

POST COVID BUSINESS MODELS



AUSTRALIAN
INSTITUTE
of BUSINESS

HOW DO YOU PIVOT?



**FIVE CONSIDERATIONS IN
REPOSITIONING YOUR BUSINESS
MODELS POST COVID-19**

RESEARCH, RESEARCH AND MORE RESEARCH

A business model is a description of how to make money in your business. Today there is increased pressure to offer productivity improvements, but there is also enormous uncertainty. The key to addressing this environment is to keep up your research. Keep thinking about what your businesses will look like 10 years out.

Ask yourself,

- What are the fundamental long-term problems that arise from this crisis?
- How do our current products and services address those problems?
- What will customer need and sentiment look like 1 year, 3 years, 5 years from now if our environment remains uncertain?

This is the time when you need data and information about your customers. Don't be afraid to ask them:

- What did you used to do?
- What would you be expecting in the future?
- How will you feel different in the future?

The research that you do now will help your customers make sense of this shared experience: it will be essential to our recovery.

REGULATION

Now is also the time to lobby for change. No matter what industry you are in, the crisis has shone a very bright light on some important areas for recovery.

Think about the regulations in your industry that could be updated to address the learnings of this time.

For instance:

- Telehealth is now proving to not only be a safe and effective way of maintain doctor, patient visits, it is bringing new patients to clinics - patients who will continue to maintain their connection with the clinics later because of the way that their needs have been met today.
- In manufacturing, there is a rising, vocal voice calling for Australian Government procurement rules to change to ensure a percentage of Australian content, thus providing the impetus for greater local manufacturing.
- In higher education, private providers have taken the opportunity to highlight to government those parts of the legislative and funding arrangements that create an uneven playing field, and that lead to market distortions and/or inflexibility that harms student experiences.
- The ACCC has taken a holistic look at the structure of certain industries and concluded that long term competition outcomes rely on the ACCC's willingness to permit certain prohibited conduct in limited circumstances while the pandemic plays out, so as to ensure that those industries do not lose participants that are vital for the long term competitive rivalry in key markets because of short term liquidity/financial viability pressures.

Take this opportunity to lead in your sector. Identify the challenges, work with your network and ensure that the lessons of this time provide insights for growth and success into the future.

INDUSTRIAL RELATIONS

Covid-19 has taught how unpredictable our future plans can be. It has highlighted the critical nature of networks and collaboration.

Hand in hand with Regulation are the Industrial Relations that ensure the safety and security of your workforce.

Now is the time to think differently about resolving issues.

Global Supply Chains are disrupted, production processes both onshore and offshore are heading for uncertain times.

Now is the time to consider Industrial Relations that offer resilience rather than self-reliance, a workforce that is engaged in the long process of recovery.

Consider the contributions that you can make to that discussion as it will be critical to the way the future workforce grows.

SKILLS AND SKILLSET

The crisis has highlighted long held assumptions about business models in our industries. From health to higher education, the default setting for much knowledge transfer has benefitted the institution rather than the participant. Facilitating the exchange of knowledge will be critical to our futures. This doesn't mean taking a physical model and retrofitting it for an online environment. Rather it requires a fundamental rethink about the skills and skillsets required to deliver services in a changed environment. Ask yourself:

- What are the underlying assumptions about our business that have driven the infrastructure, service delivery and subsequent skillset we have sought in our staff?
- How has that changed in the past few months?
Have we been flexible enough to pivot from those assumptions?
- What flexibility can you offer into the future?
- What datasets do you need to build predictive models for future delivery?

And consider your staff:

- How have they used existing data in different ways to increase customer experience?
- What interventions have they designed to meet new customer needs
- What skillsets underpin their ability - or frustration - implementing these innovations?

Ultimately, the next skills and skillsets required to grow your business are being played out in your teams at this moment. Consider providing greater visibility to those successes. Recognise and respect the deliberate choices that your customers are now making and ensure that you are offering deliberate products and services to meet those needs. Stay focused on how your staff and customers behave in this environment and learn from the adaptation and invention of skills to grow your future business.

ADAPTABLE, ROBUST INFRASTRUCTURE

Our current situation has made us all focus on core business and on what is important to the long term success of our enterprises. In many cases that has meant a fundamental shift in service delivery paradigm: from onsite to online learning; from in-house restaurant to take-away food boxes; from shop fitting to furniture manufacture; from gin to hand sanitiser. The success of such pivots is underpinned by robust infrastructure, communities, processes and procedures.

All work places have their own procedures and, within that environment, people come with their own ways of doing things.

It takes time to build a culture of change but, a major lesson that comes from this crisis is that we must all be ready to adapt.

Ask yourself,

- What can we provide to assist a change in processes?
- How do you influence them to do their job differently?

And ask your staff:

- What does your new operating environment look like?
- What do you need to adapt not just now, but as the situation continues to evolve?

Importantly, look at the innovations that have occurred in your organisation over the past two months. Can you capture the learnings? How best can you support the objectives of those innovations and ensure that the successful outcomes become part of your core business into the future?

We've learnt that innovations in crisis don't necessarily require months of training or procedure development, with a pivot in the use of your infrastructure and a "just do it" attitude, you can create paradigm change that everyone has a stake in.



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