NEW NORMAL
FRAMEWORK OVERVIEW

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1	Employees	A. DYNAMIC HR AND STAFFING	B. ADAPTIVE WORK	C. HEALTH AND WELLBEING	D. SENSE OF PURPOSE
2	Consumers	E. CATEGORY AND BRAND	F. INCENTIVES	G. CHANNELS	H. COMMUNITY
3	Business Models	I. RESILIENCE MODELS	J. ECOSYSTEM COLLABORATION	K. DATA AND ANALYTICS	L. ALLIANCES / PARTNERSHIPS

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NEW NORMAL HIGHLIGHTED INSIGHTS

A. DYNAMIC HR & STAFFING

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Planning for future pandemics
2. Unlock of more efficient labor models
3. Revision of healthcare benefits packages
4. Accelerating process digitalization

Strategic implications

1. Planning for future pandemics

A. Develop a crisis management plan and team to weather future issues
B. Structure bottom-up review with staff for main learnings from crisis in terms of efficiency, teamwork, and relationships among departments, and apply them to the "new normal" (e.g., deleted / on-hold processes, direct contact between departments, different sharing of responsibility, faster response time to changes)

2. Unlock of more efficient labor models

A. Labor models shown to be efficient may become permanently adopted
B. Enhance labor models through COVID-19 learnings, including staff required, flexibility, staffing roles, new contracts, and automation
C. Reinvent jobs, operational and talent programs, and processes to drive operational effectiveness
D. Encourage ongoing dynamic management - rapid reaction readiness needed to manage potential new waves
E. Transform recruitment process from position-centric to talent-centric

3. Revision of healthcare benefits packages

A. Address long-term planning of increased healthcare benefits and sick leave for workers
B. Revise policies and expectations for staying home when sick
C. Be thoughtful and proactive, and remember not all financials are created equal
D. Get creative when it comes to carrier credits
E. Innovate and consider disruptive strategies
F. Assess mission and resourcing of occupational health functions

4. Accelerating process digitalization

A. Long-term adoption of digitalization & automation has been accelerated
B. With stakeholders, retroactively examine benefits of (or lack thereof) process digitalization in COVID-19 response
C. Retailers & manufacturers will need to evaluate processes and areas of opportunity for process digitalization and work with stakeholders to adopt and implement
D. Impacts of 100% digital work (meetings, procedures, and processes) on mental health / fatigue

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NEW NORMAL HIGHLIGHTED INSIGHTS

B. ADAPTIVE WORK

Adapting to the New Normal
(Long-term)

Emerging Issues

1 Elevated expectations for adaptive work

2 Disruption to previous operating models

3 Shift to work from home

Strategic implications

A. Challenge current policies to include greater flexible working opportunities for mutually beneficial changes
B. Define new workforce plans including flexibility to manage headcount
C. Define the new employee experience / employee value proposition around future workforce segments
D. Think about creative flexibility dimensions – varying shift work, job sharing, elastic workforce, cross-training, etc.
E. Consider upstream and downstream impacts of making the job flexible, with legal impacts
F. Ensure clear communication and formalization of new adaptive work policies so that employees understand impacts of job
G. Create an experience that allows employees to live & work "in flow"

A. Reorganize / reconfirm business as usual op model based on "New Normal" – temporary vs. permanent changes (e.g., process changes, roles, decision-rights)
B. Rethink the organisation of people
C. Define new leadership style & develop capabilities (delegated and semi-autonomous teams, "unbossed" style)
D. Identify talent sources and acquisition processes; transform HR
E. Reinforce new ways of working to sustain productivity (e.g., refreshed performance enablement)
F. Provide ongoing "connective tissue" between leadership and frontline (e.g., new feedback processes, sense of belonging, impact on management and leadership styles)
G. Co-create new ways of working with frontline employee input

A. Need to evolve HR policies based on bottom-up feedback for WFH / office balance to incorporate flexible work policies in the long-run and their impact on performance and reward management
B. Plan for more video conferencing moving forward and ensure best practices for flexible working are communicated across organization (focus groups, feedback loops)
C. Equip employees with what is needed for remote or virtual responsibilities
D. Highlight complementarities between jobs that can be done at home and those that cannot
E. When crisis subsides, ensure support to offer a balanced transition back to work

