and even more rapidly evolving customer behaviors. There are clear signs of revival with healthcare, IT and FMCG sectors leading the way, and auto and capital goods hoping the current uplift is not just pent-up demand. Finally, months after the onset of the crisis, we can dare to plan for a world post-COVID-19.

While the economy weathered the storm, but headwinds remain. Today's big challenge for

companies is to stay relevant through purposeful business transformation, even as changes in customer behaviors and patterns become irreversible. With virtual interactions and work from anywhere emerging as the norm, Indian businesses must rely on digital intelligence to stay relevant to customers, investors and the workforce. Naturally, pre-pandemic ways of working and legacy business models cannot help companies thrive, let alone recover.

Ultimately, the goal is reinvention, not just recovery. Organizations that re-architect themselves by fundamentally changing their business models and technology architecture to function like digital natives and demonstrate empathy for their customers and trust for employees will most likely emerge as winners in the post-pandemic world.

THE MULTIFOLD CHALLENGE

Today, leaders planning for the future face a multifold challenge of adapting their businesses to respond to new customer preferences and trends, instilling confidence in investors to attract capital and creating an enabling environment for the workforce.

ENHANCING CUSTOMER ENGAGEMENT

Throughout the pandemic, we've seen drastic



shifts in why, what and how customers buy, and buying preferences moved to local produce, focusing on healthy alternatives and conscious consumption. As customers embraced more digital ways of living for their health and safety concerns, businesses rushed to build and enhance their online presence. For instance, retail interactions changed dramatically with customers ordering everything online from groceries, electronics to yoga classes and making bill payments, as did corporate interactions with purely digital evaluations, project designs and planning. New customer behaviors pushed even small-format stores and traditionally physical services (for scale corporate buying) online. What remains to be seen is how many of these new customer behaviors will be irreversible.

One thing is clear though, past customer behaviors and past data no longer serve as barometers to predict how, where and when customers want to be served in the future. Businesses must bite the proverbial bullet and set out on a voyage of discovery underpinned by their customers' digital footprint to understand the new shape of demand and deliberate on ways to meet their customers' unique needs. It'll take putting themselves in the customers' shoes—to understand the motivations, experiences, fears and aspirations of customers in the present-day context.

On the upside, customers and supply chains are leaving stronger digital footprints online. Companies can rely on data-based insights to better understand their behaviors and preferences. Tapping into this digital intelligence will help organizations make crucial decisions to get closer to customers and supply chains and shape their future course of action.

RESTORING INVESTOR CONFIDENCE

The burning question today is not whether organizations should transform but how quickly they can. Transformation requires capital and the more they spend on reinventing the business, the more likely they are to generate

new revenue streams in the future. One of the key drivers of an organization's ability to attract capital is boosting investor confidence. Despite the initial slump in the market, initial public offering (IPO) activity in India saw a boom during the second half of the calendar year 2020, with 16 IPOs that raised Rs. 31,000 crores. This positive sentiment, weak bond yields (globally) and resulting higher risk appetite of investors is expected to extend into 2021, with sectors like new-age tech, healthcare and consumer dominating the market and recovering sectors like hospitality, commercial real estate and BFSI making a comeback. Most end-year economist forecasts point to signs of a robust macro-economic recovery. Companies can use that as a platform to take their re-invention story to Boards and investors.

The strong FII flow and vibrant IPO activity are evidence that there is no dearth of capital in the market, provided organizations present a credible transformation plan along with a coherent strategy for increasing market share. In short, they need a business value proposition that the market believes in.

BUILDING WORKFORCE RESILIENCE

With the pandemic came the need for the workforce to work from home and work remotely. Most companies in India's services sector were quick to switch to remote work with some initial hiccups. In contrast, the manufacturing sector juggled shutdowns and adopting customized remote working models to keep production running. But traditional workplaces were not designed for the level of digital collaboration the workforce needs today.

Organizations that reinvent their ways of working by investing in digital collaboration tools will help the workforce blur physical boundaries and work more effectively. They will create an enabling environment with the right tech infrastructure so employees can work in a truly digital way and remain relevant by learning new skills, training and coaching. Moreover, employers also need to be mindful of the local context and biases that



may creep in the virtual workplace, especially for people living in shared accommodations and those working from home with young children. In a world that has structural gender imbalance at the workplace, challenges in working remote or from home for women and mothers have been more acute than others.

The future of work is “work from anywhere,” and not a rudimentary work from the most feasible remote location. This fundamental shift if embraced and enabled correctly will help companies onboard talent from previously inaccessible geographic locations. Therefore, leading to higher quality and diverse workforce.

Addressing only one of the above challenges will not suffice. The key to success lies in finding the right balance to solve all challenges simultaneously without neglecting anyone.

