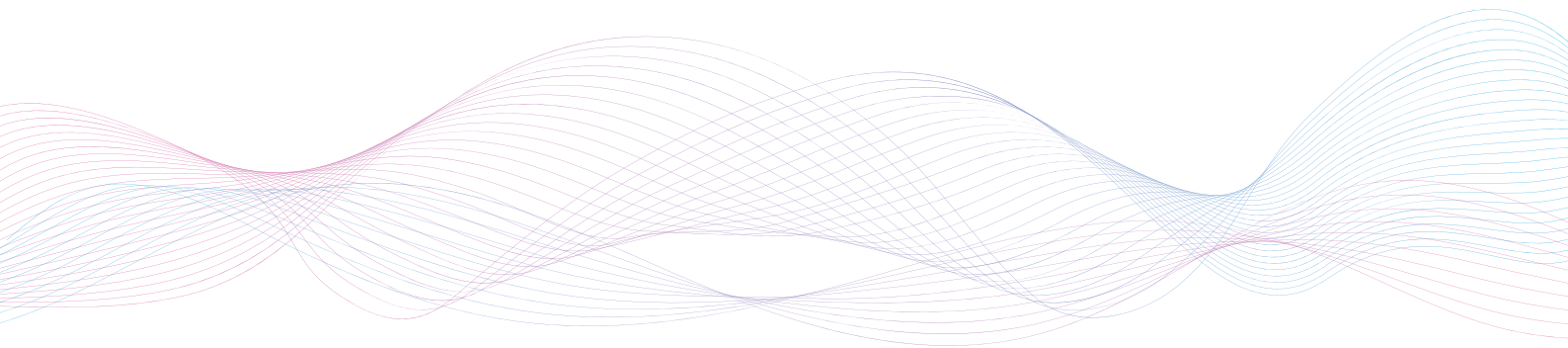




# ABeam's Perspective: Beyond COVID-19

WHITE PAPER



# Introduction

The COVID-19 pandemic has had a major worldwide impact on economic and industrial activity. That impact is expected to be felt beyond the end of the pandemic, with far-reaching worldwide economic repercussions on economic and social activities. As we confront this crisis, there are three crucial propositions that we must face.

The first proposition goes without saying. It is that we must ensure our survival by battling this pandemic.

The second proposition is that in coexisting with COVID-19, we must deal with heightened uncertainty.

The third proposition is that we must create the post-pandemic future we wish for.

As individual members of society and organizations, and as individual human beings, we must each face up to these three propositions. In doing so, we must simultaneously derive optimal solutions to problems occurring along an unpredictable timeline. For business managers, this will mean being required to perform extremely difficult helmsmanship. It is also said that, as history teaches, the major metatrends that obtained before the pandemic will tend to suddenly accelerate afterward. The mission before us is to remain resolute in taking on the challenge of all of these propositions, thereby creating a sustainable world and a more abundant future with and after COVID-19.

Through this report, I would like to introduce the perspective of ABeam Consulting, focusing on our circumstances during and after the crisis, referred to here as "With/Post COVID-19" as we think together about how to confront our future.

# Key perspectives on overcoming the crisis brought on by COVID-19

Our initial perspective takes the standpoint that we must reacknowledge how we think about our symbiosis with ecosystems and about sustainability in our With/Post COVID-19 world.

It is a fact that the human race proliferated excessively throughout the globe before the COVID-19 pandemic, and that its activities and actions placed an excessive burden on our ecosystem. As with other issues of environmental destruction and societal disturbances, overcoming the pandemic will not put an end to this problem. The ability to live in symbiosis with this ecosystem called Earth involves our very survival. It means continually facing up to the fundamentals of our existence as living things. In my view, this will mean the formation of new values and standards with regard to the sustainability of symbiosis with our ecosystem. It seems fair to say that this is a perspective necessary to our evolution into the society, the organization and the individuals for which the future will select.

Another key perspective is one that requires us to conceive of the "new normal" of the With/Post COVID-19 world not as an adaptation, but as something that we are to create.

