



The Pandemic Business Strategy Playbook

Actionable ideas in a world of uncertainty

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Marketing. Strategy. Humanity.

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There is so much uncertainty in the world right now.

The writer George Saunders has a fitting analogy for the current Covid-19 moment: We've slipped on ice but haven't hit the pavement yet. We're caught in a suspended state between losing control and feeling the full impact.

If that sounds like you, I'm here to help. Nobody can predict the future, but we can make reasonable assumptions and plan with the best information we have to set the stage for a world after the crisis.

This guide establishes a logical, actionable way to view a world in crisis and plan for the "full impact."

During the crisis

First, you have to understand there are really two distinct phases to this crisis:



My definition of “**during the crisis**” is when people are:

1. constrained from normal life activities
2. concerned about addressing basic human needs
3. adopting consumer behaviors and routines that will eventually dissipate after the crisis

In this phase, there are four main strategies:

1. Conserve cash, re-tool budgets as needed

I’m sure this goes without saying ... but I’ll say it. Your job is to arrive on the other side.

A lot of people are saying that this is a time where should become out best selves. We need to finally get that beach body or write a novel. Most people I know are in survival mode. Look, just arriving on the other side in one piece is the true accomplishment.

I’m a marketing consultant. I dwell in the world of strategy and helping businesses see what’s ahead. I’m good at it.

But in a period of three days I was became irrelevant to many of my customers. When the full power of the virus hit, my customers weren’t interesting in consulting. They were interested in keeping their supply chain together, keeping employees healthy, and finding new ways to serve customers. So, my business largely went away.

It wasn’t my fault. I did nothing wrong. But immediately I had to cut costs, re-imagine my business, and develop a plan to make it to the other side. That’s the only goal.

2. Apply your core business competencies to what is relevant now

Take a long, hard look at the goods and services provided by your business. If you're not absolutely relevant to the world as it is **RIGHT NOW**, simply putting your business online or holding a webinar isn't going to help the situation.

This is the reality *during the crisis*:

- Many people are isolated and bored.
- Their routines are disrupted.
- Their careers may be imperiled.
- They are experiencing deep anxiety and even depression.
- Important symbols of normal life — sports, festivals, concerts, conferences — are gone.
- They are trying to figure out how to manage the kids at home and entertain them for hours on end. Unexpected time with kids produces new psychological and financial stresses.
- Millions of people no longer have viable businesses right now. They are losing their financial buffer quickly. For many people, the focus is making ends meet.
- Our customers fear for what is next.

Here is a quote from *The New York Times* trying to capture the nation's mood during the crisis:

“This is life in a pandemic, when the emergence of the potentially fatal coronavirus has spawned strains of uncertainty: about the progression of the new virus, about the government's response, about the open-ended nature of our altered lifestyles. About one another. The collective mind whirls. Will my mother in her quarantined nursing home be all right? Will my children get sick? Will there be enough hospital beds? Will we see the same high death rate as Italy's? Do I just have a slight cold, or is it a sign of something else?

That is our world and those are your customers. Ask this question with icy cold precision: “Does my business still matter in this environment?”

My guess is that for many of you, the answer is “no.”

The world is sliding into a collective retreat, with tens of millions of people waiting for solutions to the problems caused by an invisible threat.

The next step is to dig deep and figure out what skills you can apply to the current situation and help find those solutions. How can you help people in an insanely helpful way with the resources at your disposal?

You’re probably familiar with Maslow’s Hierarchy of Needs. Some psychologists suggest we need to tweak this model, but for today, let’s use the tried-and-true Pyramid for our discussion:



Think about your own business in the context of this model. Where would you place the type of products you’re trying to sell right now? Are they at the top of the Pyramid?

But where is the psychology of our world right now? At the bottom.

Everybody I know is locked-in at home and concerned about running out of food or essential living supplies. Many have had a dramatic loss of income — millions are without employment. Many others are sick, or fearful of getting sick. I have friends who are isolated, bored, and lonely.

This is where most of the world is psychologically residing today. We're trying to attend to our basic human needs.

I see a disconnect among my marketing friends right now. They seem to be in stubborn denial about our current situation. An actual quote:

“People are still buying like always. Content and social media marketing is more important than ever.”

Buying like always?

Is your business and marketing relevant *right now*? This is an easy question to answer. If you're marketing products that serve the top of the Maslow Pyramid, the answer is probably no.

If you're marketing products for the bottom of the Pyramid, the answer is probably yes. In fact, double down on your marketing.

If you're selling aspirational products at the top of the pyramid, even if it doesn't result in short-term sales, you need to somehow move to the bottom of the pyramid.

Right now, ***the long-term relevance of the brand is more important than short-term sales***. Read that again, please.

Almost every business needs to send their marketing to the bottom of the Pyramid ... immediately.

