

INTERIM IMPERATIVES E-BOOK

PIONEERING THE FORESEEABLE FUTURE

NORTH HIGHLAND

FOREWORD

CONFRONTING TENSION AND OPPORTUNITY

COVID-19 has left a permanent stamp on the world. Uncertainty is everywhere, strengthening the call for adaptation. We're approaching a monumental stepping stone on our path to the post-pandemic world. Following the immediacy of COVID-19 response, this next phase will force you to forge distinctions between the provisional realities of the next 12 to 18 months and your three or five-year strategy. The unique conditions of the foreseeable future introduce a host of unknowns that you must thoughtfully and intentionally explore while you advance towards a durable and adaptive recovery.

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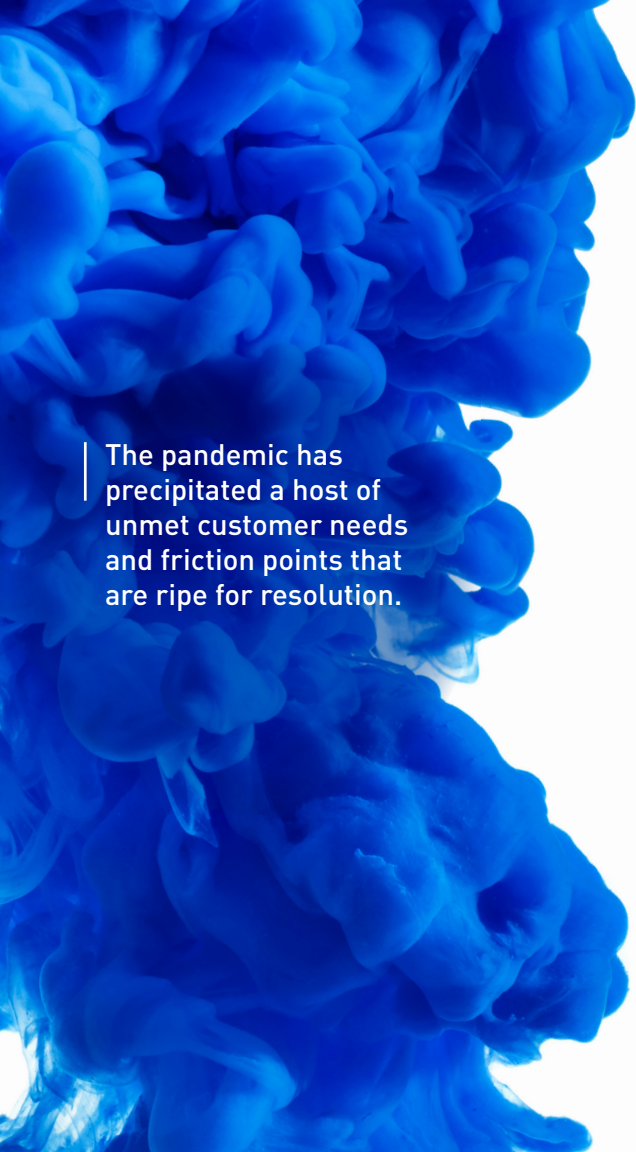
Variables related to vaccinations and public health, regulations, social norms, and economic pressures are driving North Highland's perspective on signals of change and plausible near-term future scenarios. In a climate rife with complexity and uncertainty, these factors are surfacing new situations that shed light on the risks, challenges, and tensions of a new world. In one example, an Atlanta-based retailer shut down during COVID-19 restrictions on non-essential business operations. Throughout this time, the company paid its workforce with full benefits, a move that garnered praise and strengthened brand equity with customers and employees alike. When the state governor lifted non-essential business restrictions on April 24 (among the earliest states in the U.S.), the company decided to reopen its doors to the public. At the same time, it made operational changes in support of safety best practices (e.g., use of masks, temperature checks, contactless payments, and social distancing in stores).

Key variables shaping the foreseeable future:

- Vaccinations and public health
- Regulations
- Social norms
- Economic pressures

Now, the company finds itself at the center of a swirl of public controversy, facing customer and employee backlash from those who feel it's unethical to open for public health reasons. In addition to new customer expectations and operational norms, the company also confronts questions surrounding workforce equality and social trust that didn't exist before. New segments are emerging between employees, including those paid to work on-site vs. paid to stay at home; those who have tested immune and are "free" to work vs. high-risk populations staying home; and, empty nesters returning to work vs. high-potential Gen Xers or Millennials still at home with kids. Addressing a scenario like this requires a careful understanding and consideration of evolved customer expectations, workforce needs, and operational imperatives. When evaluating future opportunities, you need to focus on lowering the tension across competing priorities in your decisions about how to move forward. Doing so is the key to unlocking what's required for next-level flourishing.

