

Incorporating Leadership & Business Resilience into Business Models to overcome current extraordinary Uncertainty

For NI Tourism Businesses Webinar



Feargal McCormack
Managing Director
PKF-FPM Accountants (pkffpm.com)
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Presentation Context

- Webinar is being delivered as part of Tourism NI's new Tourism Enterprise Development (TED) Programme. Slides will be an Aide Memoire
- Recognised that the coronavirus pandemic in particular and also Brexit has placed extraordinary demands on leaders in business, especially in the Tourism & Hospitality sector.
- This webinar will endeavour to outline and provide practical tips on how a strong leadership and business resilience culture can help override uncertainty instead of being overpowered by it.
- Acknowledged that one to one mentoring may be available to enhance knowledge and understanding of specific elements of today's Webinar.

Overview

- The evolving Coronavirus pandemic, and Brexit means that we are currently living in unprecedented and extraordinary times in terms of uncertainty and volatility in economic activity. This especially applies to the NI Tourism & Hospitality sector, which has seen large periods of lockdown over the past 11 months.
- It is acknowledged that the UK Government and the NI Executive have brought in business supports to help businesses, employers and employees, which will help. But, the truth is, by design, these could only partly help and it is very difficult to predict the future market dynamics, because we are now faced with triple Covid-19 uncertainty: firstly around the Coronavirus disease itself; secondly, its economic impact, and thirdly, the ways in which the pandemic has, and will, affect people's behaviour. Hopefully the availability of vaccines will significantly improve the situation.
- The evolving uncertainty around the implementation of Brexit and the NI Protocol has added to the challenges of incorporating strong leadership and resilience into business models.
- Now more than ever, we need empathetic and compassionate leadership, which engages, listens, connects with others, and displays flexibility, understanding and sensitivity, to get people business' over these difficult times and lead them through this current uncertainty to a new reality.



Covid-19 and Brexit

- The reality is that we must plan in the short term for living with and post Covid-19, and adjusting for the new Brexit and NI Protocol. From an economic perspective, things will be different, business relationships with UK mainland, Ireland / EU have entered a new phase and from a Covid-19 perspective, some behaviours and attitudes will have changed. There will be a greater demand to accelerate digitalisation. Health will become a fixation and environmental / green / sustainability issues will come to the fore.
- In the context of resilience planning and protecting your assets and mitigating your risks, the most important leadership controls are how we behave and integrate agility and adaptability into our business models going forward, by creating a resilience-based framework.
- Right now, to alleviate workplace fear, it is paramount that leaders focus on being objective, transparent, effective and authentic.
- The Harvard Business Review reports that ***“Crisis are more often over managed and under led”***.
- The word “crisis” in Greek, means, “opportunity”. We need to focus on the observations, experiences and positive changes we have adapted due to the pandemic and endeavour to embrace change and identify and exploit business opportunities.

Making Successful Leaders & Businesses even more Successful, through implementation of resilience planning

- Through this Webinar Presentation, we hope to make successful leaders and businesses even more successful – by sharing with you practical tips on proven best business resilience practices.
- No performance is good enough, we have to set the bar high, and embark upon an ongoing journey of continuous improvement towards business improvement, business excellence and organisation excellence.
- We need to think globally about our business – look at the opportunities and threats and be prepared to change, with changing circumstances – agility and embracing change are key to survival.
- In our experience, successful leaders have a hunger for success, an eye for an opportunity, are good team players and have huge reserves of confidence and persistence.
- Leaders must urgently embrace lateral and resilience thinking, to help their businesses sidestep, survive and perhaps even capitalise from turbulent economic times.

