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Digital Strategic Governance in the Terrain of Ongoing New Normal: Prospects and Challenges for the Possible Next Normals

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Abstract: ***For both businesses and consumers, the COVID-19 conundrum provides an early view into a future where all contacts will be conducted via digital technology, and the adoption curve will be accelerated almost immediately. At this moment in time, businesses have the potential to learn and advance at an unprecedented rate; therefore, playing it safe is often the wrong strategy. Many businesses are ill-equipped to keep up with the rapid rate of change in the marketplace. Digital technology adoption is strongly linked to value generation, according to a study by McKinsey & Co. Amid a crisis, it is crucial to push your digital agenda aggressively. During a crisis, mergers and acquisitions (M&A) can provide access to new goods, services, solutions, and new market and client segments while also helping organizations acquire people and increase capabilities. However, Richard Branson, CEO of McKinsey & Co., maintains that behaving boldly does not mean acting rashly. Exploration has become both required and expected in the wake of the COVID-19 issue. Making the most of this real-world experience will require mastering the art of productivity maintenance. Consider approaches to standardize your learning to promote the growth of digital solutions in the core business activities.***

It is challenging to keep up with the pace of change in the digital age, so look for ways to move projects along with more quickly. These hugely scaled digital projects are new digital projects for businesses in crisis mode. Many problems have arisen due to the rapid expansion of digital processes and interfaces to full size. It also provides the opportunity to learn where value is created in real-time. Businesses must find ways to streamline operations and avoid becoming overburdened with work.

During this phase of forced virtualization, businesses have the opportunity to collect and evaluate client data in real-time for the first time. In studying the interaction effects of various factors, proliferation presents an ideal opportunity to proliferate. Until the crisis subsides, you can increase the possibility of keeping a more significant number of customers by combining unproductive operations and goods while aggressively fixing growing flaws with your services. Consider how you can best accommodate the learning styles of your talented staff.

I. INTRODUCTION

The COVID-19 dilemma appears to offer a look into a future world where digital has become key to all interactions, accelerating the adoption curve for both companies and individuals virtually overnight. A world in which digital channels become the primary (and, in some circumstances, the only) method of customer engagement and automated processes become the primary driver of productivity — and the foundation for flexible, transparent, and stable supply chains.[1] A future where agile working practices are required to keep up with seemingly daily changes in customer behavior.

If there is a silver lining, it may be found in lowering obstacles to improvisation and experimentation among customers, markets, regulators, and organizations.[2] Businesses may learn and advance more rapidly than ever before at this unique juncture. Their responses to and learning from today's crises will significantly impact their performance in tomorrow's transformed world, allowing them to retain greater agility and stronger links with customers, employees, and suppliers. Those who are successful in making gains "stick" will almost certainly be more successful throughout and after recovery.

Now is the time to examine digital efforts — those that benefit employees, customers, and the broad range of stakeholders to whom organizations are increasingly accountable — as well as those that position you for a post-crisis world. Some objects will revert to their prior state in this universe, while others will be permanently altered. As sensible as it may feel, playing it safe is frequently the worst course of action.

[1] Scaling Digital Solutions. https://www.linkedin.com/pulse/scaling-digital-solutions-michael-taylor
[2] Coronavirus Disease (COVID-19): Implications for ....
https://journals.lww.com/jcnjournal/Fulltext/2020/07000/Coronavirus_Disease__COVID_19___Implications_for.2.aspx

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II. A CRISIS NECESSITATES BOLDNESS AND UNDERSTANDING

While every business understands how to launch new digital projects in "normal" times, very few do so at the volume and speed required by the COVID-19 crisis. In normal circumstances, the consumer and market costs associated with extensive "test and learn" can be prohibitively high, and the organizational barriers are steep. Finance departments maintain a tight grip on the finances necessary to expedite new initiatives. Public company shareholders expect immediate results. Customers are frequently resistant to change, and traditional adoption curves reflect this inherent inertia. Furthermore, organizational culture inhibits adaptability and collaboration with its deeply entrenched silos. As a result, businesses frequently experiment at speed out of step with the rate of change in their environment, impeding their ability to learn quickly enough to keep up. Additionally, they rarely take the bold actions necessary to scale successful initiatives rapidly. McKinsey's research shows that early and aggressive adoption of digital technologies, combined with a heavy allocation of resources to digital initiatives and M&A, correlates highly with value creation. As strange as it may sound, now is precisely the time to promote your digital agenda during a crisis forcefully.[3]