Regarding this new normal, Northwestern University Professor Philip Kotler notes the following:<sup>\*1</sup>

“Faced by the spread of COVID-19 infections, we feel a yearning to return to our original lifestyles. Upon looking back, however, if many people were asked whether that lifestyle was such a good thing, the fact is that it wasn't necessarily so. Many people were poor. They were going hungry. And more than anything else, they were working too hard. We will probably take what has happened as an opportunity to make changes in a variety of things. In doing so, we need to create a new normal that provides opportunities to enable many people to live fulfilling lives they are satisfied with.”

I think that, rather than a necessity to deal with uncertainty in our coexistence with COVID-19, the significance of this new normal for us is a wisdom that can only be produced from new ideas and challenges. It seems fair to say that this is a perspective necessary to our progress toward becoming the society, the organization and the individuals that will create the future.

I think that we must maintain two perspectives, of evolution that will enable us to be selected by the future, and of progress for creating the future. Doing so will provide crucial clues for us on overcoming the COVID-19 crisis as a society, as an organization and as individuals.

# With/Post COVID-19 corporate management metatrends

Here I would like to introduce our focal point at ABeam Consulting regarding With/Post COVID-19 metatrends from a corporate management perspective.

The first of these metatrends is a change in value standards for corporate management. I believe that we will redefine the rules of the game that was capitalism in the 20th century.

This will mean an updating of the value standards of the capitalism that underpinned economic and industrial development in the 20th century, and in particular the shareholder capitalism that prioritizes the pursuit of sustained growth and economic expansion. In the With/Post COVID-19 world, a higher level of importance will be given to the coexistence of economic values with the pursuit of societal values based on symbiosis with the ecosystem, and on the sustainability of the earth, humanity and society. This major metatrend has been a worldwide tendency since before the spread of COVID-19 infection. We can expect to see an acceleration of the trend away from capitalism prioritizing economic value and toward capitalism with social empathy at its core, away from shareholder capitalism and toward stakeholder capitalism. The impact of the paradigm shift brought on by this metatrend will be enormous. Among existing companies, there will likely be an increase in those that undertake to redesign the management game as they once again question their purpose, and the significance of their own existence.

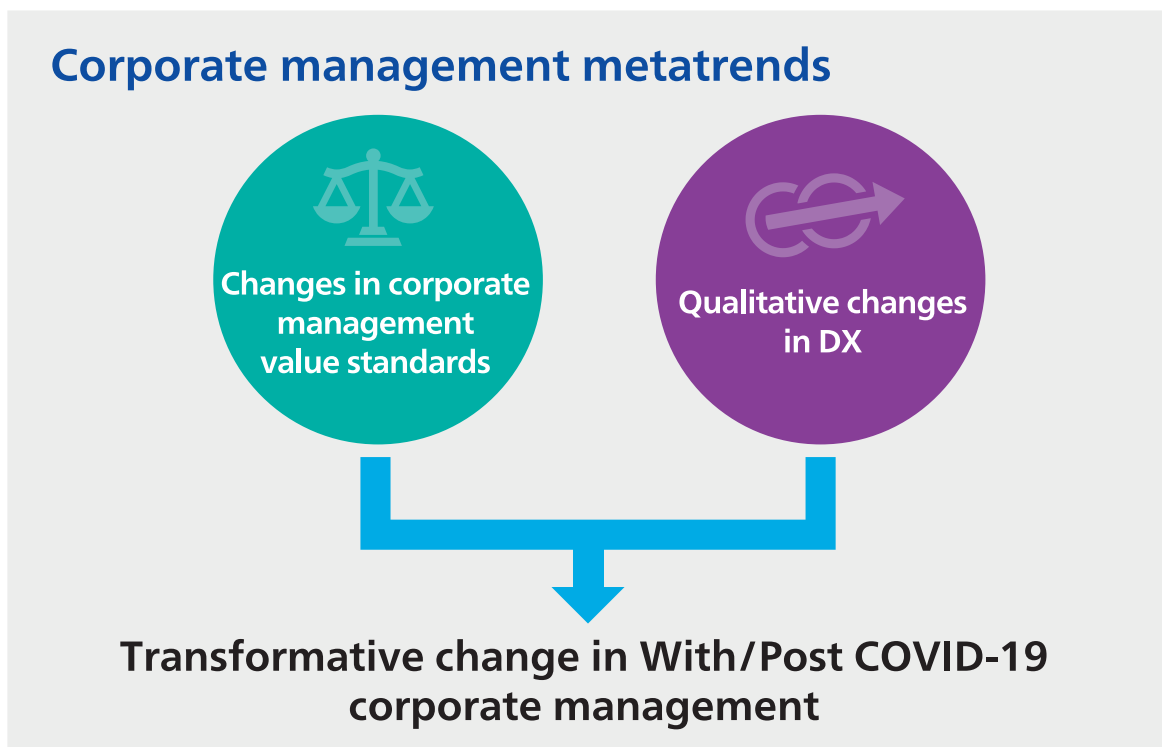
The second metatrend consists of the qualitative changes brought on by digital transformation (DX). The use of digital technology has accelerated as a highly effective means of ensuring survival and dealing with uncertainty in the With COVID-19 period. As we then move into the With/Post COVID-19 world, the digital shift in society and industry, the DX metatrend, will likely accelerate.