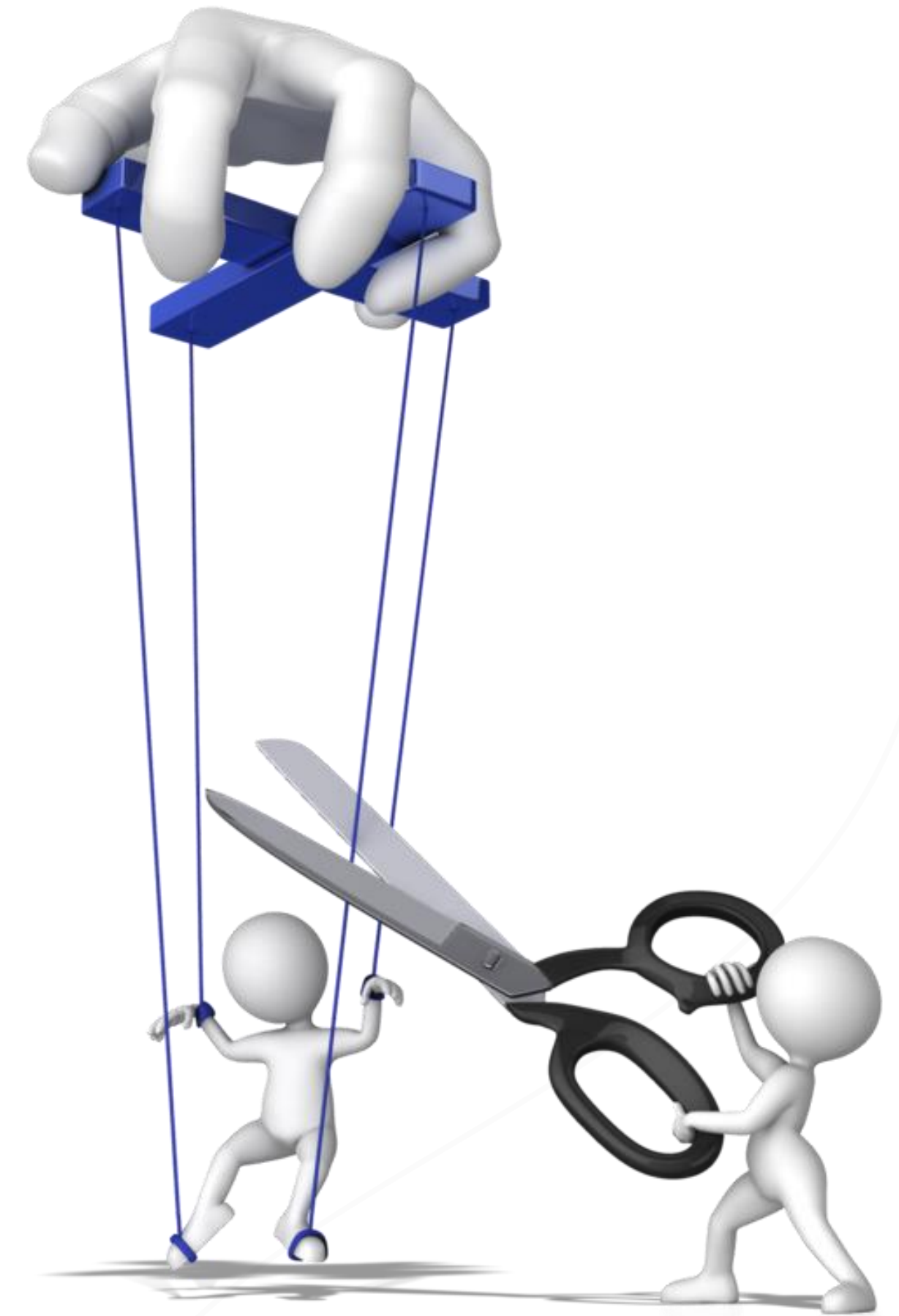
Webinar Outputs

Understanding of:

- Implementing a resilience framework within business culture / model.
- Interaction between Leadership and Resilience Planning.
- Strategies for Survival, Recovery and exploiting Business Opportunities.
- Applying helpful business tools.
- Key Brexit impact overview.
- Leading Change, Hope and Confidence.

Response to Events Outside our Control

- Sometimes we can **NOT** control the events around us,
BUT we do have the ability to **CHOOSE** our **RESPONSE**
- It is our response, which will ultimately determine our future success and differentiation in the marketplace.
- Persistence beats Resistance.



Resilience

- There is no single, universally accepted definition for resilience.
- Generally resilience is seen as the ability to withstand or to bounce back from adversity and disruption.
- Business Resilience Planning is focused on developing business leadership, people and systems / processes to create the capacity for a business organisation to anticipate and react to change, not only to survive, but also to evolve as a commercially sustainable business.
- Thus we would suggest, best practice involving determining resilience planning strategies for businesses operating in the tourism and hospitality sector, to cover survival, recovery and agility strategies, to endeavour to adapt to, and overcome future challenges as they arise, to ultimately to exploit opportunities.