A NEW BEGINNING

The future belongs to companies that can re-architect their business to respond to the varying depths of disruption and bolster investor confidence while building elastic resilience and staying employee centric. Companies must commit to a program of active reinvention right now, prioritizing the following three key areas:

Number 1: Create next-gen agility to get future-ready

New technologies, such as cloud and artificial intelligence (AI), can help companies adapt to customer preferences and buying behavior shifts. All companies must now strive to function like digital natives by delivering first-class experiences their customers have come to expect.

Adaptive customer engagement by following the customers’ digital footprint

The pandemic has made predicting customer behavior more complex. Companies should focus on becoming data-driven decision-makers by analyzing the digital footprints consumers and

supply chains leave behind to build personalized relationships. This will require adaption of AI, investments in ownership and organization of data, new ways of change delivery that enable faster decision making and speed to market.

Finally, organizations need to rapidly dial-up the level of empathy for customers by paying attention to experiences that shape new demands and needs. It’ll go a long way in building trust and brand loyalty. One way to achieve that is by reinforcing the organization’s purpose or the reason why they are re-inventing in the first place.

Establish elasticity in your business model by embracing cloud and AI

Organizations need a digitally native technology infrastructure to become more resilient by taking advantage of the cloud. Moving to business applications that are cloud native must be the default option. And pre-conceived inertia in the name of regulation or security should be challenged and dismantled. With the cloud’s pay-by-the-drink model, businesses can navigate extreme surges or drops in demand. And new cloud-native solutions can exponentially increase the speed of deployment of innovations at scale.

Another upside of leveraging the cloud is doing things faster and differently. Be it developing minimum viable products in days, implementing rapid automation to resolve high-volume tasks using machine learning and AI models, or managing volatility from the demands of a larger remote workforce. Building the infrastructure to support a cloud-native world also requires investing in security, quality of digital interface and the management team’s competence to be more technology-led. Moreover, a cloud native world today is a more “secure” place than historically self-owned infrastructure.

Number 2: Understand your financial flexibility

Companies need to take measures to bolster



investor confidence and attract capital. Business leaders can achieve this by understanding whether their company is in a position to act offensively or needs to be defensive when navigating through uncertainty and plan for the future accordingly (see figure 1).

To become resilient and future-ready, companies must establish an elastic business model and,

- Act based on their ability to generate cash from operations – directly proportional to retain customer trust through disruption and drive structural efficiency.
- Act based on their ability to secure affordable capital – directly proportional to strength of the re-invention story.

The current pandemic has shown multiple examples of success the model above can offer companies. A good example is the Reliance Jio Platforms story¹ and how it raised \$13.72bn capital to underscore the scale of feasible success.

Number 3: Put people first

If there's one lesson to be learned from the pandemic, it is that true shared humanity at work can make all the difference. Companies that go beyond the transactional and really get to know their employees will create productive, inclusive and rewarding working environments for the long haul.

The forced work from home and no in-person interactions necessitated by the pandemic have left the workforce feeling emotionally detached from their employers. Organizations need to act quickly by building a safe and secure work environment, caring for employees at the core of their business strategy and reinforcing their purpose to enhance connectedness and belongingness.

Build trust through purpose

Employees that don't embrace their organizations' purpose and mission do not trust their leaders and lose focus and motivation. As leaders go about reinventing the business, they shouldn't lose sight of the need to revisit the organizations' purpose. And take the time to reinforce the purpose and shared values with the workforce.

Leaders must communicate with the workforce often, with compassion and transparency. Put in place inclusive processes to proactively seek feedback from employees and train people managers to ensure their virtual teams are engaged and motivated. Giving employees a voice is vital to maintaining their morale.

Care about more than employees' work problems

Offer life coaches, mental health support and well-being programs to help grieving employees or those managing stress, for example, those caring for elderly patients or partners of frontline health workers. Support households, not just employees. Revisit policies, focusing on the most vulnerable groups, such as temporary workers, people with disabilities, single parents, or those who lack adequate health benefits.

Expand your talent reach and address reskilling needs

To accelerate business reinvention, organizations must enable employees to work from anywhere. It also allows them to onboard previously inaccessible, remote talent that is highly skilled and usually available at a premium.

Also, organizations must be transparent with employees about changing work opportunities. And as roles are disrupted, focus on the skills, not just jobs. Reskill the workforce in areas that will enable them to build new skills and remain relevant in the future. For instance, an organization that has an unprecedented drop or spike in customer volume can build an AI-assisted workforce via training on the technology. Also, offer training, learning



programs and career pathways to those who are affected.

THE FUTURE BECKONS—ACT NOW

Forward-thinking companies recognize the opportunity created by the pandemic to build the competencies they wish they had invested in before: to function like digital natives, be more data-driven and in the cloud, and create stronger e-commerce and security capabilities. More importantly, the greater opportunity for companies lies in building empathy for customers and trust with employees. Now is the time to re-architect the business to navigate the future confidently.

Outmaneuvering uncertainty—by mitigating immediate challenges and investing

in building a better future—will create organizations that one day look back on the pandemic as the darkness before the dawn.

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