This metatrend will create pressure for the existing DX efforts undertaken by companies and organizations to produce qualitative changes. This is because it will be necessary to update With/Post COVID-19 DX efforts to be more purposefully oriented toward improving the survival capacity of companies. To put it another way, this means that digitalization will be positioned at the core of transformative action as a means of achieving self-transformation from the point of origin of technology.

The effect of these two metatrends will be to pressure companies to transform their very way of being. These powerful metatrends redefining value standards and qualitatively transforming DX will likely force a reconfiguration of the ideal forms and functions of existing companies and organizations, some of them being 20th-century enterprises with experiences of major past successes and rich reserves of human, physical, monetary and data resources.

By advancing the socialization and digitalization of corporate activities, we will rethink the purpose of organizations, put into practice a value creation that assumes co-creation, and upgrade our operations and management methods based on a new relationship between digital technology and human beings. In order to realize a cohort that repeats this kind of self-transformation on a day-to-day basis, I think it will be necessary to invent a new ideal state of governance for the corporate organization.

Changes in the value standards of corporate management, qualitative changes in DX, and the transformation of the ideal bearing of companies subject to these two major metatrends should form an invisible hand that encourages transformative change in With/Post COVID-19 corporate management.



# Updating corporate management to overcome COVID-19 at ABeam Consulting

In order to become builders of their own futures with respect to corporate management metatrends, existing companies and organizations will likely have to go beyond the transformation of operational and management methods to update the whole approach to the corporate and organizational ideal. The coexistence of evolution toward being selected by the future and progress toward creating one's own future is the crux of corporate transformation in the With/Post COVID-19 era. This makes it necessary for existing companies and organizations to acquire a capacity to achieve repeated updates even after the COVID-19 crisis has passed. At ABeam Consulting, we define this updating of the overall approach to corporate management to survive after the end of COVID-19 as "Enterprise Transformation," or EX. It denotes transformative change toward being a company that creates the future. Future acceleration of metatrends will likely challenge companies and organizations to be able to achieve transformation on their own.

As it has come to be regularly discussed over the past few years, DX in its true sense goes beyond mere digitization (digitization of data) and digitalization (utilization of digital technology) to signify transformative utilization of digital technology. In order to realize DX in this true sense, corporations and organizations must be able to take this as a given, and create an engine enabling them to achieve self-transformation and repeated updates. In order to implement substantive transformation using digital technology, one basic assumption should be the vital necessity of an organizational capacity to carry out repeated updates through EX.

So, what exactly is EX? What kind of organizational capability is needed to make it happen?

The following are three crucial factors for successful transformation.