Leadership

“What distinguishes great leaders from merely good ones, isn’t IQ or technical skills – it’s emotional intelligence”

Daniel Gilbert

“The most important attribute of an organisation, is the way it treats its people”

Bill Walsh

We will address this in the People / Culture Webinar on 18th February 2021

- Leadership is all about having the ability to influence
- The most important thing is Purpose – that is, the WHY?
- Without a vision, you can’t get high performance on a consistent basis
- The business Values, Culture and DNA are pivotal and cultivate performance

Leadership

- The quality of leadership more than any other factor determines the success or failure of an organisation. Leadership is not about position or hierarchy, but is about attitude, definite characteristics and behaviours such as vision, passion, culture, people skills, resilience, team building and inspiring others. It is appropriate for real leaders to stand-up and deliver.
- Avoid complacency, past success, does not guarantee your future success.
- The principle remains:

Leadership first, then management.



Core Emphasis

Effectiveness and Efficiency

- Business thrives when both effectiveness and efficiency are aligned and complement each other.

Effectiveness

DOING THE RIGHT THINGS
(Strategic, working on the business)

Efficiency

DOING THINGS RIGHT
(operational and tactics, working in the business)

Difference between Leadership & Power

The success of a leader, is determined by the outputs of his/ her team, and not his / her personal inputs

Leadership comes from within and is recognised by others

Sometimes business leaders need to lift themselves out of mundane tasks and “work on the business, rather than in the business”



Do not engage in negativity, have the courage to tell your work colleagues to disengage from negativity

Leadership in the corporate setting, is centred on the ability to deliver change. Only adaptive organisations endure in today’s rapidly changing business environment.

