



# Reimagining business for the post-COVID world

Martin Reeves, Global Chairman, BCG Henderson Institute

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# A common model of crisis strategy

- ❑ Business is interrupted by unfavorable events
- ❑ Stress level is mainly determined by which sector you are in
- ❑ Damage is minimized by attention to costs and cash
- ❑ Operational discipline is what counts
- ❑ Eventually things return to normal

# Firms thrive in downturns across *all* industries



1. Average across last four U.S. downturns since 1986; based on performance compared to three-year pre-downturn baseline for U.S. companies with at least \$50M sales  
 Note: Sectors based on GICS definitions | Source: S&P Compustat and Capital IQ, BCG Henderson Institute analysis

# There will be no "return to normal"



## Black Death

Ended feudalism and serfdom, Power shift to scarce labor resources

Power shift to scarce labor resources



## World War II

Increased women's participation in workforce

Jet engine, pressurized aircraft cabins, helicopters, atomic technology, computers, synthetic rubber, rocketry, radar, penicillin, internet



## 9/11

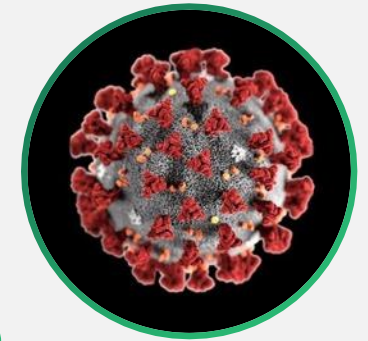
Reshaped transportation and security policies

Airport security detectors, digital surveillance technology



## SARS outbreak

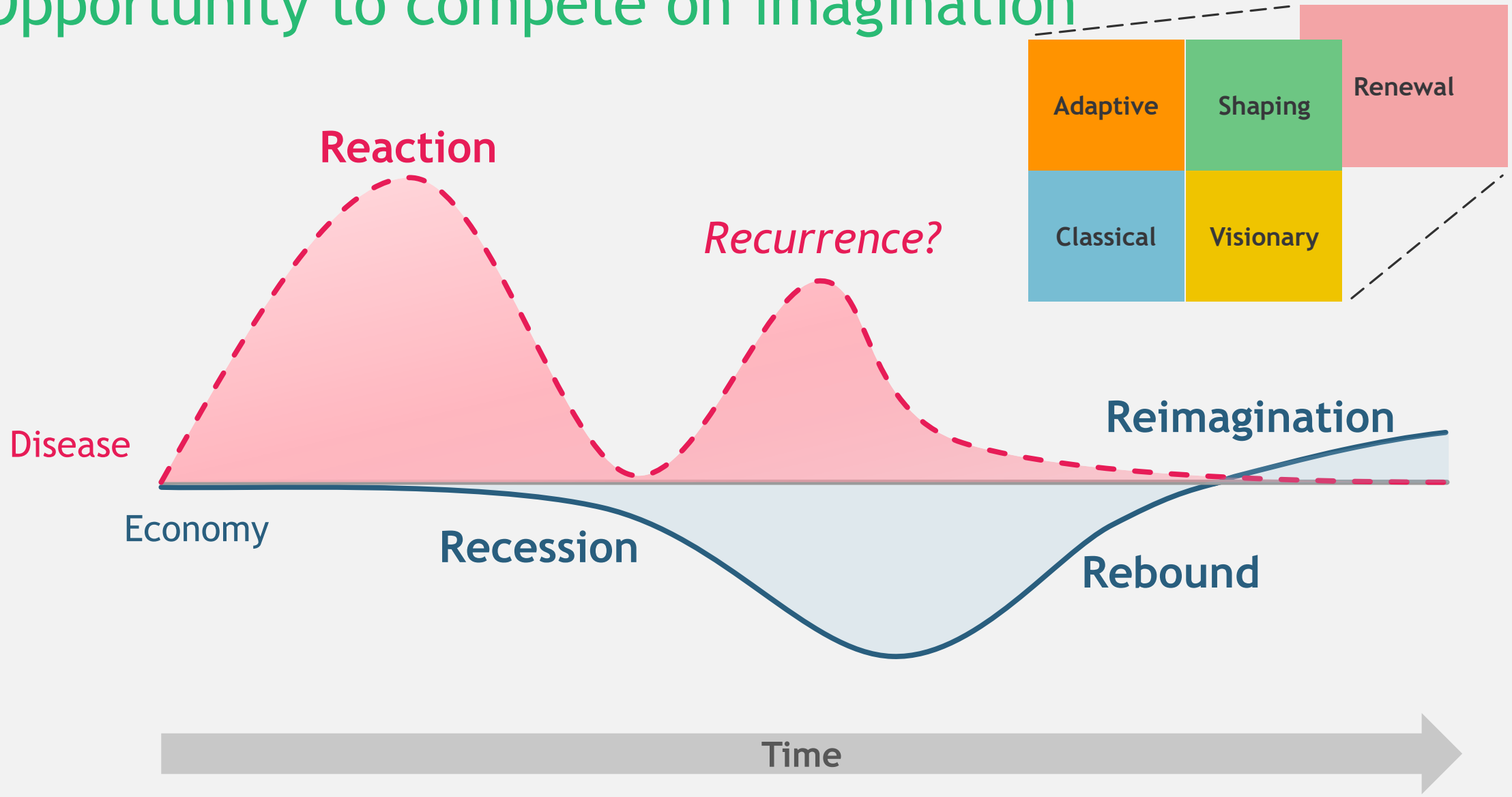
Changed attitudes toward shopping and consumption



