



*recruiting excellence for this digital technology age*

### **A new 2025 business and operating model**



What lessons can be learned from that extraordinary Covid/pandemic/lockdown period? We're still in many ways dealing with the shock and the after effects. But as we move further into the 2020's and approach the mid-way point of 2025, what lessons can be learned from that period that can help organisations become smarter, better, more effective, perhaps more caring. Will these various shocks result in a meaningful change to ways of working and ways of operating, will we avoid returning back to just the way we were, or can we find some new ways forward, ways which can continue to inspire and motivate our workforce, our stakeholders and our customers and perhaps deliver a more sustainable, and hopefully more resilient business model, a platform that can provide a better base and balance?

Companies naturally need to plan for the future and decide how best to move forward. There will inevitably be a high element still of caution and conservatism, and much review of cash and working capital levels working on scenarios which need to reflect a cautious approach to growth. But we nevertheless can say that "things will never be the same again" and identify some key items that we can state with some certainty will change for the future, and for the better?

There are 3 things we can put in that category:

- *People Planet Profit: a new balance*
- *Better collaboration and Break down of silos*

•No need for offices?

## **Corporate social responsibility**

The triple bottom line framework (People, Planet, Profit), the “3Ps”, was devised by a Professor John Elkington of University College, London. It’s a framework that has never been more relevant than in today’s complex, worrisome and fast-changing environment and as organisations think through their future ways of operating.

The challenge is for the whole model of business to adopt this new way of thinking and behaving, to report on these 3Ps with equal measure and emphasis, to show how each element is reinforcing the other to create a virtuous circle. It should no longer be enough to talk just about shareholder value and to justify all corporate behaviours along that line. Yes, it will always remain critical, but surely it can no longer be seen in isolation. And more importantly, it should be evaluated alongside and with equal weight to the impact on the other Ps of People and Planet.

It might for example be the lowest cost, best shareholder value solution to build a new factory in a low cost low regulation environment. But if that might lead to higher emissions, or more carbon footprint or damage to the planet then that can no longer be the right answer. Investing shareholders have to accept this “new normal”, that the optimal solution may not be the lowest cost /highest Profit option.

Equally, corporate actions needs also to be judged alongside impact on the workforce, on customers, on users, on people. Does this initiative help or harm, does it empower and enable, does it help work:life balance rather than reduce or harm it? What more can an organisation do for gender and ethnic diversity, how can we help people who are disabled or disadvantaged, how can an organisation help its local communities and stakeholders? A more responsible approach to business is now being called for. We’ve seen a coming together of these sort of 3P ideals in the past weeks as companies work to respond to the virus pandemic. We’ve seen companies take steps to protect their people and we must hope that this more vigorous People concern will grow and endure and not get forgotten.

## **Better collaboration /learning from a crisis**

Here’s a case study from Paul Judge, the Managing Director of a Management Buy-out of Premier Brands from Cadbury. It’s from a few years ago but just as relevant and this is how a crisis helped drive better collaboration:

*“At first, it was crisis time, we had completed the MBO from Cadbury, we had huge amounts of debt, limited working capital, customers cancelling, we didn’t know what to fix first. It was like we were in a sinking lifeboat, water was leaking in on all sides, there was no time to discuss and debate what we should do, we were all totally united on one thing, save the boat! So it was all hands to the deck, 24/7 all single-mindedly focussed on the same goal. Looking back it was amazingly hard work, we were exhausted but it did also become exhilarating as the boat began to stabilise, we could see we were making progress and we felt we were actually going not only to survive but to flourish.*”

*Looking back we had this unique spirit, all aligned, fix the problem, cut through the debate, find the quick fix, get things done, make it happen fast. After a while all that began to pay off, we could see land ahead.*

*And that is when the problems started, as soon as we had got to a solid and reasonably safe platform, we started to argue about what next! What direction should we go in, who should be responsible for what, what new equipment we should buy to start building our boat for the future? Progress started to slow. Decision-making which had taken seconds now started to take weeks. And after about 12 months, we noticed just how much things were changing. While we had that crisis, that “burning platform” things were easy, relatively. Without that we had to find new ways to energise and engage everyone in our continuing journey, try to capitalise on the learnings of moving quickly, embed that somehow in our business as usual”*

-case study from Paul Judge (who later helped establish the Judge Business School in Cambridge University), and who as the Managing Director, led the buy-out from Cadbury's of their former snacks /biscuits division called Premier Brands.

Four years after that historic management buy-out, the business was very successfully sold. Paul Judge went on to say that they never forgot those early crisis/burning platforms lessons. *“we were always comparing things like speed of decision-making, how well and effectively we collaborated, the removal of silos in how we organised teams and projects...it stayed with us and was a key reason behind our subsequent growth and return to profit”.*

## **No need for offices?**

As we enter perhaps a new era in company organisation and thinking, and with the expected new norm around remote working, we should ask if there's a need in the future for so much office space?

We work in a world where technology is changing our lives, fast and everyday, the old-fashioned idea of having to frequently be in the same building to do the job is becoming out-moded, as we have all seen how we can connect just as easily from anywhere. So all this office space surely just not required.

We can draw parallels from the world of retail. Technology has enabled online shopping for the past 20 plus years. Retailers could see the shift, how tech was changing the game, how in the future they would not need so many shops. But most retailers ignored the warning signs, kept opening new shops, investing in new space, convinced that what happened with books and CDs and DVDs would never happen to them. But of course the march of technology has continued at pace, inexorably, and now there's a retail /high street crisis. Retailers are stuck with too much space, they failed to adapt their business model, even though they had years of warning.

So with commercial offices, Amazon and Google for example are even now building vast new offices for all their staff. Even though they acknowledge the opportunity for remote working, so they still believe they need office space on the principle we need physical space for everyone. But they too will surely soon realise that is an antiquated idea. Some flexible space in WeWork for occasional meetings, is that all that's required?

This virus pandemic has highlighted yet another new imperative, don't invest in commercial office real-estate, companies with large physical office portfolios will soon find they're stuck with costs and assets they just don't need anymore.

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One thing is clear: we can't go back to a 20<sup>th</sup> century business and operating model. Time has moved on, things will never be the same again.

From the MTV nominated best song by Mel C of the Spice Girls:

*Things will never be the same again  
It's just the beginning it's not the end  
Things will never be the same again  
It's not a secret anymore  
Now we've opened up the door  
Starting tonight and from now on  
We'll never, never be the same again*

“You must be the change you wish to see in the world.”

-Mahatma Gandhi

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Michael de Kare-Silver [michael@digital-360.com](mailto:michael@digital-360.com) March 2022

*[Michael runs this specialist recruiting /headhunting practice Digital 360, helping companies recruit key talent where Digital Tech and /or Data skills and savvy are important.*

*Michael used to be MD at Argos.co.uk and of Experian.com, he is ex McKinsey strategy consulting and Procter & Gamble marketing,  
Michael provides a personal and dedicated service that delivers results and is built on treating people with kindness and respect.]*