Watch what the biggest brands are doing with their marketing and messaging. With breathtaking speed, all the best-managed companies have stopped in their tracks, ended the “normal” selling, and re-directed their advertising to the bottom of the Pyramid.



We’re seeing this pivot occur with almost every television and digital ad. This is especially impressive since almost all advertising production shoots have been canceled due to the coronavirus crisis. Nevertheless, the best brands are using simple stock images or words over music to tell people that they care and they’re relevant at this moment.

Burger King CMO Fernando Machado said that brand positioning has taken a back seat to relevant response: “The first thing we did was to find ways to help in whatever way we can. Not with ads but with doing things. We’ve been making donations to hospitals to health care workers, offering free food for volunteers and first responders. We have a wide range of examples of our brands jumping in to help people. So, step one for us was really taking action.”

Why are we seeing this dramatic change? You guessed it.

The long-term relevance of the brand is more important than short-term sales.

I understand why some small businesses are desperate right now and might feel compelled to sell, sell, sell ... even if it's not relevant. Our dreams have been dashed by an invisible enemy.

But no amount of advertising, discounting, or content marketing will matter if your audience is at the bottom of the Pyramid and you're still selling at the top. You're irrelevant. You need to stop.



I have a friend who has a real estate company. Buying a house right now is a top-of-the-pyramid aspirational activity when you're locked-in and laid-off. Sales are way down. There is no Sunday open house right now.

During this time, she started an effort to rally people in the community to sew masks to meet hospital shortages. Her coronavirus mask group now numbers 800 people.

Now, when we get to the other side of this coronavirus crisis, nobody will remember her for any house she sold. But city will never forget her (and her brand) for what she is doing for our community in the middle of a crisis.

A local cattle rancher who provides steaks to high-end restaurants is offering to deliver his meat to our homes. He is moving from the top of the pyramid to serving the un-met needs at the bottom of the pyramid.

There are probably hundreds of examples like this in your community, too.

This crisis will pass. The world will come back. But for now, tune your marketing to the power of the Pyramid. Head to the bottom to survive.

3. Consider opportunities to serve in short-term ways that create long-term loyalty

Some businesses will do great in this crisis. Amazon is fine (they hired 100,000 people!). Walmart's going to do fine. If you're in the medical business, or if you're delivering food, you're probably going to be okay.

But if you're struggling like most of us, what is the business strategy now?

I want to tell you a story from my past that illustrates this concept very well.

Early in my career, I was a sales leader for a big company called Alcoa. At that time, Alcoa was a Fortune 100 company, a Dow Jones Industrial blue-chip company, and a very well-run company. I had a great experience with my career there and learned from great leaders.

One time when I was a sales manager, we were having terrible quality problems with one of our customers. In fact, it was so bad that we were shutting them down. They were missing their delivery shipments.

And so I had lunch with the president of the company. And I said to him, “We are doing such a bad job for you right now. We’re struggling to keep you supplied. We appreciate that we have 100 percent of your business, but at this point, why aren’t you going to a competitor?”

And he said, “Well let me tell you about our history with Alcoa. My company was started by my father. And during World War II, we almost went out of business because the products we made were not relevant anymore during that crisis. We had to retool and reinvent ourselves for the war effort.

“We were running out of cash, we were running out of time. And Alcoa, our aluminum supplier at the time, came to our rescue, and they helped us in this moment of crisis. They helped us retool our plant. They gave us the technical support to pivot in this time. They even helped finance some of the equipment that we needed to survive.

“My father, the person who founded this company, as he was dying in the hospital, said to me, ‘Never leave Alcoa. They brought us to the dance. They made us who we are today.’

“And that’s why we stuck with you, even when we were having hard times.”

That was a very powerful lesson to me. Through generosity in hard times, Alcoa had built loyalty that spanned decades and generations.

I don’t want to sugarcoat anything. I’m not that kind of person. There’s a lot of “rah-rah” stuff out there about, “don’t be afraid and don’t be frightened and if you’re afraid you’re just playing into the victim mentality.” The fact is, there are people who aren’t going to make it to the other side.

But here's the opportunity, and here is the vision of this time we're in for any business. We have to put ourselves in this mindset of fighting to the other side but doing it in a way like Alcoa did.

Fight to the other side but fight with grace.

We have a choice.

We can be greedy and opportunistic, or we can fight to the other side and do it in a way that's caring and human-centered, full of compassion and grace to our customers.

That's what people are going to remember on the other side.

If you want to survive and be stronger and be a leader when things turn around, you've got to demonstrate that now. We're in a crisis and we might be in the fight of our lives. That includes cutting our costs, reserving our cash, reassessing our products. We're making gut-wrenching personnel decisions.

And we need to think very carefully about our marketing. The research shows in a very compelling way that the companies that thrive and survive in this type of crisis, spend more on marketing. This has been seen across different recessions.