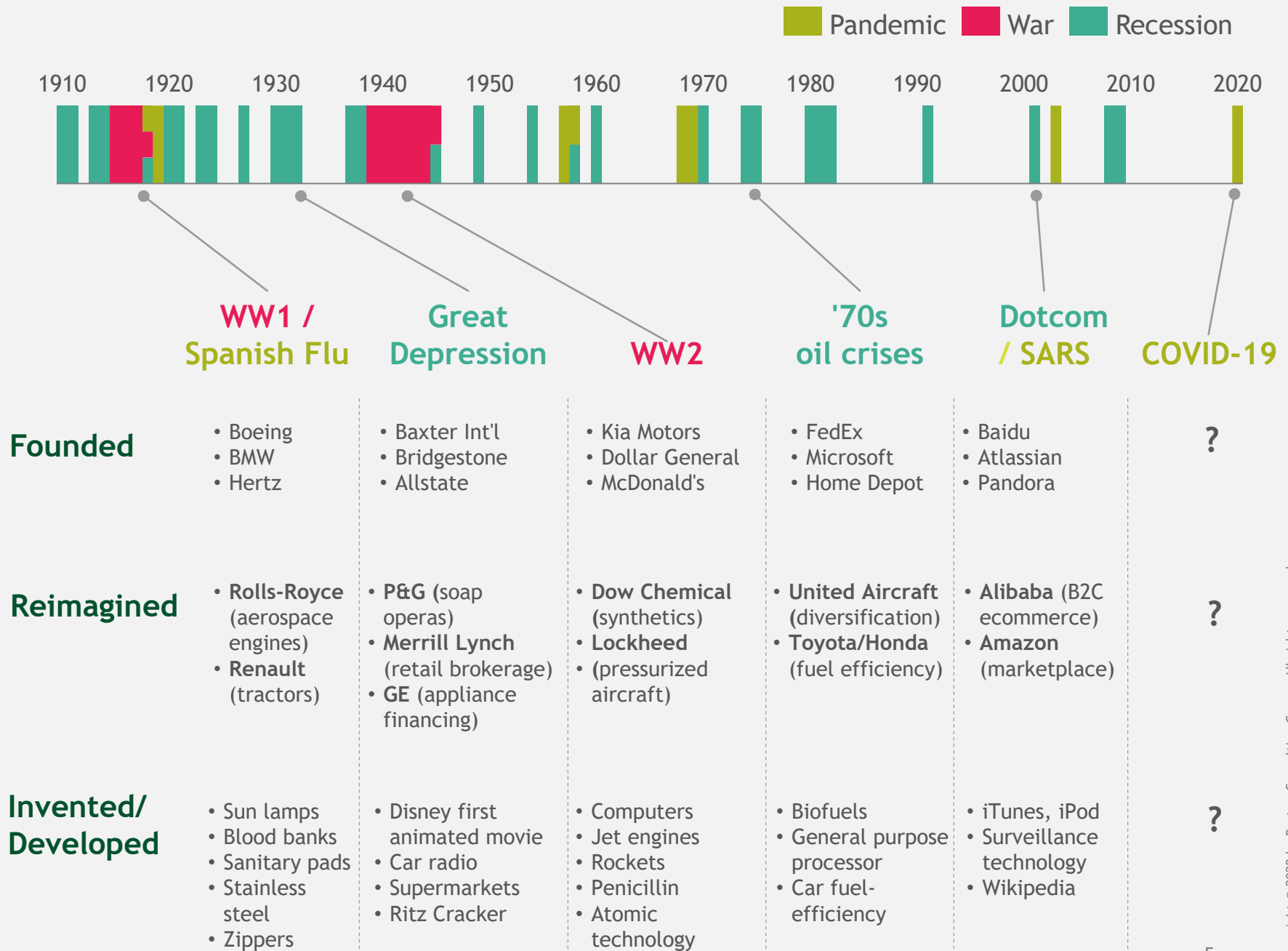
## COVID Crisis

???

