

Eight Things CTOs Think Have Changed Forever

What seemed unimaginable has, in a few short months, become somewhat normal. So what will be the lasting impacts of COVID-19 on the digital world? Last month, Egon Zehnder consultant Lindsay Trout co-moderated an online discussion with 12 CTOs in the high-tech space & learned how the crisis is driving change:

1. Digital Transformation, For Real

It's happening because it has to. No longer ancillary, requiring 10 meetings and 18 months to get alignment, companies have had to deliver massive digital solutions in a week or less. That has torpedoed whatever organizational resistance there once was; that's because change management is one thing when it's optional and of marginal benefit and another when it's about business continuity. Said one CTO: "Survivors will be more digitally native."

2. Open Floorplan Closes

Just months ago, virtually every company that hadn't already converted to open workspaces was doing so --- whether motivated by the real estate cost savings or the idea that they facilitated conversation. That idea is now a relic of another time. When workspaces reopen, they are likely to require social distancing for the foreseeable future; desks, computer and other office spaces can no longer be shared. There may well be constraints on office meetings and the number of people allowed in a room. Rotations, such as a morning or Monday/Wednesday rotation, may happen; maybe you're in a small cohort that cycles into work every two weeks. That means big changes for nearly every business.

3. Standardized Technology Configurations

Once a veritable Chinese menu of options, the design aspect of technology will be sharply simplified in this new era. Companies, constrained by layoffs or fewer people able to work in labs and fabs, will offer the basics rather than a totally customized approach. This will allow for a quicker response but far less differentiation. This is a time when we revert back to basics and perhaps forgo the "nice to haves."

4. Fieldless Field Sales

Building a relationship from a sales perspective has always benefited from the physical, face-to-face meetup. With constraints on travel and less receptivity to in-person encounters with strangers, how does this evolve? One industry that may be able to capitalize on this opportunity is CRM, which may be able to develop tools or innovations that can bridge the gap between real and virtual. Some executives noted that of the few companies funded by Tier One venture capitalists since March 1, several were CRMs. Zoom has gone a long way to facilitate communication, some executives said, while wondering what would come next and be more “fit for purpose.”

5. VR and IOT: From High Concept to Necessity

In-person routine maintenance in hospitals, factories and sites can no longer be guaranteed and may not even be safe. So there is an increased appetite for sensors, automation as well as AR/VR applications, whether that be for ICU training or remote systems management.

6. The End of Workwear

Formal business dress is over. Forever. We’ve all heard about how sales of pants and anything below the waist have plummeted—why bother wearing anything but sweats (or even PJs) for a Zoom call that shows little more than your face and shoulders? But few Zoomers are dressing for work, let alone wearing full makeup, an ironed blouse or—God forbid—a tie. It’s hard to imagine returning to that form of “costuming” once people have shown their authentic selves on camera.

7. Contracts Evolve

Set in stone no more, sourcing agreements and contracts are in flux right now. Flexibility is the word, and the companies that understand that rather than sticking to a pre-crisis mentality are those that will survive. With supply chains disrupted, companies are accepting products from other locations than originally mandated with no legal or procedural issues. This ability to shift is likely to last beyond the crisis. Executives also discussed the possibility of preferential terms for key partners; this would mean a prioritization of supply and/or access for certain high-value relationships over others. It may also mean some extra attention to force majeure clauses.

8. Risk Redux

We thought we understood what contingency planning and disaster recovery looked like. We didn’t. Any part of a company’s risk assessment – from Enterprise Risk Management to Risk Assurance to Offshore Capacity Planning to the Audit Committee – must be

rethought to include not one crisis in one location but what once seemed unthinkable: a rolling global crisis with no foreseeable end. One contingency is no longer sufficient; companies will now be required to offer contingencies for most of their most critical activities and budget and plan redundancies, even if they cost more.

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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

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Our more than 500 Consultants in 68 offices and 40 countries form one powerful, collaborative team. Our services include: leadership development, individual, team and organizational effectiveness, CEO search and succession, executive search and assessment, Board advisory, and cultural transformation.

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