BPTrends COLUMN

RE-EMERGING FROM THE PANDEMIC

Lots of process practitioners are working to develop new business processes at their organizations. In some cases this is a response to new ideas or ways of doing business and in some ways it is just an effort to improve a process that was already in place.

As we move in 2021 and, hopefully as a vaccine becomes widely available, most organizations will begin to return to business as usual – or well they? In fact, some trends have developed in the course of 2020 that will probably persist for some time.

Online Shopping

One obvious trend has been a move to online shopping. It's no secret that Amazon has done very well during the pandemic, and that retailers of all kinds have not. As the pandemic lifts, some people will begin to shop at retail stores again, but many will persist in online shopping. Now that customer's have figured out how to do it, they have decided it's easy and convenient, and lots of them will stick with it. That means that traditional retailers will need to put more energy into selling online and it means that others who don't sell online now, had better learn how – fast. In Germany, customers are increasingly buying cars online. They go online to see what their options are, they take "test drives" via videos, they can get cars brought to their homes if they are serious, buy online, and then get cars delivered. It may be hard to imagine that people would substitute an online experience for the experience of actual sitting in a car or actually test driving it – but lots are. And it people will buy cars this way, what else will they buy via the Internet. Car companies had better start thinking about how they manage business processes that involve taking cars to people's homes for viewing. Indeed, lots of companies had better start thinking about it.

Lots of restaurants have gotten rather good at packaging meals to go. And lots of their customers have gotten used to picking up rather complex, quality meals for home dining. Some of that may go away when people feel safe dining inside again, but some of it won't and restaurants better plan on it.

More Flexible Purchase Patterns

Another trend that has emerged during the pandemic is a shift from upfront commitments to rentals and subscriptions. With money tight and the future uncertain, lots of people have found ways to limit their purchase commitments. Again, this will probably recede as things return to normal, but many people have exhausted savings, and the economy is only returning slowly, so delayed purchases will likely continue for a while. Organizations had better plan on it, and develop online procedures to accommodate rentals and subscription purchases.

Obviously this shift will extend cash flow projections and require monitoring to assure that rental agreements and subscriptions are managed properly. And it will require new sales procedures.

Strategic Partnerships

Another trend that has been quite noticeable is a move toward strategic partnerships – especially among online firms. A change in one company's online platform can make it easier for other companies to sell products that will work on that platform. In a tough market, as 2020 has been for most organizations, having more ways to get to customers and more support one can use during sales pitches doesn't hurt anyone. Older approaches that emphasized stand alone approaches are being reevaluated and the more integrated approaches are likely to predominate in the next few years. It's as if lots of companies are just getting started again and can use a more friendly environment.

Building Stronger Supply Chains

In keeping with building partnerships is a renewed emphasis on strong supply chains. Lots of organizations discovered weaknesses in their supply chains as things got tight in 2020. We discovered, for example, that there were two almost completely independent food supply chains. One supplies food to stores for ordinary consumers. The other supplies food to restaurants, airliners and hotels for dinners. When

restaurants, hotels and airlines closed down, one who food supply chain collapsed, and the farmers and shippers who depended on that supply chain found themselves out of work too. Obviously specialization has its advantages, and can save a lot of money. But in a difficult time, specialization can leave the specialist badly exposed – and it least for a few years, some organizations are going to be weary of getting back into such specialized relationships. Many companies are going to insist on more flexible arrangements. They are going to want to renegotiate their supply chain arrangements so that switching is a lot easier for at least awhile.

Automation and Support for Working at Home

Another trend that reflects internal operations is increased automation. One of the obvious moves is the use of apps to support working at home. Lots of companies have been scrambling to provide apps to help employees work and report on work done at home. It's unclear how the long term trend toward home work will go as the pandemic ends, but at least some organizations expect to continue more flexible policies, based on what they have learned during the pandemic. As a trivial example, lots of organizations now swear by online (Zoom) meetings as a replacement for much more expensive and time consuming face-to-face meetings and its likely that IT will be expected to support more of this in the future.

Beyond support for home work, several organizations report new automation projects focused on eliminating jobs that are now perceived of as high-risk jobs. It's expected that customers will be more willing to interact with systems, and in many cases even prefer to interact with systems rather than employees. Again, its unclear how things will develop as the pandemic wanes, but there has been a strong trend toward more automation in all companies, and the pandemic will undoubtedly increase it in the future.

Zero-based Budgeting

There have always been executives that favored Zero-based Budgeting. The basic idea is that one starts fresh, each year, and builds a budget up from scratch. The alternative, which has been much more popular, is to take last year's budget, and adjust it, usually adding a bit to accommodate growth. Modifying last year's budget usually works fine when things are largely the same from year to year – but it certainly doesn't work if you are a restaurant and suddenly find yourself without customers and madly scrambling to convert from a staff of 25 serving and dishwashing people to the 5 people you need to run a take-out operation. At least for awhile, organizations are going to be inclined to be careful in their planning, and to build budgets around assumptions that can be carefully examined.

Centralized Executive Decision-Making

In a similar way, when times are changing and an organization needs to change quickly, it needs strong, centralized decision-making. It doesn't need middle managers second guessing senior management. It doesn't benefit from drawn-out decision processing that involves frequent reconsideration. Again, this will shift back in time. Normal times provide more room for delegation and tailoring. But for a while, as organizations wait to see what the next months will bring, organizations are going to favor more centralized controls.

The coming months are going to be challenging for process practitioners. Established processes will need to be tailored or trimmed to accommodate new priorities and some major processes will need to be changed as companies adopt new ways of doing business. Some shifts will be temporary, but some will be longer lasting.

We have all been through a traumatic period. We have learned new ways of coping, and, in some ways, we will adjust our lives to reflect what we have learned. Organizations that want to prosper will need to adjust accordingly.

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