Key Strategies to Help You Succeed in Q1 2021

Executive Leaders Weigh In

Strategic Focus: Executive, Finance, Sales and Marketing

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Without a doubt, 2020 revealed that business leaders are committed, creative, resilient and flexible. We’ve proven that we’re built to last, and willing to rethink plans, pivot strategies, and do whatever it takes to achieve goals and continue serving customers—even in the midst of a pandemic.

The one challenge is this: There’s no crystal ball that can provide any confidence in what tomorrow holds. Global business can turn on a dime, and a leader’s role is to respond and adjust based on the best knowledge they can get.

That’s where Cerius can help. Every quarter, we’ll present insights from top executives from different backgrounds and functions. For Q4, we gathered insights from four business leaders—experts in executive strategy, finance, sales and marketing—to help you prepare for Q1.
What do you envision as the biggest challenges companies will face in Q1 2021?

For many business leaders, the lack of any crystal ball is causing a defensive posture; but for some, the opportunity to play offense.

The key challenges we will be facing heading into Q1 are: deciding where your market is headed; identifying your company resilience; evaluating the relevance of your Unique Selling Proposition; monitoring and managing your culture; and avoiding disruption or being the disrupter.

Each of us must pick a forecast for our business and manage to it. Should your focus be cost containment to continue navigating a storm that you believe will continue? Or do you begin to slowly (or quickly) prepare for a rebound? Deciding this will help you establish the balance of defense and/or offense that your business should be taking.

What’s your recommend strategy for addressing these challenges?

First, conduct scenario planning. Now and heading into Q1 is a time to be laying out various possible paths of growth your business might see. It would make sense to do a “best case,” “worst case,” and “most likely case” scenario plan so you can better understand possible business outcomes in the period ahead, which can give you proactive visibility into cash flow requirements.

Second, refresh your strategic planning process. Too many businesses either have weak strategic thinking and planning, or their process is stale. The old adage, “ask old questions, get old answers” absolutely applies to the current environment. Look at your strategic planning and ensure it's driving new, innovative dialog among your team. And be sure you’re looking outside your four walls during your strategic refresh because the last thing you want to plan based only on what’s happening inside your four walls. Speak with employees, customers and vendors to get broader insights into your thinking and planning.

Third, remember that “your company data is your new oil.” Clive Humby coined this expression in 2006, and
never has it been more relevant than 2020. Don’t assume you know about your business trends, such as customer buying behavior. Look closely at your data and see how it might be telling a new story from what you’ve known historically. Ask yourself, is my data telling me I’m selling a different mix of product/services versus historical performance? Are customers buying different bundles than before? Am I looking at my product/service sales by units and revenues/margins, not just one or the other? Your data will tell a story—know what it is.

Finally, know the difference between tactical and transformational cost management. Up to this point, most businesses have taken steps to reduce their cost base. These steps include reducing travel, reducing some marketing spend, reducing some of the labor force, etc. Logical steps, but these are tactical and only effective if your market is going to bounce back more quickly. However, if the pandemic may be changing your market and business for a longer period, you may not have enough tactical costs to help you, both cash flow and profit-wise. Transformational costs are those that mean changing your business model or your fulfillment model to something more efficient, and these will help you now and longer term. Ask yourself this: When our market returns, will our costs quickly return, as well? Or are we making more meaningful, transformational improvements to our business so we benefit longer term coming out of this pandemic?

What are the critical skill sets companies will need to survive and thrive in Q1 2021?

Planning: Imagine an NFL linebacker that isn’t good at tackling, or an airline pilot that isn’t good at filing flight plans. You can’t imagine this. As business leaders, our competence should be strategic thinking and planning. This is a critical skill set needed now to survive and thrive. Ask yourself this question: Is my planning process an enabler during these uncertain times?

Leadership Emotional Intelligence: A critical leadership skill set needed at any time, and certainly now, is being able to read the environment around us and knowing how to navigate it. Ask yourself this question: Is my leadership team in touch with what’s on the minds of our employees and key customers, and are we navigating it effectively?

Communications: This is always key, but certainly becomes more essential during uncertain times. I always encourage business leaders to know the difference between quantity versus quality of communications. Ask yourself this question: How effective is our internal and external communications? Are we striking the right balance of quantity and quality?

Continuous improvement culture: The thoughts business leaders need to keep in mind are: What can my team do today that’s better than what we did yesterday? Tomorrow, where and how can we do better than we did today? Ask yourself these two questions: Do I and my team have a continuous improvement mindset during these challenging times? Are we having the right dialog in this area?

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What do you envision as the biggest challenges companies will face in Q1 2021?