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Despite the inherent challenges that accompany unforeseen situations, near-term future tensions create a prime climate for innovation. The pandemic has shaped a new reality, precipitating a host of unmet customer needs and friction points that are ripe for resolution. Organizations today are uniquely positioned to question, collaborate, and repurpose underutilized resources in novel ways, fueling a circular economy. For example, draft beer sales are down 90 percent due to declining hospitality business amid COVID-19.¹ In response, some breweries are distilling the extra supply into hand sanitizer while others are using it to create high-end whiskey. Both are paths to transform newly created waste into tangible opportunity.

The North Face is similarly manufacturing hospital gowns from renewed material, a strategy that's both fulfilling a vital need and keeping waste out of landfills.² Comparable examples exist in every

industry. Finding those opportunities starts by taking inventory of your current resources and repackaging them to utilize your workforce better, address new operational challenges, or meet emerging customer or societal needs.

Adopting a strategic, design-led mindset can help you make sense of the ambiguity of the foreseeable future and begin to chart your path forward. From there, you'll need to diversify your customer strategies, workforce constructs, and operational plans to minimize risk and increase adaptability in the face of future uncertainties. To do this, you need to evaluate near-term future opportunities through multiple sources of value, including risk mitigation, flexibility, customers, employees, stakeholders, operational efficiency, capability development, and financial performance.

In approaching the near-term future, we believe clarity of perspective comes when considering implications and critical considerations across customers, the workforce, and operations. It's impossible to know what the months and years ahead will look like, but we can start to place bets based on what we're seeing in the continuously changing environment around us. In this e-book series, we explore the key insights that will shape the foreseeable future. Going beyond the trends alone, we'll equip you with a design-led construct that can help you evaluate future opportunities across the lenses of customers, the workforce, and operations.

Customers: A New Standard for Differentiation

Workforce: Reimagining the World of Work

Operations: Becoming Pandemic-Proof

Rapid Innovation: Crafting a Design-Led Strategy



SERVICES SPOTLIGHT

ABOUT RAPID INNOVATION

In approaching an unknowable future, a design thinking mindset allows you to plan for critical uncertainties. It can help you place informed bets on where to focus as the near-term future comes into view—enabling you to adapt as you learn more each day. An intentional approach to Rapid Innovation helps you understand the drivers of change and identify and prioritize new opportunities. It enables you to shape a transformation strategy and lay the structural foundation for execution.

ABOUT CHANGE ECONOMICS

Maximizing the value of transformation calls for agility in response to uncertain conditions. It requires a common framework for prioritizing new initiatives as your focus evolves from immediate viability towards long-term durability and adaptability. In the absence of a shared vision for transformation that encompasses a holistic understanding of value, organizations miss opportunities to prioritize incremental improvement for increased and accelerated returns. Change EconomicsSM delivers a 360-degree view of the value drivers of change and transformation, enabling the smarter evaluation and prioritization of new initiatives.

¹ "A Whole Bunch of Draft Beer Will Be Dumped Due to COVID-19 Closures," Food & Wine, Apr. 24, 2020.

² "United to Move the World Forward," The North Face, Apr. 20, 2020.

ABOUT NORTH HIGHLAND

North Highland makes change happen, helping businesses transform by placing people at the heart of every decision. It's how lasting progress is made. With our blend of workforce, customer and operational expertise, we're the world's leading transformation consultancy. We break new ground today, so tomorrow is easier to navigate.

Founded in 1992, North Highland is an employee-owned firm - regularly named one of the best places to work. We have more than 5,000 consultants worldwide and 65+ offices around the globe. Meanwhile, we're a proud member of Cordence Worldwide (www.cordence.com), an international consulting alliance.

For more information, visit www.northhighland.com or connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

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Rob has over 20 years of customer strategy and customer-driven transformation expertise. He has led hundreds of successful customer and employee-centered engagements for B2B and B2C clients across industries. Rob and his teams specialize in helping our clients expand their market presence via experience-based differentiation. He has helped global organizations across the telecommunications, healthcare, transportation, hospitality, financial services, energy, and utilities industries transform to become more customer-centric, adaptive, and responsive.



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Heather is a Senior Director in North Highland's Experience Design capability. She is a dynamic leader with the ability to motivate and inspire teams to deliver customer-centric programs that drive brand equity and sales. Heather has over 20 years of experience in marketing strategy, advertising, and experience design across a variety of leading consumer and B2B brands.