## Three factors for successful EX

1



**Continually seeking out new value and praising organizations for taking on relevant challenges**

2



**Installing agility in organizations (rapid action based on rapid decisions)**

3



**Generating value through co-creation  
Empathy, sharing and connection are vital**

## < Crucial success factor 1 >

# Continually seeking out new value and praising organizations for taking on relevant challenges

In order for a company to achieve EX and change into a builder of its own future, **it must gather information and formulate hypotheses, then seek out new value and a new world as it creates that future.** In order to carry out the search for meaning at a high level of difficulty, it is necessary to go beyond the pursuit of specialized expertise and evolution of routines. We must depart from comfortably familiar routines and turn our interest and concern to uncharted territory as we face challenges with courage. **An update is necessary, from longstanding corporate systems that minimize organizational stress to systems that address problems as challenges, and praise efforts to take them on.**

For example, it is crucial for a company to have internal systems that continually offer new stimulation. One such system is the internal venture scheme that has become a sort of boom among Japanese companies in recent years. As we move forward, it will also be necessary to take on with even greater earnestness the move toward intraorganizational diversity. Moreover, regarding evaluations of management, we should be fully engaging a system that doesn't just note the achievement of performance numbers, but which requires the simultaneous undertaking of new challenges before a high evaluation is given. It is also crucial that younger candidates for senior management positions be given assignments where they can accumulate experience from early in their careers. These could include venture assignments where they can hone their skills and test their mettle, or appointments to subsidiary management. This one example of how various companies are incorporating into their organizations systems that encourage continual exploration that facilitates the undertaking of challenges.

Now that change is accelerating at an increasingly rapid rate, these actions that delineate a new world and values are not something that is to be undertaken once every ten years, or only for the With/Post COVID-19 world. **In addition to seeking out new values, it is crucial that we do so continually, and that we have the organizational capability to keep the exploration going.** Updating our company means that in realizing EX, we must think about more than the post-transformation form our own company will take. We will be required to think from multiple perspectives about how we should transform customer experiences (CX Transformation), how the industry should be transformed overall (Industry Transformation) and how society as a whole should be transformed (Social Transformation). It is crucial that we continually take on the challenge of this ambitious experiment, while also engaging in the kind of co-creation surrounded by various companies and people that I describe below.

## < Crucial success factor 2 >

# Installing agility in organizations (rapid action based on rapid decisions)

Many of you may share in the impression that under the COVID-19 crisis, the speed of decision-making and execution has increased relative to "ordinary" times. Maintaining this speed during With/Post COVID-19 times will be crucial for companies moving forward. It seems suitable to refer to this speed as "agility". In sports, there is a term "SAQ", which stands for "speed", "agility" and "quickness". **What is required of businesses is rapid action based on rapid decisions.** How, then, do we go about installing agility in organizations? There are a number of points to note here.

The first is rapidity of decision-making among leaders. To accomplish this, systems that optimize the supply of raw information to leadership in real time are crucial. Rather than just performance numbers, systems that provide an awareness of the current state of customers, employees and manufacturing lines are indispensable. And leadership that enables decision-making is required even when information is insufficient or circumstances are contingent. This requires that leaders gain experience making crucial decisions from early in their careers, and evaluation systems that prevent shortsightedness.

The second point is evolution from hierarchical organizations to organizations that can change dynamically. For example, even in large organizations, there is room to discuss the possibility of project-based organizational management similar to that carried out at consulting firms. The key here is organizational management with transfer of authority.

The third point is to build labor-saving, automated, accelerated systems. Are processes simple, without multiple layers? Do processes accomplish something substantive, and go beyond merely obviating the need for the trappings of official approval? These are some of the things we need to consider. Moreover, simple IT infrastructure is essential to constructing operations. For instance, changing business processes requires changing systems. Given frameworks that take a half-year to do so, rapid action becomes absolutely impossible.

The fourth point concerns human resources. Each and every person in an organization should be able to actively take on challenges. The spread of remote work has resulted in an increase in situations where individuals make decisions to move forward. It is essential to agility that, even when each individual is independent, we remain loosely connected. For this, it is crucial that we explicitly clarify and share the purpose that will serve as a guide for individual members.