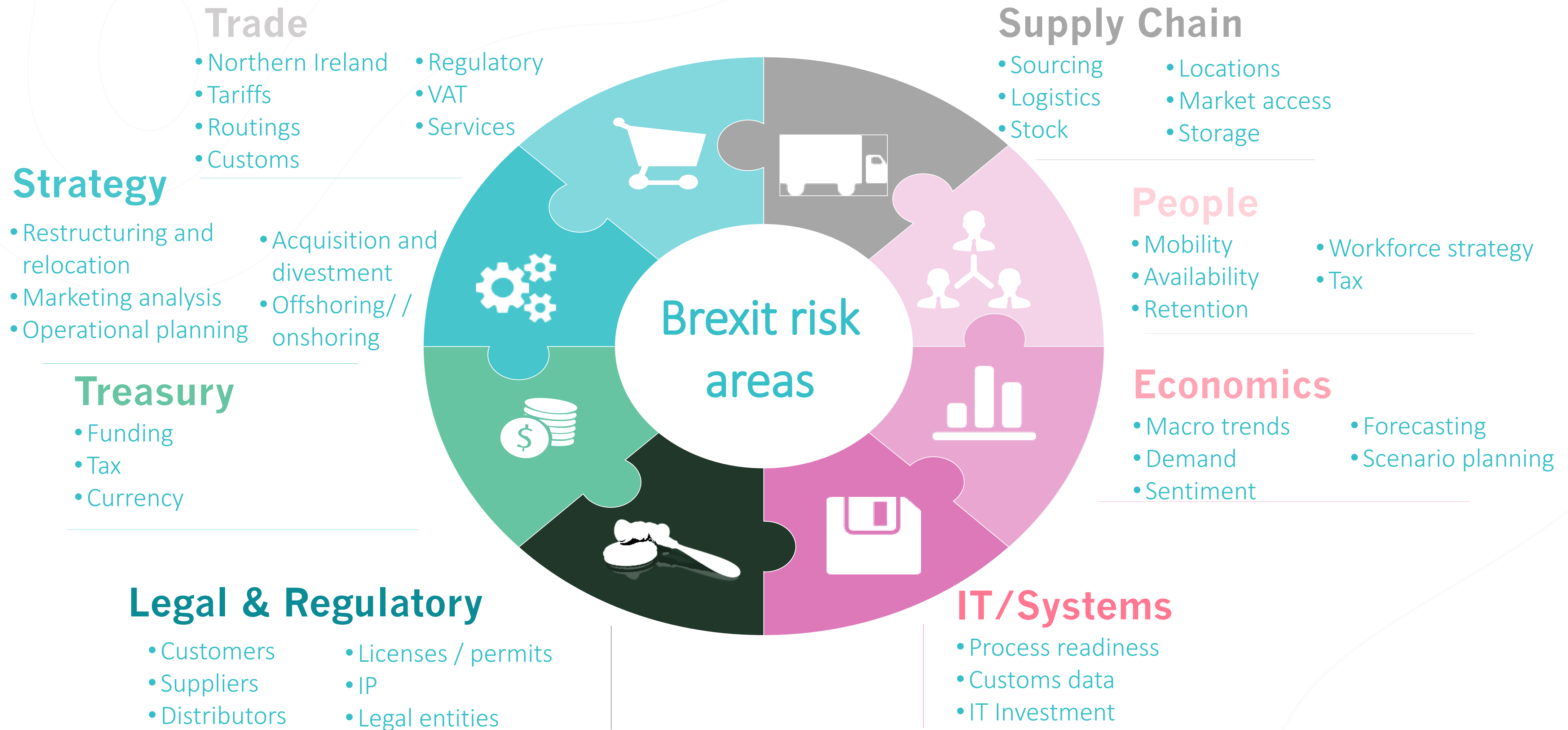
Instant Covid-19 Survival Strategies

- Comprehensive Risk Management Strategy to identify and assess financial impact and develop mitigate strategies in respect of:

Sales / Revenues	Staff Availability	Supply Chain	Finance	Govt Supports
<ul style="list-style-type: none">• Particularly if you have little online presence	<ul style="list-style-type: none">• With people subject to restrictions on the movements, health reason and home schooling in place	<ul style="list-style-type: none">• Identify product and origin of source, especially if you rely on suppliers badly affected by Covid-19.• Brexit considerations	<ul style="list-style-type: none">• Particularly if cash flow was low• Funding Costs – both fixed and variable, stock, debtors & creditors management – deferred of some payments via payment extensions e.g. H.P., Bank Loans etc.	<ul style="list-style-type: none">• To Business and Employees• Grants• Loans• Self Employed / employee income supports

- Re-do your cashflow forecasts and budgets, along with urgent scenario planning:
 - Immediate emphasis on cash flow

8 Key Brexit Impact Areas



Footnote: Note InterTradeIreland Brexit Voucher

Trust

- The world renowned Edelman Trust Barometer recently reported that across the four pillars of civil society: business, government, NGOs and media, **trust** has declined, driven by a year of unprecedented disaster and turbulence, principally caused by: the Covid-19 pandemic and its mismanagement, the economic crisis, global outcry over systemic racism and political instability.
- The result has been a failing trust ecosystem.
- In a reversal from previous years, business has become the most trusted of the four pillars and has been handed a mandate by the mass public to rebuild trust and chart a new path forward.
- Addressing these challenges – rebuilding the world’s economy, our health and safety, climate, and human relationships – requires a renewed commitment to trust, and recognition that trust is the foundation for stakeholder capitalism.



**“OUR PRESENT
CIRCUMSTANCES
DON'T DETERMINE
WHERE WE CAN GO;**



**THEY MERELY DETERMINE
WHERE WE
START”**

Navitating a Pathway to Recovery

- The current Covid-19 lockdown in the NI Tourism & Hospitality sector, is an opportunity to deploy unconventional thinking to navigate a pathway out of the current economic mess and to re-engineer a risk management strategy of the 3Rs: Reset, Refocus and Rebound faster incorporating a range of actions to allow the business to respond as effectively as possible to the evolving Covid-19 pandemic environment.

In terms of Reset, identify goals to align your business model to the New Normal

In terms of Refocus, encourage the power of the right mindset to ensure mental wellbeing and personal wellness in order to remain strong, focused and empowered

In terms of Rebound, re-engineer the business through simple strategies to rebound faster, better and stronger during and after the Covid-19 crisis has passed



Context cont...

