
The Pandemic, Rapid Unpredictable Change, and Your Business: Principles for Excelling in Trying Times

By Martin S. Frenkel

McDonald's is contemplating the end of the customer-accessible soda fountain. Hotels are sounding the finale for all you can eat breakfast buffets. Once posh restaurants known for their ambiance reduced to curbside pick-up. Completely remote real estate closings. The end of open office floor plans and a return to offices and cubicles. The reality of a pandemic is here. As horrible of an experience as it has been and is likely to be, one thing is evident: it is no longer simply an event we find in history books or a theoretical doctoral thesis.

As business leaders, what is our reaction? The answer is, I think, that humans are incredibly adaptive and we will adapt to this event as well. However, the reality is that this generation – as with our forebears who lived through the Great Depression – will be forever affected by it even when a vaccine is discovered. From here on out, every business model and every essential business decision will be measured against its perceived ability to weather a pandemic. What investor right now would feel good about backing the launch of a new massage franchise? With all of the uncertainty with regard to pre-pandemic business models, for a generation or more we have understood the general rules of business, the impact of technology, global interconnectivity, and have had some time (even if in ever shortening periods) to adjust to economic change. However, who could have anticipated the complete upending of many businesses, or the rapid acceleration of pre-pandemic trends, in a matter of days or weeks?

In this environment, the only thing that we, as business leaders, can predict is the extraordinary unpredictability of the near to intermediate future. How can we best address this unpredictability? I believe the answer is two-fold: (1) remain nimble in both process and thought; and (2) retain a mindset of efficiency.

Dictionary.com defines “nimble” as “quick and light in movement or action; agile.” A football player who is agile can avoid a sure tackle for loss and break

away for a touchdown run. From a business perspective, companies with leadership that is agile in thought will be able to spot opportunities wherever they may arise and however they may look. Companies that are not weighed down by cumbersome institutional procedures will be able to quickly change those processes in order to leverage the opportunities which are identified. One can say with certainty that opportunities are now arising in places where before there were none; that those opportunities will almost assuredly look different than they did before and may be harder to spot; and that companies which can move speedily to take advantage of them will benefit.

The second means for addressing the current extreme unpredictability is retaining a mindset of efficiency. Businesses are contemplating whether their current model, or elements of their model, will remain viable. Will the viability last a week, month, year, or survive long-term? Connected to this is the concern about revenue. Is revenue expected to grow, shrink, or remain stable? What if our customers simply cannot pay us because their customers are not paying them? When faced with these types of thoughts, we can: (1) shift into survival mode and act in a panicked fashion like the would-be victim in some bad horror movie perhaps (a) spending money that shouldn't be spent; (b) spending money in the wrong places; or (c) failing to spend money when it actually should be spent; or (2) understanding (and accepting) that the environment is unpredictable, we can adhere to the concept of prudent efficiency – making decisions which attempt to be efficient in the use of the resources that we (our company) knows it has, while also determining to utilize those resources quickly, if and when there is a sound business case for doing so, based on the best facts and information that we have available at any given moment. Stated differently, we don't want to needlessly throw away money at this time, yet we want to be prepared to marshal our resources to jump on the true opportunities that present themselves.

We hope that everyone is staying healthy, agile, cost-effective, and (for the sake of our businesses, the customers we serve, and our employees), ready to address whatever comes down the pike next.

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