Obviously, we've never seen anything like what we're in right now. But if you have a business model that is truly relevant right now, it might be time to double down on your marketing, as we fight hard to make it to the other side.

Not in a way that's greedy, in a way that is sensitive and appropriate and compassionate.

Waking up the customers

Between the phases of “crisis” and “after the crisis,” there will be an interim, overlapping phase where the world will sort out what new behaviors will stick and which will go back to normal.

In the event of a prolonged lock-down period, customers will be sluggish in returning to traditional consumer habits. Your business might need to engage in marketing activities that “wake people up” from their new habits and remind them of their choices.

An example might be vacation travel. If people have been so conditioned to not consider vacation plans, marketers might need to create fun experiences to remind people that they are free to move about the country and the world.

After 9/11 the world was changed forever. People had new concerns and attitudes and traveling through airports would never be the same.

We are certainly in a crisis of that magnitude. The world will permanently change in many ways.

After the crisis

The new normal after the crisis will be characterized by altered work and lifestyle habits even when the crisis restrictions have been lifted. These habits may change due to:

- Permanent new choices learned and adopted during the crisis phase (like a focus on in-home cooking, new home entertainment traditions, home delivery, or sanitizing habits)
- Old options that aren't available any longer (like going to a favorite restaurant or music venue that didn't make it through the crisis)
- Behavior changes that evolve due to innovations that occurred during the crisis (like better work-from-home options)
- Choices forced by dramatic changes in personal income and global economic conditions

So as we look toward the future, we need to think through where our customers are likely to be and how our business must change to be in the right place at the right time for them.

Based on nearly every economic projection, the “new normal” may last for years ... at least until people feel safe enough to be in crowds and they have the money to spend on their beloved pre-crisis activities.

The timing of these phases is fluid. We may be in the post-crisis phase and then re-enter another crisis phase if the coronavirus returns in waves, for example.

Despite this uncertainty, it's possible and necessary to start thinking through the implications and new strategies now.

There are four main business considerations to explore when thinking through the **post-crisis new normal**:

POST-CRISIS CONSIDERATIONS

- 1. Changes in customer needs and habits**
- 2. Relevance of your core competencies**
- 3. Disconnects in the selling model**
- 4. Expectations about results**

Let's explore these ideas.

1. Changes in customer needs and habits

Is your customer base still going to be there on the other side? Here are some of the questions you need to debate:

- How will spending patterns change?
- Will there be pent-up demand?
- Will customers be buying through the same channels?
- Will new crisis habits stick or will things go back to normal?
- Has a new competitor emerged (or an old one crash) during the crisis?

Example: I've been working with a client that serves major museums, parks, and theaters. Here's the good news — their customers will be there on the other side. But the bad news is that their funding from ticket receipts, donors, and tax revenues will evaporate. So she will have customers, but the customers will have no money. I'm encouraging her to involve lenders to look at creative new funding options.

Another example. My wife and I have discovered that we enjoy cooking home-delivered meal kits through Hello Fresh. We've learned cost-effective new recipes and enjoy a variety of healthy dishes that have replaced eating out. We'll continue this tradition after the crisis. We're eating through an entirely different channel we never considered before.

2. Relevance of core competencies

After you've thought through the likely customer scenario, you'll have to consider whether your core competencies still match the new customer needs. A very relevant situation in my life – college education.

During the coronavirus crisis, all of my in-person college classes were canceled. In the short-term, the college didn't have a viable option to move to an online environment. Now, online learning is becoming routine.

Will this stick?

Many universities have not had a robust core competency in general online learning. Walking to class across a beautiful campus and interacting with live faculty members in a classroom has been the norm for centuries.

If online learning becomes the norm, colleges will have to invest a lot more in IT and IT professionals. They'll have to re-organize to support new core competencies.

Will your core strengths still be aligned with market needs? Is this the time to invest in new capabilities?

3. Disconnects in the selling model

Before the coronavirus grounded me, I gave a speech to an association group in California. The trade floor was jammed with interesting vendors displaying everything from software to personal services.

I always like to walk the floor and learn new things and one display in particular caught my attention. I asked the sales representative how much of their total business came from trade shows and he said, “Almost all of it. This is where we see our customers face-to-face every year and sign our new annual contracts.”

A lot of the business world depends on the traditions of face-to-face interactions. For me, a high percentage of my new business comes from being seen on a stage somewhere.

What happens if face-to-face networking doesn’t make it to the new normal?

I think this is a serious question for many businesses because I just do not think people are going to rush to crowded conferences and industry events in the short-term. Having to sell almost entirely in a “virtual mode” introduces dramatic new dynamics.

Many of us will have to find creative new ways to connect and demonstrate our value.

