

OPINION

What next? Leaders must look to post-pandemic future

While retail CEOs are rightly focused on colleagues and communication now, they must also start creating strategies for their businesses to thrive beyond the coronavirus crisis, writes **Fran Minogue**

Clearly chief executives must lead from front and show visible leadership on operational issues through this crisis, but those who deploy resources and spend time thinking through what the 'new normal' will look like post-coronavirus will come out stronger, fitter and better equipped to respond to new market dynamics.

As Next's Lord Wolfson said: "At some point, this will pass and the most important thing is to manage through the crisis, but it's also important to move the business forward."

The CEOs I have spoken to all started by focusing on the human side of the current crisis before the cost to the business and agreed that the world has changed forever, not just in how we shop and consume but in how we interact as a global community.

Nick Beighton at Asos was philosophical: "This is a life changing event for a generation."

"What's happening now will fundamentally transform our attitude to how we live, work, consume, what we value, and that in turn will impact what products we sell and how customers experience them. Consumers will need different products and experiences from Asos and expect us to be less transactional."

"One thing is certain: we won't need anything like the same amount of physical space in future. In two weeks, we have reorganised our workforce so that 98% of all tasks can be done at home. Take sample management – this is done digitally or they are shipped to buyers' homes, who then accept them electronically and place an order."

Peter Pritchard, boss of Pets at Home, said that while cash flow and liquidity are paramount, he will continue to prioritise digital investment.

He has a small, dedicated team scanning current trends and analysing customer insight data, to try to formu-

late a view on which changes in behaviour will be sustained.

He told me: "What we're forced to do now will become the new normal. The role of pet companionship will change and in our vet business we've talked about telemedicine for long time, now it's a reality."

Radical change

Seb James at Boots is thinking in three timeframes – today, three months and long-term – ie: when this crisis is over.

Today is about colleagues, communication, practicalities, and operational issues – not the commercial aspects.

In three months, what will the business look like? How do we optimise sales, preserve cash and get all the assistance being offered by government?

"Longer-term, we need to radically change or we're doomed and this applies to all retailers; the fixed cost base is too large and growing," he said.

"We must not waste the opportunity to fundamentally change our infrastructure. We have to think really hard about the underlying cost structure. And we



Fran Minogue
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Clarity

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have to lobby for the regulator to allow us to change how we dispense. Today, we have a highly qualified resource putting labels on boxes".

He is mobilising his team to think through the bigger questions. "What does Boots mean to the community? A sandwich, beauty, health? We will emerge differently, we have the opportunity to influence that now."

Seb believes we will see profound social change, with working from home becoming more commonplace, a sharp reduction in business travel and a less materialistic approach to life.

A leading grocery chief executive prefaced his comments by praising colleagues front and back of house for how they have stepped up to the current challenge.

"A crisis brings the opportunity to fast-track certain plans and face into the structural changes that are taking place in grocery anyway."

"We've assembled a team to think through how we will work in the future. Online sales could easily double and if so, how will our infrastructure respond? We must organise around how customers shop online – this is the new normal. We will all work and shop differently," he said.

It will be fascinating to check back in 12 months' time and see just how fundamentally the retail world has changed. **RW**