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NEW NORMAL HIGHLIGHTED INSIGHTS

C. HEALTH AND WELLBEING

Adapting to the New Normal
(Long-term)

Emerging Issues

1. New dimensions to workplace safety
2. Increased prioritization of employee wellness
3. Mental health in focus
4. Difficulty in maintaining sense of community

Strategic implications

1. New dimensions to workplace safety

A. Enforce greater standards for hygiene and sanitization (i.e., at stores, trucks, plants, distribution centres), and ensure availability of PPE
B. Communicate ongoing sanitation improvement and address any high risk concerns for health and wellbeing
C. Create a safe work environment using temperature screening, questionnaires, and antibody / viral testing
D. If applicable, rethink food display and maintenance standards

2. Increased prioritization of employee wellness

A. Emphasize employee wellness by providing explicit opportunities (e.g., stay home when sick, flexible time off), increasing communication (i.e., sick leave will not be punished), and tracking metrics
B. Increase health benefits and upgrade existing wellbeing programs
C. Leverage digital workplace wellbeing apps to help individuals focus on social aspects with other health goals (Fitbit challenges, sharing recipes, daily walk, etc.) to help employees feel fulfilled and energized

3. Mental health in focus

A. Train managers to check-in with employees, recognize mental health needs, and take appropriate actions
B. Encourage employees to allow time for things that make them happy
C. Give back some sense of control by implementing less overbearing management style and reminding people of the benefits to structuring their day
D. Set up psychosocial risk prevention programs through trainings, virtual therapy, and increased tele-health options (incl. for family members)

4. Difficulty in maintaining sense of community

A. Sustain a sense of community & emotional connection among employees by celebrating good news, sharing H&W tips, and recreating team rituals by leveraging technology & ensuring the right balance of office presence
B. Use focus groups to listen to employees, connect co-workers, and take nimble actions
C. Offer connections to local resources (food banks, public transp., child care, housing, etc.)

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NEW NORMAL HIGHLIGHTED INSIGHTS

D. SENSE OF PURPOSE

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Shifting employee roles
2. Impact on employee experience
3. Elevated role of temporary workers
4. Need for community engagement

Strategic implications

1. Shifting employee roles
   - A. Reflect on and adjust roles to highlight their sense of purpose
   - B. Continue to thank employees
   - C. Implement purpose-driven awards and recognition programs
   - D. Communicate clearly and consistently on *what* matters now (safety, business continuity), *why* it matters, and source of security and inspiration (e.g. human narrative)
   - E. Avoid the split between those who can and cannot work from home
2. Impact on employee experience
   - A. Engage, listen, and understand the impact to the employee experience throughout the return to work; even the "small things" could have a significant impact
   - B. Allow for employees to connect and share experiences
   - C. Build sense of belonging and collective to ensure that employees still feel that they are working for a company despite change in physical workplace
   - D. Ensure those on furlough feel sense of belonging
3. Elevated role of temporary workers
   - A. Hire furloughed workers to work in warehousing, delivery, or other critical supply chain roles
   - B. Shift roles to ensure essential operations are covered and communicate among workers to understand flexibility in needs
   - C. Invest in strategic workforce planning and learning / development as means to increase internal mobility
4. Need for community engagement
   - A. Carve out essential roles that could be outsourced to volunteers
   - B. Offer opportunities for employees to get involved in community through donating, volunteering, or supporting company foundation efforts
   - C. Invite employees to participate in worthwhile initiatives to help them feel part of something bigger than themselves and give them an important role to play

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NEW NORMAL HIGHLIGHTED INSIGHTS

E. CATEGORY AND BRAND

Adapting to the New Normal
(Long-term)

