Abstract

It has long been my belief that resilience is a quality forced upon us by the pace of change and the sheer number of continuous and exponential shifts required to evolve, live and do business. It is an invisible force that, until recently, went mostly ignored, as leaders dealt with day-to-day realities. The COVID-19 pandemic, however, is a very visible and massively disruptive force that makes the need for resilience real, tangible and undeniable.

During the early phases of the pandemic the lack of resilience was evident. Companies scrambled to respond to new and unanticipated challenges, and many failed to meet them. In its wake, leaders are being forced to reevaluate, reorient and transform themselves to prepare for whatever comes next – a world still struggling to recover from crisis or a world transformed by science and technology and ready for the future.
Transformation Requires a Holistic Approach to an Interconnected System

To transform is to change in form, appearance, structure, condition, nature, or character. It is an overly used word that can be made to fit a wide range of narratives. Change is nothing new. Yet the dynamics of what is sure to be an even more volatile and complex future, precipitated by the COVID-19 pandemic, should compel us all to transform. The pandemic underscores the complex interconnected system that our world has become. In such systems, a perfect understanding of the individual parts does not automatically convey a perfect understanding of the behavior of the whole system – elevating the importance of a holistic, system thinking approach. Why? Because systems with many components behave and interact in a way that makes prediction impossible. With a high degree of uncertainty, and the speed at which shifts are likely to occur, adapting holistically is the only way to survive in this kind of environment.

Organizational DNA Provides Essential Building Blocks

Any discussion of post-pandemic transformation is likely structural; a series of shifts that alter our beliefs and intuitions. These shifts will fundamentally change the way we think and behave in a new normal. It is a clear accelerant to realizing the organizational characteristics required for success in an exponential and complex world. In 2013, I took a closer look at
the coming transformation and examined organizational characteristics, based on a view of the environment that is likely to exist in the next two decades. Organizational DNA must reflect characteristics that enable success in whatever world emerges. The pandemic is driving us to think in terms of a new normal; but it’s not accurate to think of this DNA as something needed strictly because of COVID-19. In traditional companies, enshrined organizational policies, practices, systems, processes and structures can work against organizational DNA and significantly inhibit our ability to effectively function and adapt in a new normal.

In most organizations, a complex tension exists between the traditional need to be stable and secure, and the critical need to be agile, flexible, fast, adaptive and responsive. The difference between success and failure in the post-pandemic world hinges on how this tension is resolved.

Balancing an Adaptive Core and Enabled Edge

Resilience tops the list of characteristics required in the emerging, post-pandemic future. It is defined as the capacity to recover quickly from difficulties; an ability to absorb and respond to sudden shocks and regain momentum. My observation is that future-forward organizations have two resilience-enabling elements – an adaptive core and an enabled edge.

- **Adaptive Core:** The path to resilience is typically slowed by the core of our organizations. In most cases, our legacy environments are standing in the way of resilience. Realizing an adaptive core depends on technology innovation, reimagining of structure and a new leadership mindset. The core of an organization must be adaptive, enabling resilience and relevance while forming the foundation for interacting with a complex and uncertain world. Realizing this vision requires the need for the organizational character to transform, embracing a digital DNA that dynamically aligns with the operating environment we find ourselves in.

- **Enabled Edge:** Increasingly, interactions occur at the edge of our organizations. How we interact is likely to change and the ecosystems in which organizations interact are expanding. In the pre-pandemic world, organizations were focused on embracing the rapid pace and complexity of change, while enabling new possibilities by expanding their ecosystem thinking and engagement. The pandemic will introduce more change to this in-flight dynamic. The edge of
our organizations must be highly effective and enabled to interact with multiple stakeholders. Automation and real-time insights can be used to deliver a sense-and-respond capability that allows us to act at the speed of business. As the amount of data flowing through ecosystems expands, the need to sense stimuli and enable a real-time response intensifies. This emerging management paradigm is broadly applied across a wide spectrum including innovation, opportunity, risk, operations, future scenarios, and stakeholder experience. Managing change in this world is more complex, requiring collaborative competence and the agility to rapidly shift as the shifts occur. Enabling the edge to seamlessly interact with an adaptive core is the fastest path to resilience.

Resilience Is Also a Futuristic Mindset

Beyond these foundational elements, there is a need for an innovation portfolio mindset, and a focus on key areas of excellence. The pace of shifts is accelerating and driving high levels of uncertainty. This environment puts a premium on organizational adaptability and alters our view of innovation. Rehearsing the future becomes a core competence, as we prepare for a range of possibilities. Future innovation portfolios therefore provide us with options that are leveraged to address the shifts. An effective portfolio requires an investment in seeing the future at a level that allows us to determine potential paths. Without it, speed of response is undermined. Aside from the technology foundation required to enable the
core, future success relies on excellence in three key areas: software, collaboration, and analytics. The future is about relationships and how we manage them. The complexity of multi-stakeholder ecosystems is made more obvious as we face this pandemic. The pace of shifts was well on the path to requiring a seamless ability to swap relationships – COVID-19 necessitates that same ability to rapidly swap relationships in and out, making the effective use of plug-and-play relationships a core competence. As the world is increasingly run by software and data, excellence in these areas is table stakes.

Meeting New Challenges with a Strategy of Resilience

The stable and predictable environment of past decades is giving way to a new norm. We are entering a new era, filled with unprecedented challenges and shifts. The COVID-19 pandemic serves as an undeniable accelerant in driving our organizations to transform. There will be intense pressure to intelligently establish an adaptive core and an enabled edge to fuel resiliency. Resilience must become a higher strategic priority, as turbulent times, uncertainty and new opportunities require us all to be adaptive and evolve.
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