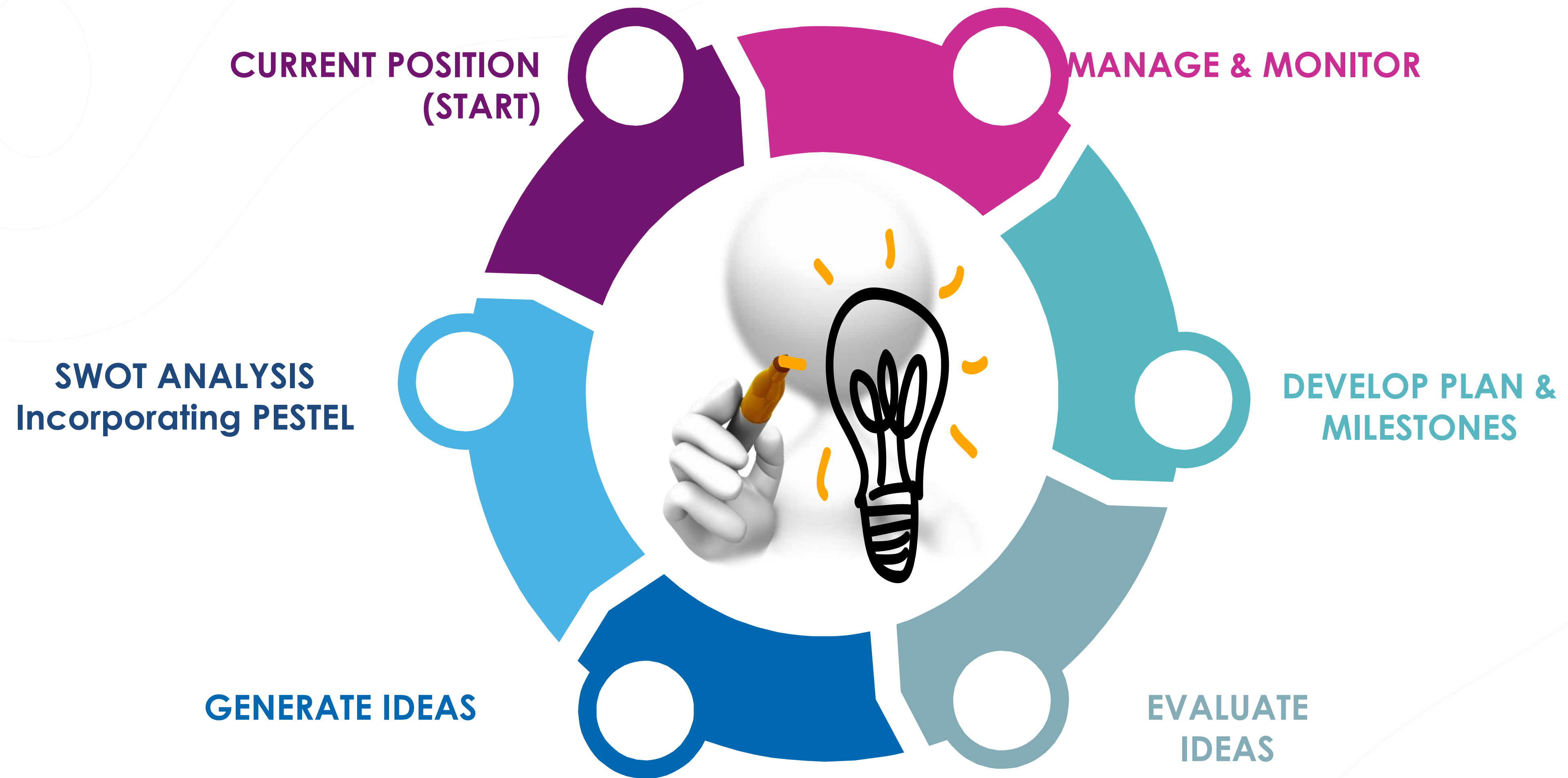
- A business can't just open its doors and start again, it will need a business continuity plan.
- Liquidity will be the key to re-opening for businesses. Research reaffirms that planning for and implementation of an appropriate level of liquidity will be crucial in defining the success of businesses' recovery during and in post pandemic Ireland and the island of Ireland.
- Naturally, anticipating future market conditions and customer behaviours and attitudes will be pivotal to success, as will be labour resource and talent management.
- A new business landscape is evolving with expected changes in market and consumer behaviour and attitudes. We will all have to learn to do business in different ways. As a result we must focus our attention on re-engineering (which may involve re-sizing), our business model going forward.
- In the short term international travel restrictions will impact overseas tourists, staycations will become the norm, social distancing will impact wedding and event sizes, remote working technology may impact meetings and conferences and cyber security issues.
- An economic crisis is a good time to take a holistic look at our business and reflect on what we did before, that we could do better, and what we didn't do before, that we should go for now in terms of products and services, pricing, staff mix, processes and policies. But across all of this, if the business does not have strong financial planning and liquidity, it is destined to fail.

