

5 habits of highly resilient businesses

 By Lee Naik

11 Nov 2020

African businesses are battling through one of the most difficult periods in modern history. TransUnion's recent SMME study in South Africa found that 90% of small businesses are struggling or temporarily closed as a result of the pandemic. Nearly half are unsure if they will survive.



Source: www.pexels.com

As any successful boxer will tell you, resilience is *not* the ability to take punches. It's not about bouncing back from adversity; it's about being able to move quickly, adapt to a situation, have awareness, and take advantage of the growth opportunities that emerge from disruption.

Look at any major crisis, and you'll see that the most resilient organisations share several common traits that allow them to emerge successful, whatever their industry.

1. They think through the stages of recovery

Many companies approach disruptive events - like the COVID-19 pandemic - with a crisis management mindset: they focus on immediate actions aimed at getting through the worst of it. For resilient companies, this is only the first step. They also make sure they can hit the ground running in the aftermath.

There are numerous recovery models out there highlighting the importance of planning in phases, but I'm especially fond of Google's: respond, rebuild and reframe. Importantly, you'll find that it's the rebuilding phase that's often more predictive of success than the initial response.

Take Germany's manufacturing sector during the 2008 financial crisis: they used the downtime caused by reduced demand to upskill workers and retool their ways of working. This helped the industry bounce back more quickly.

2. They cut the right costs and reinvest

Resilient businesses are quick to make financial decisions to secure liquidity at the start of a crisis, but you'll rarely find them making mass layoffs. Instead, they carefully review operations and make small, surgical cuts along the way. They re-allocate investments, pause unprofitable activities, and optimise front-end spending, focusing on efficiency and value creation rather than short-term savings. More importantly, they reinvest those savings with future growth in mind.

Case in point: clothing retailer Patagonia shut down its warehouse e-commerce operations at the start of the pandemic. It continued serving customers by digitising key warehousing and fulfilment capabilities. At the same time, it expanded its line of non-perishable food items to account for the demand for stockpile-friendly food.

3. They go where their customers are

Resilient businesses are always on the lookout for new sources of revenue. They analyse trends and changing consumer behaviour to see where the opportunities lie, redirecting investment to target the market segments that will generate the most ROI.

We're seeing this happen a lot in the hospitality and travel industries, which have been some of the hardest hit by the global pandemic, necessitating some major shifts in business models. By shifting its focus from passengers to cargo transport, Ethiopian Airlines has maintained a steady revenue at a time when 90% of its commercial fleet was grounded.

4. They reimagine their future

Want to know how to recognise a resilient company during a crisis? They're the ones starting a new business division when everyone else is shutting down theirs.

This is because resilient companies put purpose front-and-centre even in the most trying times. They look beyond the short-term to imagine where their industry will be in the years to come and what kind of world they'll be doing business in.



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More importantly, they look to find ways to reskill their people to deal with the new future of work. The pandemic means that some jobs that have been lost will never come back, and those that do will require new ways of working and new skills. As leaders on a continent with staggering youth unemployment levels, how do we help people create futures in this new operating model? This must be front and centre of our 'great reset'.

5. They don't rely on guesswork

Resilient organisations seem to have the uncanny knack of making the right moves at the right time. However, this instinct doesn't come naturally: it is the result of the time and resources they invest in understanding their customers and their own organisational strengths. Not only do they gather information on larger trends, but they have the feedback loops in place to be able to adapt their tactics on the fly.

How is your company's ring awareness? Have you been able to resume normal, or improved, business operations since the pandemic struck? What moves have you taken to ensure your people stay engaged, and that your customers remain front and centre of your enterprise?

Remember: resilience can be learned.

ABOUT LEE NAIK

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