



# How to Build a Strategy for Managing Crisis

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David McMillan  
Commercial Innovation Practice, Palladium

## Introduction

Strategy is often defined as the plan for creating greater value over the longer term. But what happens when there is an all-consuming crisis in the present, like the COVID-19 pandemic?

As Palladium co-founder Dr. David Norton has repeatedly said, “strategy is change”. When events are changing at a normal pace, we can focus our corporate strategy on driving change over the next several years. However, when the business environment is changing rapidly, the planning horizon for strategy contracts. With businesses around the world significantly disrupted by COVID-19, our strategic planning horizon includes the changes that each organisation needs to execute *tomorrow*. This reality does not negate the need for a long-term strategy, but rather calls us to supplement it with a relevant crisis strategy for the present moment.

### What does a crisis strategy look like?

As founders of the Balanced Scorecard, Palladium recommends applying this globally recognised framework. Any crisis strategy needs to be clear on the objectives to be achieved, and measures (KPIs) against those objectives provide an honest gauge of progress and the basis to test strategic assumptions. Targets for each measure give us a tangible goal and help motivate staff. Initiatives mapped against the objectives serve as the tactics employed during the crisis.



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The “Balanced” in Balanced Scorecard demands that our strategy use well-reasoned causal logic. Crisis strategies reflect:

- the **outcomes** being pursued (e.g., saving lives, flattening the curve, minimising impact on the economy, protecting employees and customers, keeping businesses viable, building resilient organisations);
- the **stakeholders** that need to be served (e.g., communities, employees, customers, suppliers);
- the **processes**/activities on which to focus (e.g., proactive communication, social distancing, connecting people virtually, linking employees to resources, adopting new business models);
- the intangible **enablers** that equip staff to execute the strategy (e.g., technology infrastructure, team cohesion, flexibility for staff to care for family needs).

## 6 Key Principles

There are six key principles that you should keep in mind as you build your crisis strategy.

### 1. Outcomes are most important

It is easy to get so focused on the tactics of crisis response that decisions can begin to serve the tactics instead of the ultimate outcomes. Keep the desired outcomes top-of-mind for all decision making.

### 2. Seek input but don't wait for consensus

Normally strategic planning is most successful when it is an inclusive process and executive consensus is achieved. Consensus is wonderful but cannot drag out the process of finalising a crisis strategy and putting it in motion. The leader needs to seek counsel and then finalise the plan.

### 3. Be hyper-focused

Two things are true of a crisis like COVID-19: the situation is rapidly evolving and there is not time for prioritising nice-to-have actions. Your plan must be hyper-focused to make it easier to share, execute, and evolve with the crisis.

### 4. Use available measures

You don't have time to spend developing ideal measures. As much as possible, use data to which the organisation already has reliable access. Remember that there often is no perfect measure.

### 5. Plan to revise the plan

Whatever you think the next month will look like, you are likely wrong. This is not an excuse not to plan; rather, it is the reason it is necessary to manage the plan aggressively and deliberately make time to consider how the plan needs to be revised.

### 6. Adjust your long-term strategy

As much as some businesses might hope for a quick return to the economy of 2019, that seems unlikely. Amid managing your crisis strategy, find time as a leadership team to play out some scenarios and adjust your longer-term strategy accordingly. This will best position you to come out of the crisis one step ahead of your competition.



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