**GA7000 Formative Writing Task**

Use the **information in the extract** to answer this question:

**Evaluate the impact of Covid-19 on global business.**

**Read the text provided only:** *you should not do your own research*.

**Include** *at least two in-text citations*.

You DO NOT need to provide a full reference.

**Write** *350-400 words only.*

When you have written your answer, upload your word document to the “Formative Writing Uploads” folder on blackboard.

1 Log onto the GA7000 blackboard site

2 Open the “Assessment” folder

3 Click on the “Formative Writing Uploads” folder and follow instructions from there.

**Deadline: Tuesday 10 May 2022 at 9am.**

If you have any problems, contact your tutor or[**hugh.whitby@northumbria.ac.uk**](mailto:hugh.whitby@northumbria.ac.uk)

**Covid-19 and the future of business**

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| **Source information**  IBM Institute for Business Value. (2020). *Covid-19 and the future of business.* [https://www.ibm.com/thought-leadership/institute-business-value/report/covid-19-future-business#](https://www.ibm.com/thought-leadership/institute-business-value/report/covid-19-future-business) |

When everything is a priority, nothing is a priority. Two years ago, relatively few executives considered competencies in crisis management, enterprise agility, cost management, workforce resiliency, innovation, or cash-flow management as critically important to their business. Today, however, top executives tell a different tale.

New research from the IBM Institute for Business Value shows that we should expect another huge shift in prioritization. Executives are clearly telling us they plan to emphasize workforce safety and security, cost management, and enterprise agility.

Our research suggests five key epiphanies from leading executives for the post-pandemic business landscape, offering new perspectives on digital transformation, the future of work, transparency, and sustainability.

**Digital transformation**

The COVID-19 pandemic has accelerated digital transformation at 59 percent of organizations we surveyed, and 66 percent say they have been able to complete initiatives that previously encountered resistance. This culture shift is in part defensive: reducing costs is the top benefit attributed to transformation initiatives.

But something bigger and more long-lasting than crisis management is underway. Before the pandemic, many organizations seemingly distrusted their own technological capabilities and doubted the skills of their own workforces. Yet, in the blur of this year’s pandemic-induced reactions, those anxieties proved largely unfounded.

Reliance on tech platforms became more acute, and those platforms—along with the corporate teams who use them—delivered results. It’s not that new tech was suddenly discovered and implemented; rather, the tools already at hand were deployed to fuller potential. Organizations made big changes in response to the pandemic—and there’s no going back.

**The human element**

While executives plan to expand almost all tech competencies during their future digital transformations, the secret to success lies in human resources. Our analysis confirms that the business competencies that account for the largest part of an organization’s expected growth are those centered around employees and customers. But remarkably, these factors seem to have eluded executives. More than three-quarters of executives expect changed customer behavior to continue after COVID-19, trading face-to-face contact for more shopping and customer service interactions online.

This is curious, since 60 percent of executives also said they will employ AI-based customer engagement tools to achieve their goals. If executives are conflicted about how they’re connecting with customers, they’re doing even worse with their employees. While workforce safety, skills, and flexibility are important, employee satisfaction has been deprioritized.

But our research highlights a gaping chasm between what executives think they are offering their employees and how those employees feel: employers significantly overestimate the effectiveness of their support and training efforts. Only about half of employees say they believe that their employer is genuinely concerned about their welfare. This trust gap is not simply about perceptions. According to our survey results, 22 percent of people have been either temporarily furloughed or permanently laid off since the pandemic began. Increased automation, AI adoption, and the emergence of other “contactless” activity reduce the number of people needed to do the work.

**Traumatic stress**

Executives are tasked with defining their organizations’ vision. But it can be hard to focus if they are continually putting out fires. While workforce safety and resilience, cost management, and organization agility emerge as top priorities for the short- and longer-term, the pandemic has amplified old business fears and introduced new ones. The result? Executives are enamored with the priority *du jour*. Executive priorities now seem to be focused on internal operational capabilities, which may be taking attention away from the customer service experience at a time when it could be critical.

Leaders plan to prioritize operational capabilities—not external growth—over the next two years. According to survey results from 3,450 executives in 20 countries across 22 industries, corporate priorities are much more focused on crisis management, workplace safety and security than they were two years ago. But in the future, 86 percent of executives expect cash-flow and liquidity management to be a priority— for more than twice as many respondents as two years ago.

**Some win, some lose.**

The COVID-19 pandemic has not impacted all organizations and industries equally.

Consider Amazon, which is up 78 percent this year. Its rise helped offset declines by more than half of the other companies in the consumer sector. Or look at Apple, which is now bigger than the bottom third of companies in the S&P 500 combined. The Amazons and Apples of the world may be examples of successful solo players, but most businesses need partnerships and ecosystems.

Our findings show that executives expected health-related sectors to be the most likely post-crisis winners. Telecommunications, media, and entertainment were also expected to show positive impacts, buoyed by stay-at-home orders and habits. Atop the losers’ list: travel and transportation, and manufacturing-intensive industries, including automotive. Within sectors, expectations are growing that broader reach will help define winners. Our data also point to greater reliance on platform business models and partner networks, with 70 percent of executives planning significant partnering activity inside their industry and 57 percent looking outside.

The critical distinction here is that scale alone doesn’t predict above-industry performance. Large enterprises that can operate with agility have been the ones to remain steady (in a troubled sector) or outperform. The melding of size and flexibility is the defining characteristic of those poised for success.

**Health is the key to sustainability**

Before coronavirus, sustainability strategies were largely centered on environmental issues: the risks to planetary health from pollution, climate change, and the like. Yet, faced with a human health crisis, environmental sustainability became joined with issues of personal safety. Consumers have been wearing disposable masks and gloves, and opting for more individual packaging than ever.

But our research indicates that consumers’ passion for environmental issues remains. In fact, health and safety have been conjoined in a new, expanded, and more complex definition of sustainability.

Executives' concern for sustainability topics has skyrocketed in two years.

This may be among the more challenging—and critical—implications of post-COVID-19 business. Meeting this bar will require not only new practices and new materials, but also new kinds of data and efficiency. For example: How do we enable supply chains and last-mile delivery to get what businesses and consumers require, without being needlessly wasteful?

The pandemic was a wake-up call that the unexpected and the unlikely are more tangible and plausible than anyone previously anticipated. Executives must accept that pandemic-induced changes in strategy, management, operations, and budgetary priorities are here to stay. Accelerated investment is coming in digital tech, transformation, and cloud adoption. Organizational complexity remains the biggest hurdle to progress. Another related obstacle: employee burnout. Data indicates that employees feel tired and overloaded, potentially as a reflection of that complexity.

All of this affords a new opportunity to build better businesses and a better world. It starts with enabling a diverse workforce to perform optimally—and building trust and confidence among employees will be critical. How they are treated now will have an outsize impact on perceptions and value in the future.