Strategy

***“Strategy is about making choices, trade-offs;
its about deliberately choosing to be different”.***

Michael Porter

The Steps in Developing a Business Strategy



Business Planning

The future belongs to those who plan for it – but Covid-19 has taught us that your business model, must be agile and the planning cycle may have to be very short with flexibility for medium to long term planning:

“If you don’t have a destination you will never get there”

Remember

Henry Kissinger

“When you don’t know, where you are going, every road will get you nowhere”.



We can analyse the past, but we must design the future. Design means putting things together to deliver a value added solution to meet or exceed client/customer expectations and thus deliver market differentiation.

PLANNING

A stylized illustration of a winding road on a green hillside. The road is grey with yellow dashed lines. Three question signs are placed along the road: a purple circle on the left, a blue rectangle in the middle, and a pink rectangle on the right. The background consists of rolling green hills.

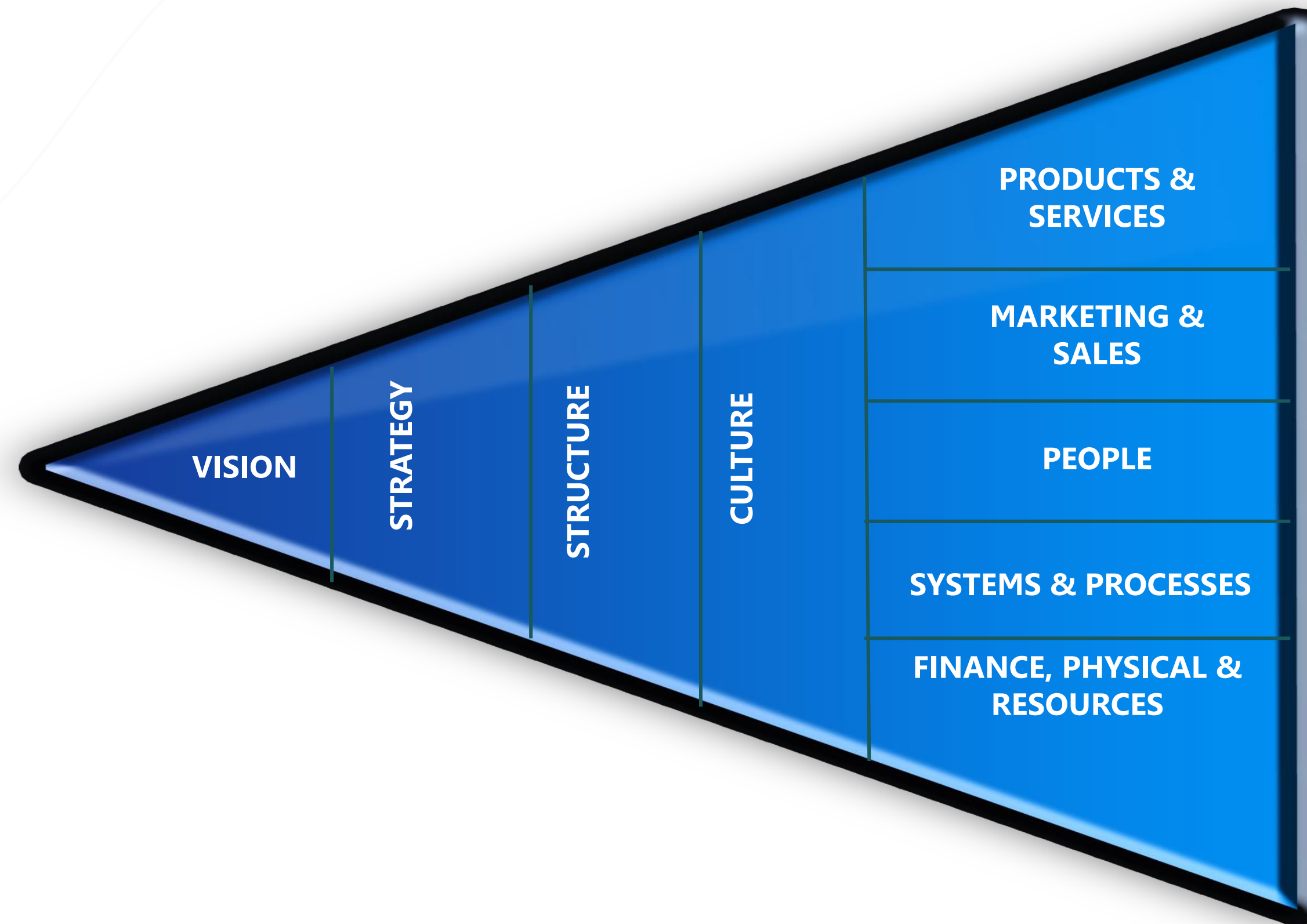
WHERE
ARE WE
NOW?