As I write this, the US has passed 10 million COVID-19 cases, Joe Biden appears to have won the election, Donald Trump is pressing numerous legal challenges to election results, the Dow Jones is looking for a new high above 30,000, oil is headed down through $35 per barrel (again), unemployment claims are trending down to 7 million but flattening, single family housing sales are +32% higher than one year ago, and multi-family rent delinquencies are ticking upwards. This year is now the worst for hurricanes and wildfires in recorded history. More employees are working remotely than ever before. Productivity is up for some, down for others. Insurance markets are in disarray.

Is this good news or bad news? Exactly. Both, neither, it depends, and I don’t know are all valid answers.

The biggest challenges that companies will face in Q1 2021 will center around uncertainty on many fronts. Regardless of your industry, structure or geography, you can be sure that COVID-19, politics, employment and the economy are, and will be through Q1, in states of change, and will continue to evolve on daily, weekly and monthly timescales—not on more familiar annual or five-year timescales.

Established strategies are likely in need of change. Evolving strategies are likely proving hard to crystallize. Lack of strategy has likely exposed critical problems. Some companies have failed. Others have thrived. Liquidity exists but finding and tapping it can be challenging. Tactics that have worked in the past may not work today, and new solutions are needed—and quickly. Companies and their employees are dealing with more change, collectively, than ever before.

What’s your recommend strategy for addressing these challenges?

First, model and secure your cash flow/liquidity relentlessly. You can do that by modelling scenarios, identifying triggers, and taking actions to secure liquidity as a buffer against uncertainty by maximizing use of Cares Act/PPP and Main Street Loan Programs, and refinancing existing debt and/or securing new credit if you can.

Second, take care of your employees by checking in with them frequently and monitoring your company culture. Consider modifying benefits and policies to address temporary and permanent changes, stressors and talent/human issues. Over-communicate, and don’t assume everyone is fine.

Third, take care of your strategy by updating it (or creating one). Ensure your strategic objectives still make sense, are flexible/future-proof, and can be executed by and with the resources you have available. If they require very specific external factors that are uncertain, consider delaying them. If no longer relevant, even if significant resources have been expended, stop them. And, although it’s easy to decide to “hunker down,” don’t suspend strategic execution because your suppliers, customers and competitors, at least the good ones, will not.

Fourth, pull your most important internal and external stakeholders close (such as your Board, bank(s), suppliers, customers and extended leadership team) and communicate frankly and transparently with them about the challenges your company is facing, and the actions you are taking to address them. Be open to new ideas.
or sources of assistance that arise, and don’t try to “go it alone” or “hide bad news.”

Finally, don’t miss opportunities to lock in positive changes when things start to return to “normal” (which they will!). If you streamlined back office procedures, make the new procedures permanent. If you found new ways to collaborate, continue to use them even if you’re no longer working remotely. If you found things to stop doing and haven’t “missed them,” don’t start doing them again.

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Most of these skills have always been needed, but now are needed more broadly, in greater abundance, and are likely to come from unexpected sources. You will need strong communicators who can communicate quickly, consistently, candidly and convincingly when things change. Your people must take extreme ownership and be accountable, stepping up and owning decisions and results, good or bad, at pace. Because of change, you’ll need both people with high tolerance for it and who can drive it, within time and resource constraints while the external landscape continues to evolve. To succeed financially and commercially, you’ll need people with the ability to think creatively about banking, financing and commercial structures, contracts, relationships and problems. You will likely need good negotiators. Finally, you need “high EQ” people leaders who can lead others through uncertain times, preserve and foster culture, and promote stability.

A few questions you might ask yourself to ensure you find and empower talented people with these skills could be: Did someone “step up” unexpectedly during times of crisis? Have you encouraged them and figured out how to leverage the person’s “hidden talents?” Has your criteria for judging talent and performance changed? Have you changed your hiring/onboarding practices to fit the current landscape? Have you changed how you communicate with your teams and how you receive feedback? Have you decided how you will measure success?

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Much of this depends on the particular effects the COVID-19 pandemic had on a given company’s business in 2020. We’ve seen the vast majority of companies fall into three categories. First, those whose business was enhanced in some way by the COVID-19 pandemic. Second, those who decided to adapt and/or pivot. And third, those that hunkered down to wait for the storm to pass. I’ll focus on the latter two of these categories.

For companies that decided to adapt or pivot, the key decision to make is whether or not to make the temporary changes permanent. For those that decided to hunker down, the big question is when to emerge from hibernation, if they are continuing to survive. In all cases, it will come down to not only their cash position, but also that of their customers.