4. Expected results after the crisis

I was connecting with a friend this week who works for a large, diverse company. The company is experiencing so many financial upsets right now that any idea of a “budget” has been thrown out the door.

“Usually in May we’ll re-evaluate and tweak our budget,” he told me. “This year, we’re going to re-write it.”

The corporate world is finely-tuned to achieve ever-improving quarterly results. But the post-crisis world is going to be straddled with

- High levels of consumer, government, and corporate debt
- A shake-out among customer companies and supply chain partners
- Recessionary economic pressures

All of these factors (and more) could put profit expectations into a tailspin.

Before you decide on any significant changes in the business model, you'll want to think through how the crisis will affect your existing performance metrics. What kind of earnings, or losses, will you encounter? How will your customers and stakeholders judge your organization in the current crisis? How might it affect your reputation?

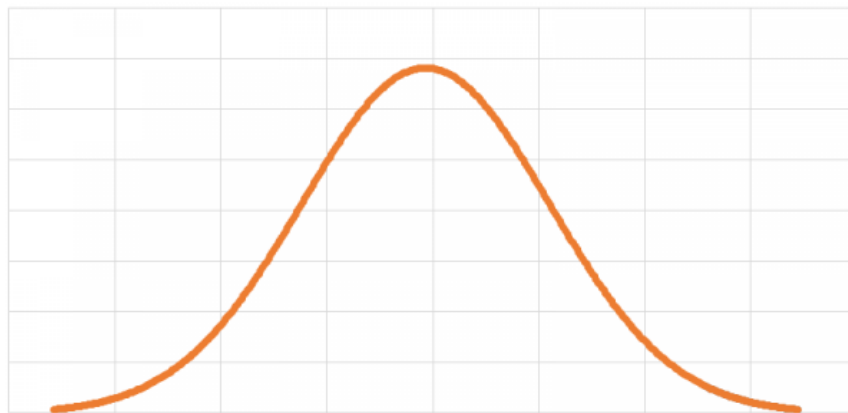
Thinking in terms of probabilities

I believe these four considerations will create the discussion you'll need in your company to develop a post-crisis vision for your company. But there is one more thing to think about.

During times of chronic uncertainty, we often get stuck imagining extreme outcomes. Leaders who are adept at managing uncertainty think in terms of probabilities instead.

French philosopher Michel de Montaigne's observed: "My life has been full of terrible misfortunes, most of which never happened."

Many of the realities of the natural and economic world fit on that classic bell curve we learned about in our first statistics class:



If you can dream up the worst possible scenario and the best possible scenario, they probably belong on the tails of the curve. Problem is, many businesses focus all their effort on the worst case when it is probably a low probability.

For my business, I am trying to find analyses that might point me to the middle of the curve.

For example, McKinsey recently surveyed thousands of business executives and posed nine scenarios describing the economic impact of the crisis and the recovery period. The clearest survey result was the respondent preference for the scenario defined by:

- a (regional) recurrence of the virus after containment,
- a muted recovery
- and slower long-term growth.

The most popular answer from thousands of respondents would represent the peak of the response bell curve. In fact, the top three answers all forecast a slow economic recovery. In the end, this forecast might not be correct — the situation is changing so swiftly — but it gives me a rational target to shoot for.

Obviously I will be continuously on the lookout for more signals as views of the post-crisis world change over time.

So this is the viewpoint and strategy I'm sharing with my clients as we try to envision the post-crisis world.

Dispensing hope

I want to end this Playbook with something unrelated to strategy but directly related to leadership.

When I was in the corporate world, my business unit president had only one thing on his desk: a small sign that said leaders dispense hope. And, he did.

He was a great influence on me, and I could see first-hand how his style inspired others even in grave times.

Business leaders and economists are forecasting dire post-crisis economic projections — perhaps the worst downturn of our lifetime. Certainly, the rapid bounce-back of the “V curve” seems improbable at this point.

But I’m not as bearish as many others for a simple reason. Economists can’t account for **ingenuity**.

The government isn’t going to bring us through this crisis. Politicians (at least in the U.S.) are more concerned about holding their seats and creating slick TV sound bites than leading us.

But businesses will step up to figure this out. It’s already happening.

Coming out of the Great Depression, 9/11, the World Financial Crisis, the projections were uniformly dire — and wrong.

The most influential and important events are the ones that emerge spontaneously and with little warning — like the coronavirus itself. We will have millions of those events ahead of us.

The innovators, creators, and makers will lead us to the other side.

And that’s why this idea is part of the Pandemic Playbook. Because fear is contagious. But so is hope.

I hope you’ve enjoyed this eBook. If it inspired you, I’m available to inspire others through a new 30-minute virtual talk I’ve developed called “Fight to the Other Side.” It would be a perfect addition to sales, marketing, and leadership meetings. Please contact me directly at mark.schaefer@businessesGROW.com to learn more.

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