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Strategy Orientation Post Covid-19: Long term Trends & Actions

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Covid is surface manifestation of long term systemic trends

Competition (cold & hot wars) for global dominance --- Power over global resources

(Athens vs Sparta; Portugal vs Spain; England vs France; Germany vs Europe; USA vs Soviet Union; USA vs China; leading to regional, contained wars by proxy (e.g. Korea, Cuba, Vietnam, Afghanistan, Iraq, Syria, India/China))

Social inequality & uneven distribution of wealth leading to popular revolutions & World wars & social unrest (US revolution against England; French revolution; Russian revolution; populism/communism vs social elites; Germany World War II)

Natural disasters (regular events) exacerbate perceived social inequalities (poor suffer more), triggering revolutions and social unrest (but usually not root cause)

Even if Covid-19 will be tamed in the near future, these root causes still persist, and will generate social disorder with other future triggers (natural disasters, nuclear meltdowns, etc.)

How can companies navigate rough waters ahead (1)



1-Cultivate resilience more than maximizing efficiency (independent enough to survive under sudden dangers, interdependent to prosper)

- Secure reliable resource providers (suppliers, customers, employees, materials, financing)—trustworthiness as premium
- Diversify resource providers (global regions in particular)
- Consume less resources under sudden threats (flexible cost structure to lower costs quickly & less long term financial obligations with employees & suppliers)

How can companies navigate rough waters ahead (2)



2-Develop collective organizational immunity to fight unknown threats

- Develop fast organizational learning (sensing, seizing, reconfiguring) (e.g., IKEA, Amazon, Alphabet)
- Develop collective emotion regulation to stay calm under crisis (top AND middle managers' training) (renewal of Nissan 1999-2002)
- Develop collective organizational innovation to find solutions quickly under crisis (develop an innovator mindset encouraging try-fast, fail-fast, learn-fast with low-cost experiments) (Master Card, 3M, Microsoft)
- Develop collective ability to share and learn from mistakes and successes (remove fear factors, e.g. Nokia)

How can companies navigate rough waters ahead (3)



3- Integrate economics with national/international politics in strategy planning and execution

- Increase in government power (to nationalise foreign-owned businesses; to divest/breakup big companies; regulation of manpower; global taxation; etc.) (US, China, EU antitrust and increasing regulation) (Huawei, Tencent, TikTok, Alibaba, Ant Financial)
- Increase pressure for localisation/regionalisation; create good jobs and national/regional capabilities; trade wars; licencing restrictions; manpower restriction for national security; restriction on wide range of essential services)

How can Organizations develop their people's talent and collective capabilities



Continuous “war games” and action learning

Systematic learning and practicing at all key levels of organization

Survive in the short term & Invest in the long term in developing people's talent and collective capabilities for fast learning and innovation

Apply cutting edge knowledge and systematically measure improvement in all key “strategic health indicators”; Strategy Execution Stress Test (INSEAD model)