III. REIMAGINE YOUR BUSINESS MODEL FROM THE GROUND UP

Taking your company and operating models beyond their current comfort zones requires an end-to-end view. Even if your resources are constrained, experience from successful organizations indicates that focusing on areas that touch more of your business's core will provide you with the best chance of success, both in the short and long term, than minor enhancements to noncore areas. Organizations that alter the margins of their business model almost usually fall short of their objectives. Tinkering results in returns on investment that are less than the cost of capital and changes (and learning) that are insufficiently rapid to keep up with the external disruption. Organizations that rapidly adopt AI tools and algorithms and design thinking and use them to reimagine their businesses at scale have consistently outperformed their competitors. This will become increasingly true as businesses deal with massive amounts of data in an ever-changing landscape and seek to make quick, precise course corrections compared to their competitors. While the outcomes may vary by industry, several similar elements emerge across sectors that indicate future "next to normal" changes to cost structures and operating paradigms.

A. Transparency and Adaptability in the Supply Chain

Daily news reports detail how businesses worldwide faced stock-outs during the crisis, including in the United States, where toilet paper is in limited supply. Additionally, it is obvious those shops with complete supply-chain visibility before the crisis and algorithms to predict changes in buying patterns performed better during the crisis. Other industries, many of which are already facing supply-chain challenges due to the crisis, can learn from their retail counterparts how to develop the transparency and flexibility necessary to avoid (or at the very least alleviate) future supply-chain disruption.

B. Data Protection

Security has also been a topic of discussion, whether it be the security of people or commodities and data. Zoom successfully navigated the rapid growth of its usage volume, but it also encountered security flaws that required immediate attention. Numerous organizations are learning bitter lessons along similar lines during this period of turmoil.

C. Automation and Remote Workforces

Even after the lockdown ends and businesses continue to automate activities, learning how to maintain productivity will be vital to extracting the maximum value from this real-world experiment. Another recurring element is the widespread desire to capitalize on the freedom and diversity afforded by remote work. In retail, for example, in-store robots have been widely used to take over more transactional jobs such as inventory checks in shop aisles and remote order fulfillment. These investments will not be reversed post-crisis, and those who have already made them will benefit from an advantageous cost structure during the recovery.

IV. DEVELOP YOUR BUSINESS PORTFOLIO COURAGEOUSLY

No organization can accelerate the delivery of all of its strategic imperatives without utilizing mergers and acquisitions (M&A). This is especially true in the context of digital strategy, where M & M&A can help businesses acquire talent and expand capabilities while also providing access to new goods, services, and solutions and new market and customer segments.[4]

[3] "Should I be doing research now?" Why this ... - Kadence. https://kadence.com/should-i-be-doing-research-now-why-this-is-the-perfect-time-to-conduct-research/
[4] "Russian Federation : Plots of Justices of the Peace of the Krasnoyarsk Territory Will Be Connected to the IT Infrastructure." MENA Report, Albawaba (London) Ltd., July 2021.

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More broadly, we know from research on economic downturns that businesses that invest during times of low valuations outperform those that do not. These corporations exited unprofitable operations 10% quicker than their rivals early in a crisis (or occasionally in preparation for one). They then changed their focus to M&A at the first hint of recovery. In more normal times, one of the primary hurdles firms confront in their digital transitions is the requirement to acquire digital expertise and skills through acquisitions of technology companies that are generally valued at multiples that the acquirer may perceive as dilutive. This primary hurdle may be removed during the current slump, especially with corporations temporarily free of the tyranny of quarterly earnings expectations. Due to the decline in valuations, the crisis and its early aftermath may present an advantageous moment to acquire previously unaffordable assets. Numerous private equity firms are already actively seeking to deploy substantial funds.

V. CRISIS-DRIVEN EDUCATION

However, acting boldly does not imply acting rashly. Bold action and the capacity to learn are inextricably linked. Indeed, learning in real-time amid a crisis is the sole factor that can turbocharge your capacity to scale rapidly. In moments of significant uncertainty, leadership teams must immediately determine what is not working and why. This requires swiftly detecting and learning about unfamiliar elements. Before the crisis, leading firms increased their learning cadence due to a heightened organizational metabolism. Businesses may learn from their example as they try to react faster to change during times of crisis – and beyond. Main areas of action can assist businesses in learning more swiftly during a crisis and the subsequent normal.

A. Streamline your Data Analysis

Begin by determining how frequently you review available data. On a weekly (or more regular) basis, you should check several data sources to assess the changing demands of your consumers and business partners and your performance. Consider your crisis nerve center to be the single source of truth for newly discovered data about your employees, customers, channel partners, supply chains, and the ecosystems in which your business operates. Then, using secure file-sharing technology, you can remotely exchange and discuss ideas gleaned from this more rapid data analysis.