### < Crucial success factor 3 >

## Generating value through co-creation Empathy, sharing and connection are vital

Organizations and individuals that have experienced COVID-19 have come to think about what it means for something to be more "substantive". On the other hand, non-substantive things are deemed unnecessary, so that we have done away with some things we had been putting up with. From a consumer perspective, diversification is accelerating in the sense that diversification of individual need is reflected directly in consumer behavior. In tandem with that diversification, market maturation and sub-segmentation is accelerating. Amid an environment that keeps changing minute by minute, it becomes extremely difficult for one company to capture many consumers solely by its own efforts. In order to respond to this trend, **it will be necessary for people within the company and without, people existing beyond the framework of the company, and people all over the world, to heighten their ability to co-create value, each through their own ecosystem.** There are a number of points to note in accomplishing this.

The first of these is that diverse organizations and personnel must seek out values that give rise to empathy, give these values a narrative quality and convey them in appealing ways. Conversely, it is also crucial that we listen sensitively and with empathy to the values that the organizations and people around us are trying to convey.

The second point is that we must share resources and assets to maintain systems that realize these values. For example, in creating an application, rather than independently developing a map application, incorporating Google Maps into the system enables a broader scope of implementation. When we presuppose this kind of resource and asset sharing, it becomes necessary to mutually furnish an open, standardized application programming interface (API).

The third point is about being connected. In addition to mutual connection and motivation, it is crucial to devise ways of producing a sense of emotional fulfillment, overcoming the constraints and friction that can accompany resource and asset sharing. Moreover, this work of co-creation becomes all the more crucial as we think about the compounding of world views I mentioned earlier, which is to say a compound transformation of the company itself in addition to transformation of customer experience, transformation of the entire industry, and transformation of society as a whole.

In With/Post COVID-19 corporate management, it will be more crucial than ever to boost our organizational capabilities through an appreciation of the empathy, sharing and connection that enable us to accomplish the three elements described above: **1. continually seeking out new value, 2. installing agility in organizations (rapid action based on rapid decisions), and 3. generating value through co-creation.** And this strengthening of these organizational capabilities will likely make it possible to achieve transformation using substantive digital technology.

As a Real Partner in the With/Post COVID-19 era, and under the concept of Enterprise Transformation (EX), ABeam Consulting will make updating the organizational capacities for exploration, agility and co-creation into the engine for corporate structure and business model transformation. Overcoming the paradigm shift of the digital age through a thorough command of digital technology, we will support companies and organizations in achieving evolution that will enable them to be selected by the future, and in achieving progress for creating the future.

## Author

### **Masato Miyamaru**

Strategy Business Unit Leader  
General Manager of Corporate Planning Group  
Executive Officer Principal

### **Gaku Saito**

Strategy Business Unit  
Executive Officer Principal

---

## Reference source

\*1. Translated excerpt from "Making COVID-19 an Opportunity to Create a New Normal" by Philip Kotler, an urgent article contribution appearing in the April 16 issue of Nikkei Business.

---

## About ABeam Consulting

ABeam Consulting provides business transformation services that create strategic advantage, improve business processes, leverage technology innovation, and enhance organizational performance for leading multinational and domestic companies worldwide. ABeam partners with clients to diagnose and solve their real challenges with solutions that combine industry and operational best practices with technical expertise. Pragmatic approaches ensure that clients gain measurable value more quickly. Headquartered in Tokyo, ABeam's 6,600 professionals serve more than 700 clients throughout Asia, the Americas and Europe. For more information, please visit <https://www.abeam.com/>

---

## Contact point for inquiries regarding this White Paper.

ABeam Consulting Ltd.  
Corporate Communication Unit  
Marunouchi Eiraku Building, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan  
TEL : 03-6700-8144    FAX : 03-6700-8145    E-mail : [japan@abeam.com](mailto:japan@abeam.com)

© 2020 ABeam Consulting Ltd.

\*Unauthorized publication or reproduction of this White Paper is prohibited.

\*The purpose of this White Paper is solely to provide information regarding management issues. It was not produced for the purpose of providing management advice. ABeam Consulting assumes no liability for damages of any kind arising in association with this White Paper, whether directly or indirectly incurred and regardless of means, by customers or other third parties.

\*"ABeam" and its logo are registered trademarks of ABeam Consulting Ltd. in Japan and other countries.

\*All other trademarks and trade names are the property of their respective owners.

\*All company names, titles and positions appearing in the text are current as of the time of production of this White Paper.