# Opportunity to compete on imagination

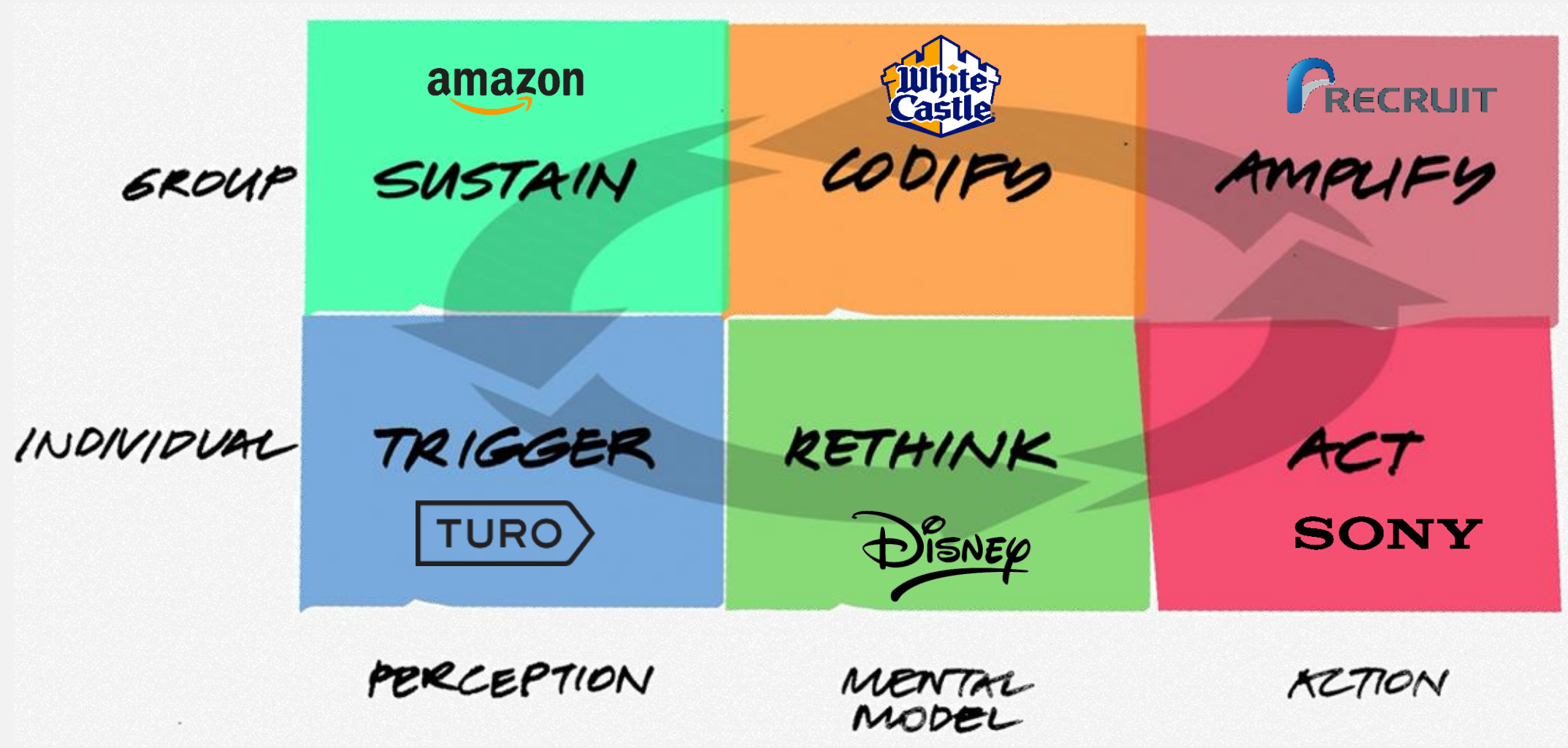


# Many great businesses created or reimagined in adverse times



Source: NBER and web research; BCG Henderson Institute analysis

# How to build an *imagination machine*



# Accidents, anomalies, analogies

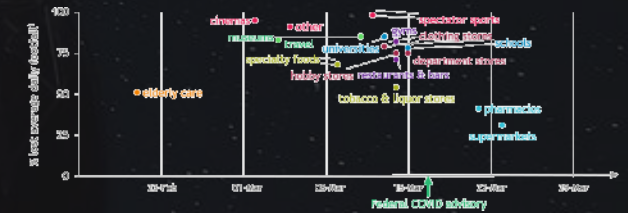
## Imagine possibilities



## Look at trend coherence



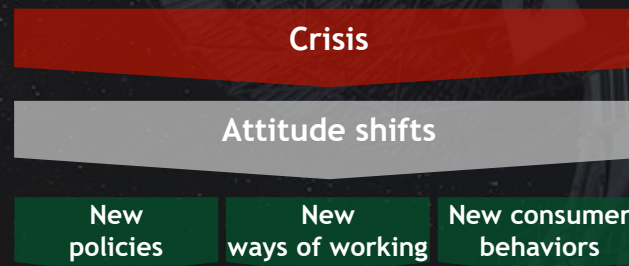
## Investigate granular, high frequency data



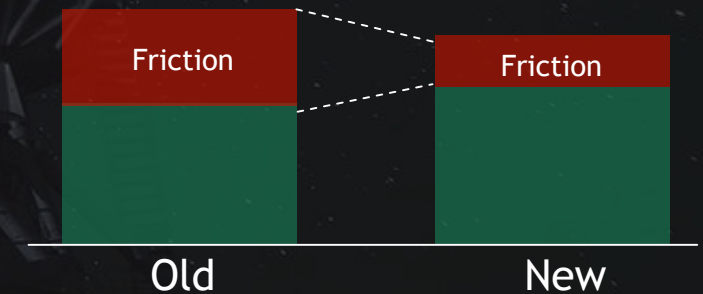
## Study regions ahead in crisis



## Understand social shifts




## Find friction reductions





# Noticing frustrations and frictions

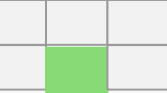
A person wearing a black jacket, a bright yellow safety vest, and a black helmet is riding a bicycle through a snowy street. The street is lined with several cars covered in snow. The person is looking down at the road ahead.

"I was biking through the snow to get to the closest Zipcar, grumbling the whole way, "Why am I passing all these cars to get to a car? **Why can't I get in *that* car?**"