	1	2	3	4	5
Emerging Issues	Growth in specific categories	Rapidly changing consumer preferences	Spotlight on hygiene and food safety	Resurgence in centre store categories	Growing importance of brand's contribution to society
Strategic implications	A. Increase products in higher demand for foreseeable future (i.e., hygiene SKUs; cooking at home; health-related categories) B. Adjust to anticipated changes in consumer choices (i.e., home cooking, local produce preferences, trading down & expansion of private label, expansion of online) C. Decide which 6-8 "essential basket items" you will fight to keep. Essential items indicate whether you are the shopper's primary store or not – this is your "must win" strategy after market reset D. Manufacturers should focus innovation on new consumer trends (e.g., home cooking kits)	A. Increased demand in private label and essentials regardless of brand B. Drive value perception with private label to improve brand awareness C. Build production scale to reduce costs and improve margin D. Manage margin volume, and keep margin-generating premium lines that exhibit demand E. Find collaboration opportunities between manufacturers and retailers to shorten development process significantly	A. Retailers to invest in fresh, and adapt store layout and assortment to improve differentiation, and address shoppers' concerns about hygiene B. Demand increase of packaged fresh given concerns on hygiene, service counters, and un-packaged food C. Manufacturers to adapt single-product packaging (e.g., protective lids)	A. Develop an agile organization to better assortment B. Evolve offer to be more e-commerce / proximity format friendly C. Simplify store operations (replenishment, inventory, ordering, etc.) D. Reduce operational complexity and ensure availability of basics E. Control and maintain manufacturing costs given variations in material costs	A. Gather insights from consumers on expectations from the brand regarding safety & health components B. Build and implement brand proposition with clear purpose to contribute to people, planet, and health C. Implement plans to deliver the brand's purpose, then measure and report on the impact to people and the planet

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NEW NORMAL HIGHLIGHTED INSIGHTS

F. INCENTIVES

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Rapidly evolving market
2. Shifts in consumer behaviour
3. Promotion and innovation planning challenges
4. Need for affordability given declining economic conditions

Strategic implications

1. Rapidly evolving market

A. Determine desired position in the reset market, and how to migrate current captive consumer base to continue shopping long-term. DON'T wait for the market to determine where you belong
B. Adapt "real time" with fresh data from loyalty programs, online channels, and social listening to improve pricing strategies and curate promotional and loyalty programs
C. Manufacturers to take opportunity to communicate commitments to society

2. Shifts in consumer behaviour

A. Analyse the structure and profitability of consumer base in context of the market reset
B. Decide which shopping styles were predominant in the environment where price was not a deciding factor (i.e., healthier eating, store-cupboard recipes, more e-commerce)
C. Re-position your brand for the "new normal" shopping world, including clear view on price position
D. Use "new normal" situation to redesign and focus brand and promotional plans: focusing on traffic, innovation, new channels, and value creation
E. Manufacturers to leverage recent sell-through data to focus communication and innovation

3. Promotion and innovation planning challenges

A. Manufacturers and retailers to plan promotions jointly
B. Bring new products through the system faster – COVID-19 showed that this is possible
C. Use detailed retail insights to define where innovation is needed
D. Adapt promotional planning to new consumer elasticities and supply chain realities

4. Need for affordability given declining economic conditions

A. Promote affordability for as much of the population as possible by designing specific value propositions (e.g., core products, affordable pack size by unit, product promotions)
B. Prioritize ensuring that the target consumer will be able to afford the essential products and communicate to the community
C. Innovate products, services, and financial mechanisms to optimize for affordability for as much of the population as possible

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NEW NORMAL HIGHLIGHTED INSIGHTS

G. CHANNELS

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Acceleration of e-commerce adoption
2. Shifting role for brick and mortar
3. Acceleration of in-store digitalization

Strategic implications

1. Acceleration of e-commerce adoption

A. Invest to increase online and e-commerce capacities to cope with demand evolution
   i. online penetration will continue to grow
   ii. more automation and more staff required to take and fulfil operations
   iii. need to ensure efficiency growth along with revenue growth / scale to ensure long-term viability of business
B. Expect new channels and new intermediaries to take sales and profits away from mainstream retailers
C. In select categories, manufacturers will add to competition by improving or kicking off their Direct To Consumer Models
D. Retailers and manufacturers need to invest in or partner with "choice intermediaries" and delivery players and activities
E. Retailers and manufacturers to accelerate cold chain network development, enhancing DCs and last-mile delivery capabilities
F. Continued development of e-commerce, especially in development of DTC channels and platforms, as well as improvements in last-mile delivery (integration with B2C and B2B players to accelerate)
G. Manufacturers to adapt sales force to decreasing demand in away-from-home channels

2. Shifting role for brick and mortar

A. Make permanent changes to the store footprint: remodel stores to better fit new planograms, permanently use store areas for online order prep, close or refocus underperforming stores
B. Provide additional health protection for employees and consumers in long term procedures (e.g., client density, floor signs, how counters and eating areas are managed, replenishment while store is closed)
C. Develop pandemic operations and "survival minimum" contingency plans for your channels
D. Ensure best shopper experience with correct product assortment and physical in-store journey

