

Learning For Life Summary 10-21-29

Topic: Pandemic as Opportunity: Innovation and Growth in Uncertain Times

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Today we had the opportunity to step out of the world of science and into the world of business and innovation when Dr. Sawhney challenged us to think about the pandemic in a more positive framework. He asked us to consider the business opportunities that the pandemic may provide. Since so many of us have been forced to innovate, why not think about the opportunities that may lie ahead in a post-pandemic world.

1. Understanding the New Normal

Business has changed forever. Dr. Sawhney used the analogy of a rubber band that is stretched to its limits. When the stretch is relieved, the rubber band does not return to its original state; it is slightly altered. It is clear that the covid pandemic is going to result in a permanent increase in the use of digital and physical networks to access people products and places.

The following question was posed to the audience, *“In what ways will businesses and industries be changed forever by the pandemic?”* The exceptional audience in attendance covered all of the areas that Dr. Sawhney had prepared:

7 trends that will survive the pandemic:

1. Work remotely (zoom, Microsoft teams, comcast)
2. Operate remotely (companies supporting remote work, Microsoft, Atlassian)
3. Buy virtually (Amazon, Walmart, Shopify)
4. Entertain virtually (Netflix, hulu, youtube)
5. Eat remotely (doordash, grubhub, ubereats)
6. Access healthcare remotely (teledoc, MDLIVE)
7. Stay fit remotely (Peloton, Nordictrack, Calm)

The public has come to appreciate some of these trends and will expect them to continue in some fashion even after the pandemic. In response, businesses must position themselves for the future while recovering and beginning to pivot in the present. Obviously, many businesses are working on protecting revenues and reducing expenses, but successful companies are also positioning themselves for a post-pandemic future by designing the next generation of value propositions and business models.

Dr. Sawhney referred to a continuum of:

Recover → Respond. → Redesign → Reimagine

He illustrated this continuum by describing his own teaching approach at Kellogg. Initially when the pandemic struck, all classroom teaching had to **recover and respond**, and he had to pivot to a hybrid teaching modality of both in-person and virtual teaching. The opportunity for **redesign** of a traditional education model to a more effective model presented itself with a move to “flipped” classrooms. Here the student watches the content in advance virtually, and then comes to class with a teacher who can ask them to apply what they have learned. He is **reimagining** his teaching model in both design and scale--thinking about the opportunities to expand the technology and reach of his classes. He is even considering a holographic faculty member at the front of the class! One can see the significant revenue opportunities.

2. Innovating Value Propositions (how are companies adapting, and becoming more resilient)

In order to adapt, companies must consider the following:

Pivoting the product: They must create new products and services that leverage their assets and capabilities and will serve the evolving needs of their customers. An example is the company RipShot© which originally developed single shot tamper-proof alcoholic drinks to serve in bars. When bars were shutting down, they pivoted their business model utilizing the same ingredient (alcohol) and factories to develop single serve hand sanitizer products.

Pivoting the customer: Companies must find new customers who have similar needs but different approaches to buying and using a product. Example: When Kellogg’s executive education program closed because of the pandemic, an opportunity to target individuals who want to take advantage of the pandemic and more time on their hands to learn presented itself. Dr. Sawhney launched several courses in digital marketing, product strategy and Artificial Intelligence for business transformation with gross revenues of nearly 18 million dollars.

Pivoting the Channel: Companies must adapt when customers can no longer access their products.

Example: In India, most people pre-pay their phone service and add data or recharge their phones in a retail store utilizing the services provided by Jio©. When people could not go to retail stores, Jio was shut down, but soon developed a new channel, Jio Associates. The company activated 1.2 million microentrepreneurs who are now acting as sales agents. They changed their distribution channel from retail stores, to these “associates” located in the neighborhoods and buildings of their customers.

Pivoting the Job to be Done. A company whose existing job to be done is no longer relevant or feasible must focus on a new “job” to be successful. Example: The largest movie theater chain in Mexico is called Cinopolis©. Food and beverage sales represented the majority of their revenue. After the COVID shut down they had to be creative to come up with a new business

model and did so in a variety of ways. Among several strategies, they offered private viewing for closed circles of family and friends in small theaters and created “Cinapolis Klic” where customers could stream the latest movies in their homes bundled with theater food for a home movie night.

3. Innovating Brand Storytelling (how customer communication needs to change)

Before the pandemic, companies focused on their products and benefits, but now customers are responding more to mission and purpose. People are connecting with inspirational and emotional stories in advertising. Examples include the Dove soap *Courage is Beautiful* campaign and Apple commercials showing people using apple products in creative ways during lockdown. For this to be successful, it must be authentic and consistent. The Dove campaign worked because the company has a history of that kind of messaging.

4. Innovating Operations and Processes

Companies must manage customer experiences in innovative ways. How do you engage with the customer if not in person? They must also manage product development, supply chains and employee productivity. Dr. Sawhney provided the example here of Tesla’s “zero touch customer experience.” He was able to purchase his Tesla on- line. The car was delivered to his home. Car service is performed in his driveway when the Tesla service van pulls up, and he was even able to trade his car in for a new model on-line.

Take Home Points

1. The pandemic has forced us to innovate more rapidly than ever before, and we must take advantage of that innovation to imagine new business models and opportunities.
2. Utilizing the continuum of **Recover, Respond, Redesign, and Reimagine** companies will be positioned for greater success.
3. Innovation in value propositions, branding and operations and processes are critical.