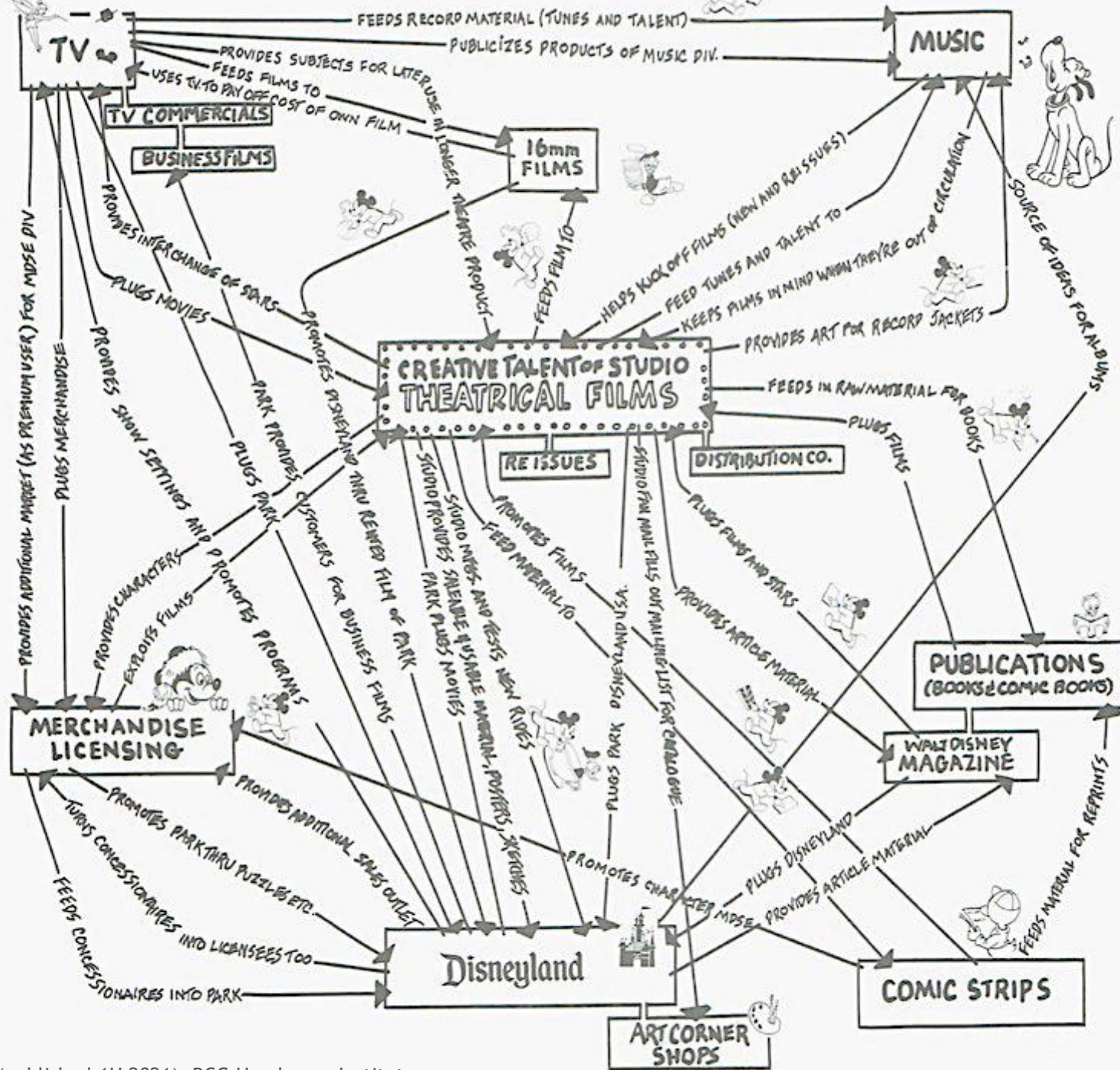
—Shelby Clark,  
Turo founder



Rethink



# Developing mental models (Disney, 1957)



Source: Business Insider; *The Imagination Machine* (published 1H 2021), BCG Henderson Institute



Power of imagination

MERRILL,  
LYNCH  
& CO.



**SAFeway**  
GRADE  
A  
CRANBERRY SAUCES \$1  
5 CHS TURKEYS 35¢<sup>lb</sup>



**Merrill Lynch**

# Where to start

"The good news is, no one knows the answer yet. The even better news is, you could be the first one to find out!"



**Steve Blank**

Entrepreneur, pioneer of Lean Startup movement

Q & A



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