

“The Ultimate Stress Test”

On 9 April, 20 top Chief Executives from five European markets convened to discuss the COVID-19 crisis, part of a series of weekly calls hosted by Egon Zehnder. Coming from Germany, Italy, Benelux, France and the UK, the group together represents €172 billion in combined revenues.

What was clear above all is that CEOs are facing new and unanticipated challenges daily. The relationship between businesses and government is changing permanently, with the latter also, as one executive said, “learning to manage in a very different way, taking important decisions in real time and ‘on the hop.’” Equally, stakeholder management is becoming more complex than ever before, juggling the needs of employees, customers, suppliers and the wider society. All of this is happening to nearly every organization in the world at nearly the same time. “For me this crisis is an acid test,” said one CEO. “It’s the ultimate stress test that no risk committee would have dreamed of and it’s happening for real.”

All of this means transformation is accelerating dramatically with a combination of wide-ranging restructurings and government-imposed measures. Leaders agree that they must find a balance between enacting short-term corrective actions and capturing the promise of disruptive innovation.

Recognizing and Celebrating the Front Line

Keeping the front line motivated and engaged is the most pressing issue on Chief Executives’ agendas. Many of the participants have been proactive about implementing new health and safety policies rather than waiting for the nod from government. Said the CEO of an Italian retailer: “More than words, we had to act... to protect the safety of the people in the stores. We moved very fast, before any regulations. We had masks for people before the government said to. We distributed disinfectant gels, plexiglass for the cashiers, and we are now measuring the temperature of everyone in the stores - Clients AND workers.”

A number of participants discussed the importance of reminding the front line of the critical role they play in “fighting the disease and serving the needs of customers and society.” One of the leading UK retailers explained how his company recorded videos of

grateful colleagues and customers to share with workers. “The most important thing is connecting to the customer outcomes, to show them the impact employees are having on helping millions of people stay home and stay healthy.” Others explained how they took full page advertisements in newspapers and other public fora to celebrate staffers.

Leading from the Front

CEOs are clear about the need to break down the “ivory tower” between front line workers and those at headquarters. “We asked a lot of people from our offices to work in the stores,” said one CEO. It creates mutual understanding and relationships which I think will last.”

None of this work could be carried out without the deployment of frequent internal communications. “CEOs are writing more, communicating more and talking more” than ever before,” one executive said. Communications have not only become digital and diversified in form but also more personal and empathetic in content.

Some shared how their assessment of talent has changed. “People reveal themselves,” said one CEO. “During those bloody days of the 16th and 17th of March, you realize who around the table is a good leader... who raises their hands to solve problems and who is hiding.”

Collaboration over Competition

Industry-wide collaboration is gathering momentum as businesses struggle to meet their targets. One participant evoked the coming together of the chemicals industry in Germany in order to create a single platform producing and distributing disinfectants. Another underscored that no one can survive alone, particularly in industries that relay on intermediate suppliers: “If partners are not ready to help each other, they will not be successful.”

Shaping a new future

A common theme on the call was the question of how much time to spend focusing on the current emergency versus what to do when things begin to improve. One CEO said he is “redeploying his key people in the business to focus on the future” and spending half of his time “thinking about the future and how consumers and customers are changing.” Others concurred that this is the time to encourage innovation, as resistance to change has been eradicated. Said one CEO, pointing to one positive impact of the crisis: “What we were going to do in four years, we will do in one.” Said another, eloquently summing up the discussion: “It’s quite stunning how all of our lives have changed.”

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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.

About Egon Zehnder

Egon Zehnder is the world's preeminent leadership consulting firm, sharing one goal: to help people and organizations transform through leadership. We know what great leaders can do and are passionate about delivering the best solutions for our clients. As One Firm, our more than 500 Consultants in 68 offices and 40 countries combine our individual strengths to form one powerful collaborative team. We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide a comprehensive range of integrated services: Board advisory, CEO search and succession, executive search, executive assessment, leadership development and organizational transformation.

Our leadership solutions cover individual, team and organizational effectiveness, development and cultural transformation. We work with world-class partners including Sinequanon (SQN), a firm we have invested in that uses AI and advanced analytics to improve workplace culture and performance, and Mobius Executive Leadership, a transformational leadership development firm. In addition, we have partnered with Paradox Strategies, co-founded by Harvard University Professor Linda Hill, to develop the Innovation Quotient (IQ), a proprietary culture diagnostic.

Our goal is that the work we do contributes to successful careers, stronger companies – and a better world.

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