B. Focus on the Latest Greatest within Technology

Both internally and externally, virtual operations and interactions present a unique chance to speed your learning and acceptance of technologies that your business may have just begun to try. Scaling up one's experiments is a good thing for learning. Rapid digital transformation can also help you identify areas of weakness in your current technology stack, providing you an early look at how your technology "endowment" will perform in the future. As you learn and embrace new technology more quickly, here are some things to keep an eye on:

1) *Protection of Personal Information from Unauthorized Access:* Do you see any security breaches regarding remote working and data sharing?
2) *Scalability:* In the virtual world, where are the breakdowns and crashes in your contacts with your customers, employees, and business associates?
3) *Usability:* Customers and business partners are often forced to use your new digital offerings to access your products or services. As the crisis ends, they will have more options available to them. How will your new products fare in the marketplace? Make changes to your usability as soon as possible while you have a captive audience to work with and learn from.

C. Evaluate and Learn

In regular times, experimentation may appear to be a risky endeavor. Changing the working patterns to which employees, customers, or business partners are accustomed can appear to risk alienating them, even when the trials aim to achieve longer-term benefits for all. However, the COVID-19 problem has made experimenting both necessary and expected. Begin with customer-facing activities, which are more complex but have a tremendous upside. Utilize automation and predictive analytics to rapidly and efficiently identify and resolve issues. Consider ways to standardize your learning in order to facilitate the growth of digital solutions across fundamental business operations. Standardization can assist accelerate projects by removing misunderstandings and establishing uniform tools that many individuals can use.

As firms accelerate their metabolic learning rate, they must quickly translate their discoveries into at-scale solutions. Scaling your learning is always a challenge throughout a digital revolution. We have said a lot about growing analytics, improving quality, and inventing at a rapid pace and scale. We will merely emphasize the role of learning in your ability to scale your digital endeavors in this section.

While businesses frequently pilot new digital initiatives in order to learn from them prior to rolling them out broadly, these experiments and pilots typically test only one dimension at a time, such as individual customer conversion/engagement/satisfaction rates, the unit economics of a single transaction, or the user experience of a particular digital solution. Whether they like it or not, businesses in crisis mode find themselves in a different type of pilot: one of those massively scaled digital projects. The rapid expansion of digital processes and interfaces to full size has created a slew of issues (for example, producing and distributing computers in under two weeks to all employees to enable 100% of them for remote working against the 10% that was previously remote). However, it also carries with it opportunity. At the most basic level, these include the prospect of real-time learning about where value is being created in your markets and industry, the ability to quickly learn and get feedback on what is working in your operations and agile organizational approach, and the ability to quickly learn where you are more or less able to move quickly—which can help inform where you might need to acquire rather than build a business.

VI. OBSERVING THE IMPACT OF INTERACTIONS

Given that proliferating means simultaneously modifying numerous components of a business model or customer journey, now is an excellent opportunity to study the interaction impacts of multiple factors.[5]1 For example, healthcare practitioners are confronted with rising demand for services (including mental health and non-COVID-19 presentations) while their usual outlets are constrained, all within solid privacy rules. This has prompted many physicians to swiftly test and embrace telehealth methods previously absent from many medical offices and navigate privacy compliance and patient receptivity to these new channels. Providers determine which ailments and patient segments they may treat remotely while simultaneously expanding their use of innovative apps (such as Yale Medicine's MyChart) to expedite their patients' digital medical treatment.

Given the complexity introduced by scaled experimentation, businesses must discover strategies to simplify and focus on avoiding becoming overwhelmed. Some of it is accomplished for them since the crisis shuts down numerous physical distribution lines and renders others inaccessible. However, additional streamlining is required to determine what works, what does not, and why. Perhaps for the first time in history, businesses are in a position to collect and analyze real-time data on their customers and what they are doing (or attempting to do) during this period of forced virtualization. Pruning ineffective operations and products while proactively addressing emerging faults with your offerings can assist raise the likelihood of retaining a more significant number of customers through your lower-cost, digital channels until the crisis passes.