3. Acceleration of in-store digitalization

A. Accelerate automation of in-store processes (e.g., self check outs, digital tags, self service counters), leveraging COVID-19 crisis experience, reducing costs, and adapting store procedures
B. Manufacturers to support on digitalization of replenishment process

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NEW NORMAL HIGHLIGHTED INSIGHTS

H. COMMUNITY

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Visibility of community partnerships
2. Economic challenges causing hunger in communities
3. Expanded role for H&W in building brands in communities
4. Elevated role as trusted source of information

Strategic implications

1. Visibility of community partnerships
   - A. Food retailers and distribution services are essential during COVID-19 to keep communities well-fed and safe
   - B. Retailers should continue to strengthen role in the community store by store and ensure repositioning of general image and message to be a constant source of trusted help for consumers

2. Economic challenges causing hunger in communities
   - A. Retailers and manufacturing plants alike are local in nature – "my mom and sisters work there" –making them well placed to engage with and support local communities
   - B. Lower-income workers in the hardest-hit industries (e.g., food service workers) may be significantly affected by potential for recession causing hunger; food retailers and manufacturers can look to directly address
   - C. Retailers and manufacturers can prepare by engaging with local communities to run programs (e.g., food drives and food donations)

3. Expanded role for H&W in building brands in communities
   - A. While some companies have built strong health and wellness programs, the climate demands that all industry players look at consumer wellbeing
   - B. Similar to the 2007-2009 recession, there likely will be an increased development of stress-related conditions, which will also be elevated on the health and wellness agenda
   - C. Expand to partner with local organizations to support on non-COVID-19 conditions

4. Elevated role as trusted source of information
   - A. Having been on the frontlines of the COVID-19 crisis, food retailers and manufacturers will soon serve as a trusted information provider
   - B. Share this knowledge and educate others through information boards, website presence, employee education, and public sector advisor roles to prevent, mitigate, and manage future pandemics
   - C. Leverage community actions without opportunism and with clear communication

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NEW NORMAL HIGHLIGHTED INSIGHTS

I. RESILIENCE MODELS

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Highlighted importance of diversification
2. Need for more extensive scenario planning
3. Business disruption creating partnership / M&A opportunities

Strategic implications

1. A. Leverage proven ability to respond to COVID-19, brand strength, and geographical footprint to become distribution partners for other services (e.g., banks, insurers, telcos, car sales, and repair services). Retailers will get additional revenues, interactions / trips and loyalty as consumers can fulfil a wider range of their needs from the same source
   B. Manufacturers and retailers to develop partnerships / outsource some store aisles (e.g., brown and white goods)
2. A. The need for frequent transparency and scenario planning that has happened during the outbreak will likely partially stick
   B. Develop scenario planning with pivot variables and key questions to drive a coherent strategy despite uncertainties
   C. Prepare financing for alternative and worst case scenarios
   D. Create additional capabilities for more rapid view of company financials – "visibility and control"
3. A. Need for investment in new channels (e-commerce and others) and "roles" with investments and divestments
   B. Assess and conduct M&A and partnership deals to:
      i. Clean, prune, fix: carve out and divest to cut underperforming operations and / or to raise cash
      ii. Seize opportunities to grow through acquisitions and / or alliances: "new business model" players, real estate locations, distribution assets, and competitors
   C. Embrace new default payment mechanisms
   D. Manufacturers to invest in survival of smaller retailers by supporting their finances (e.g., extending payment terms) to maintain future partnerships

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NEW NORMAL HIGHLIGHTED INSIGHTS

J. ECOSYSTEM COLLABORATION

Adapting to the New Normal
(Long-term)

