

How CEOs are Navigating COVID-19 in the Present and Planning for the Future

By Sarah Van Dyck and Logan McDougal

The pressure to be a great leader has escalated during the COVID-19 pandemic. Different stakeholders all have different expectations of CEOs: employees seek reassurance; shareholders want performance; and customers expect the same speed of service but with additional safety measures. To find out how they are handling the challenges of the coronavirus on their business, Egon Zehnder virtually gathered CEOs from consumer companies to discuss what strategies have been effective, lessons they have learned along the way, and what the business landscape might look like post-pandemic.

Business Shifts and Pivots

Each company faces its own continuing challenges in how the coronavirus crisis continues to unfold. Some experienced significant supply chain disruptions. “For every product and supplier, there are issues down the supply chain—everyone needs labels and jars,” a CEO noted. Careful planning can help alleviate some of the disturbance. “We had a lockdown crisis program in place that we implemented on Feb. 28 so we had a plan to implement versus tripping over ourselves,” he added.

One company was already dealing with a significant supply chain issue pre-COVID-19, and the virus outbreak intensified the challenge, leading the business to find new ways of collaborating with competitors. “We have agreements with competitors that if our factory goes down, we are able to share their factory and the same goes for them,” one CEO shared.

In addition to supply chain challenges, nearly all companies had to make changes to managing cash. “We didn’t give the executive team merit increases this year,” one CEO shared. She also noted that the company has instituted a hiring freeze as well, in the hopes that they can avoid layoffs.

Communication and Culture Are King

While many leaders believe their company has a top-notch culture, the COVID-19 crisis put that belief to the test. Not only do executives need to keep employee engagement up, but they need to do it using different communications channels and reach both remote and frontline employees. The CEOs at our gathering stressed how important communications have been during this time. “I tend to be a communicator who believes the worst thing you can do is to communicate for the sake of communicating,” a CEO shared. “But In this case, I’m not sure that’s true—you almost can’t communicate enough.”

Another CEO shared that her company sends a weekly survey to employees to see how they are feeling and asking about the quantity and quality of communications. “We take action every week on the issues they say matter to them,” she said. “One of the biggest challenges that emerged is people with children—we try to rebalance their workloads and offer flexible schedules.”

There is also a high degree of personal outreach happening, with CEOs hosting small group and individual conversations. “Every morning, I call three to five people several levels down in the organization,” one CEO shared. “Someone joined us on March 23, so I gave him a call—I want the company to feel more horizontal.”

While engaging office workers remotely is a challenge, even more difficult is reaching essential employees whose jobs require them to be on the premises. “For some of our workers, English is not their first language and others do not have a home internet connection, so we had to be thoughtful about how to reach them—we’ve even sent mailers to their homes,” a CEO said.

These communications to frontline workers must also take into account the stress put on them by risking virus exposure to do their jobs. “I have these conversations with my leadership team all the time—will the message be perceived in the way we intend?” a CEO explained. “If you work on factory floor and you hear your office colleagues are being sent home, you feel like ‘they don’t care about me.’”

In addition to communicating with the employee base, companies must also reconsider how they are engaging with customers. “We had to take a massive review of all of our marketing to see how we can be relevant,” a CEO explained. We’re spending more time on social and video and thinking about using content and experts differently.”

The Next Phase: Plotting the Future

While the pandemic turned lives upside down with the flip of a switch, the reactivation and recovery phases will not be as quick. “I don’t know anyone who thinks that things will be normal in the same way again,” one CEO said. Another CEO added: “There’s going to be a spectrum of how this flows. There will be people who still need to be home caring for kids, a set of people who want to go back to the office, and others who might need six months before they’d feel safe doing that.”

This had led many companies to scenario plan broadly and to create committees to work through the next-steps phase for both the short and long term. “We’re asking, ‘What are the big changes we need to make and how long will the transition be?’” a CEO explained. Another CEO added that companies are contemplating many different working models going forward, including flexible hours or the option for part-time for a given period. In addition, many companies are using China as a blue print since they are in a later phase of the pandemic than Europe and the Americas.

While much of what the future will look like is uncertain, businesses must do their best to answer some critical questions. As one CEO put it, “When we come out of this, what does the workload look like, what are the needs, what has shifted, and how can we be prepared?”

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Covid-19 Micro-Website

We have launched a micro website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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