What’s your recommend strategy for addressing these challenges?

First and foremost, be honest with yourself about the situation your business is in, and realize that things are never going “back to normal”—at least not the “normal” prior to COVID-19. Also, talk to your customers to understand their situation as it pertains to their need for and ability to purchase your products and services.

Armed with these insights you have some decisions to make. As unfortunate as it is, many of your competitors, particularly those that “hunkered down,” may not survive, which creates an opportunity to gain market share. Double-down on marketing and sales efforts and even to purchase competitors and/or smaller market participants. But also make sure your product and service offerings are relevant in the new environment.

What are the critical skill sets companies will need to survive and thrive in Q1 2021?

Resilience, determination, objectivity and creativity. It’s a bit of a mouthful, but these are among the most difficult times businesses have had to endure in recent history. Some companies will thrive, some will barely survive, and other will fade away. If you want to come out of these circumstances better than when you went in, you’ll need to be willing to keep battling and stay the course. You’ll also need to find ways to add to or enhance your product and service portfolio to adapt to customer needs that are evolving daily. And you’ll need to invest in whatever means necessary to continue the dialogue with your customers, and to find new ways to help them overcome their challenges.

About James

James is a seasoned executive with 35+ years of experience in the launch of new ventures, brands, companies and strategic business units. He’s considered an expert in strategic planning, product strategy, marketing, sales and leadership development. He holds an MBA from Northeastern University, where he also taught Marketing & Entrepreneurship for more than 10 years.

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One of the biggest challenges will be understanding how the needs of their current and potential customers have changed, and how the organization can now best serve those needs. Those changes, and there will be many, will require revamping existing marketing programs, messaging and outreach techniques—both for marketing and sales, and potentially your product offering. Most organizations are not good at pivoting in such a manner, so it's going to take discipline and a thoughtful process around customer engagement to make sure you are promoting and selling what your customers need…not what you want.

What’s your recommend strategy for addressing these challenges?

Start with good market research. Whether formally or informally, reach out to clients to check-in and see where their needs are, and how they are evolving over time—and keep doing this periodically. Your customers are going to be facing challenges, too, and your ability to be in sync with those needs and respond accordingly will be an important way to keep your sales pipeline strong.

One-year and three-year planning is out the window for now. Get into a habit of reviewing sales and marketing initiatives on a 30-day basis. Use A/B Test programs to see what’s working, and be brutally honest in optimizing what works and letting go of what doesn’t.

Learn to test and fail quickly. You’re going to have programs that you love that will not take hold and others that you are lukewarm on that will take off. It’s okay to say “I don’t know, but I’m going to test these three concepts over the next 30-60 days and I am going to learn.” Remember that a program that doesn’t work today may work in six months. Things are changing very rapidly, and they will continue to evolve for the foreseeable future.

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Nimbleness, focus and humility. Companies will need to be nimble to meet the changes that are coming. Some changes we see are temporary; others will take hold and stay. Organizations will need to be open to these changes and have an internal culture that addresses and adapts...

(Cont.)

ABOUT SETH

Seth Avergon is the President of Avergon Marketing Group and has over 25 years of experience in business and marketing strategy. He has held key positions at Citizen, DENSO Automotive, Rain Bird, World Tableware, and RSI Home Products. Seth holds a bachelor’s degree in Psychology from the University of Southern California and a master’s degree in International Studies from George Washington University. His enthusiasm, leadership and creativity have been the driving force behind dozens of successful product launches and marketing campaigns.

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quickly to meet them. Plan for it, and foster a team that thrives on considering multiple scenarios for growth. Logic tree planning is a great way to start. If “X” happens, we will do “Y” and so on.

Focus has always been important, but perhaps now more than ever. Your team is most likely putting in long hours and experiencing some level of fatigue. Keep your team focused on the critical initiatives for this month or quarter. Work your “Need to Have” list versus your “Nice to Have” list—or call them A, B, C priorities, if you prefer. Focus on those critical tasks and stay diligent.

If you or your team are having a hard time designating what’s critical from non-critical, ask yourself whether the initiative will have an impact in the next 90 days on your sales, marketing or operational efficiency.

Humility helps you grow. We need to be comfortable being slightly uncomfortable, and owning the fact that we don’t know with certainty. Conduct your market research and develop your programs with an earnest sense of looking for truth and seeing what works. Manage your teams with that same humility, while balancing honesty with active listening and a positive, but realistic outlook.

Need More Executive Advice or Guidance?
Let’s Talk - Get Started With a Free Consultation.

Finding the right executive starts with knowing what you need. Contact us to day to learn how we can help you from start to finish.

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