	1	2	3	4
Emerging Issues	Resilience of strong supplier partnerships	Disruption with smaller suppliers	Re-localization of supply chains	Vertical integration as risk management
Strategic implications	A. With price pressure as well as faster changes in consumer trends and shorter innovation cycles, need suppliers that can work closely to develop the next bestseller B. Gather wide ecosystem to share data, provide insights from daily contact with consumers, and jointly identify and brainstorm new trends C. Learn from B2B players' consumer focus and establish partnerships	A. Shorten payment terms to support manufacturers and / or farmers, especially smaller suppliers B. May take equity in suppliers that are critical, leading to new, deeper financial ties and easing future collaboration C. COVID-19 has showed the strengths and weaknesses of working with small suppliers, and their reduced capabilities to invest in R&D and increase production in short term D. Where relevant, invest in PL suppliers and / or farmers or support their consolidation with stronger business partners with increased scale and investment capability	A. Local sourcing has become a solution to overcome limited international production, reduced transportation availability, and movement restrictions B. Retailers should support manufacturers and farmers to get more on-shore / near-shore production capacity to become less dependent on long international supply chains C. Create (or continue) coalitions that or collaborate and leverage the strengths of each organization within the value chain for positive impact in the world (e.g. health and wellness, sustainability, etc.)	A. Follow examples of retailer and manufacturer collaboration for supply chain issues B. Retailers can learn from these issues and prepare pandemic plans to secure supply (including logistics, critical food products, and hygiene items) using vertical integration C. Across countries, the agreements for online delivery may continue, taking into consideration growth of online delivery

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NEW NORMAL HIGHLIGHTED INSIGHTS

K. DATA AND ANALYTICS

Adapting to the New Normal
(Long-term)

	1	2	3	4
Emerging Issues	Need for analytics at clock speed	Need for agile data-based decision-making	Data infrastructure challenges	Increase in cybersecurity threats
Strategic implications	A. In the "new normal" (e.g., exponential growth of e-commerce, faster changes in consumer trends), it is imperative to react faster and deprecate practices that are not critical or too complex B. Utilize payments data and location data to decipher differences in shopper movements across the market to allow a more dynamic response than slower consumer research and panel work	A. Better understanding of consumer needs and market trends has to be complemented with a faster reaction B. Perform faster and more accurate decision making, leveraging: i. Relevant metrics, tools, and processes to analyze / get insights ii. Real time notifications to decision-makers to take responsibility for launching actions C. Collaborate on data to maximize sales and improve supply chain efficiency	A. Online, click & collect, and convenience stores have gained traction across consumers; during COVID-19, ~10% of the consumers shifted to online, of which 1/3 is for good B. Retailers and manufacturers need to significantly increase e-commerce and omnichannel-related investment, both for production and management C. Need for systems that allow for vertical or horizontal diversification and extensions D. Enhance data insights and capability to decipher and predict consumer movement and competitive action	A. The COVID-19 outbreak has tested organizations' resiliency to cybersecurity and ability to rapidly communicate with staff, which will be increasingly needed in a future with more digital working environment B. Retailers and manufacturers can prepare by increasing investment in cybersecurity, defining employee policies and trainings to reduce cybersecurity threats, and developing emergency notification and contingency systems

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NEW NORMAL HIGHLIGHTED INSIGHTS

L. ALLIANCES / PARTNERSHIPS

Adapting to the New Normal
(Long-term)

Emerging Issues

1. Recognition that industry is more resilient together than alone
2. Industry associations playing key role in coordinating response
3. Digital players / platforms playing new roles in old alliances / partnerships

Strategic implications

1. A. Invest time into developing a joint response with other organizations in the area, and codify this as a blueprint for future pandemics (e.g., coordinating protocols and standards in hygiene, communications, pricing, and policies)
   B. Work dynamically with other organizations to allocate or repurpose staffing needs to help minimize unemployment if an organization must close temporarily
   C. Response to new pandemic situations will strongly depend on network and its qualities, so first prepare by enhancing the network and participating in industry forums
2. A. Sustain partnerships that were formed during the crisis into the longer term
   B. Continue to participate in industry associations to provide perspectives and develop the agenda, as associations may play a larger role moving forward
   C. Enhance organization's network by taking the initiative to reach out to other organizations after virtual events to establish a connection and or offer capabilities to support
3. A. Prioritize the building of relationships and partnerships that will last in the "new normal," such as digital solutions
   B. Explore partnerships with digital intermediaries such as home delivery services, online shopping platforms, and social media sites with the capability to allow for advertisements through links
   C. Leverage digital communication to build stronger, more personal connections to colleagues and clients (e.g., using video conferences to check in and talk more informally can help deepen understanding of client challenges and perspectives)

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