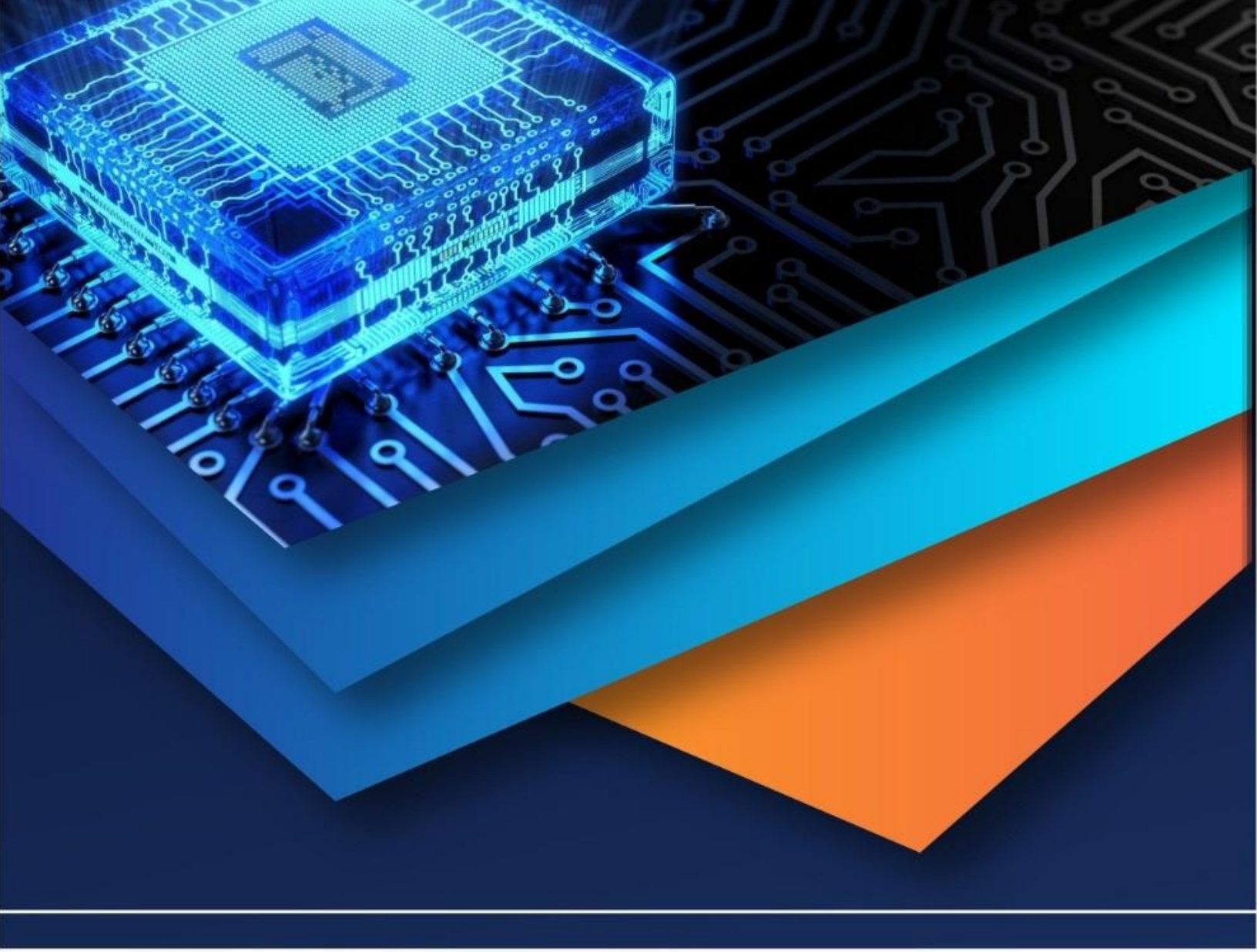
VII. CONCLUSION

As per research, network effects accelerate learning for individuals and organizations. In other words, the more people or organizations added to the standard solution space, the more quickly learning occurs—and performance increases. According to others, these network effects develop due to a collaboration curve.

During times of crisis, changing needs prompt quick shifts in employee mindsets and actions, manifesting as a higher openness to experiment. Consider how you may effectively accommodate your gifted employees' learning styles. One approach is to develop or leverage platform-based talent marketplaces that enable firms to quickly reallocate labor resources in response to shifting priorities and directions and assist talented individuals in increasing their learning rate. Ensure that you look not only within your organization but also across enterprises, including your channel partners, vendors, and suppliers. They are likely to be more inclined than ever to collaborate and exchange data and insights in order to safeguard the expected survival of everyone.

In human events, it is frequently the case that the most profound lessons emerge from the most horrific situations. We believe that businesses who successfully manage critical and day-to-day demands of a crisis response can gain unique insights that will drive their reaction and help ensure that their digital future is more resilient after COVID-19 than it was before.

[5] Using stimulus dollars to decode human number sense https://gazette.jhu.edu/2009/09/28/using-stimulus-dollars-to-decode-human-number-sense/



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