WHERE DO WE
WANT TO BE?

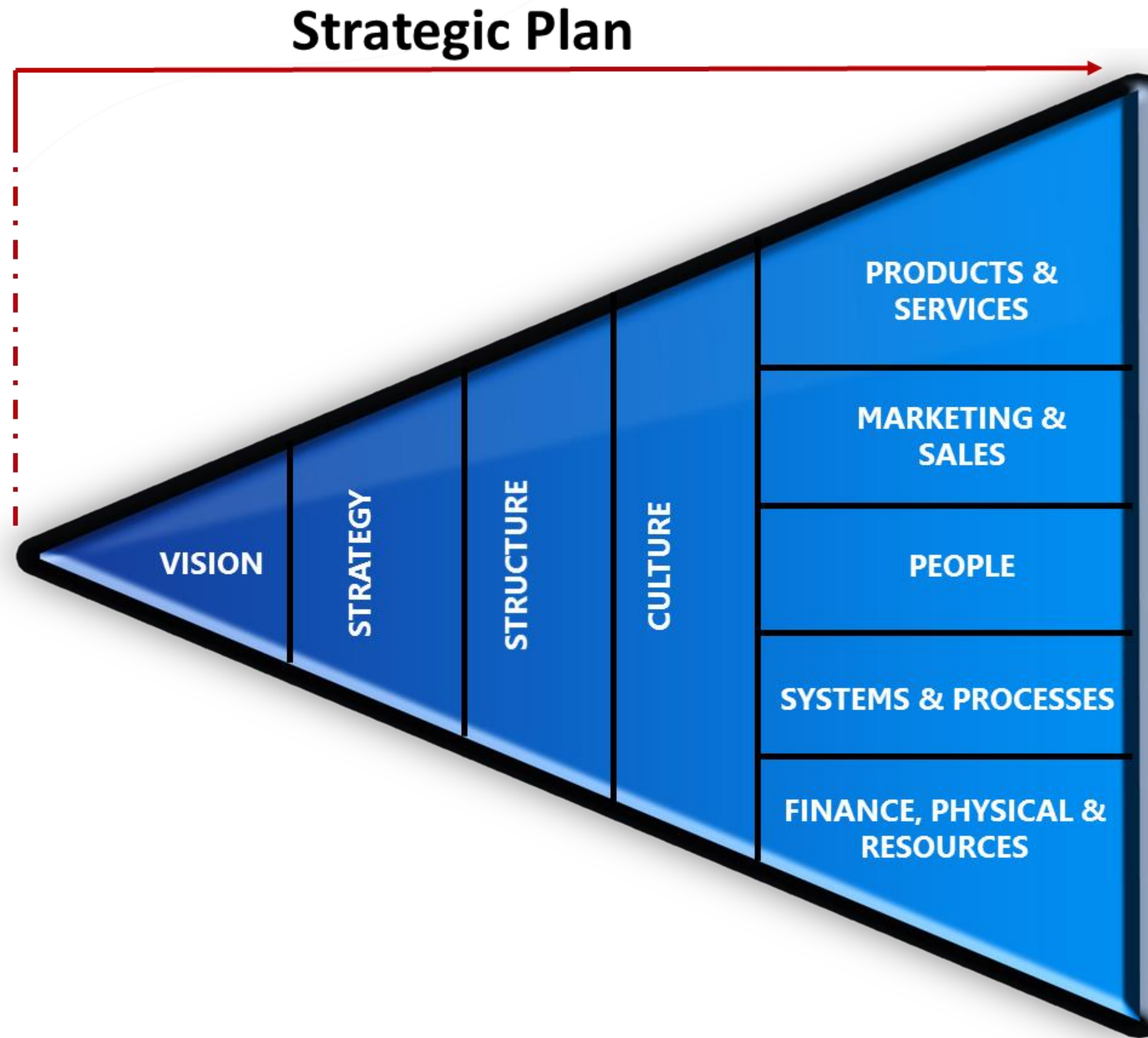
HOW ARE WE
GOING TO
GET THERE?

A Business needs Direction

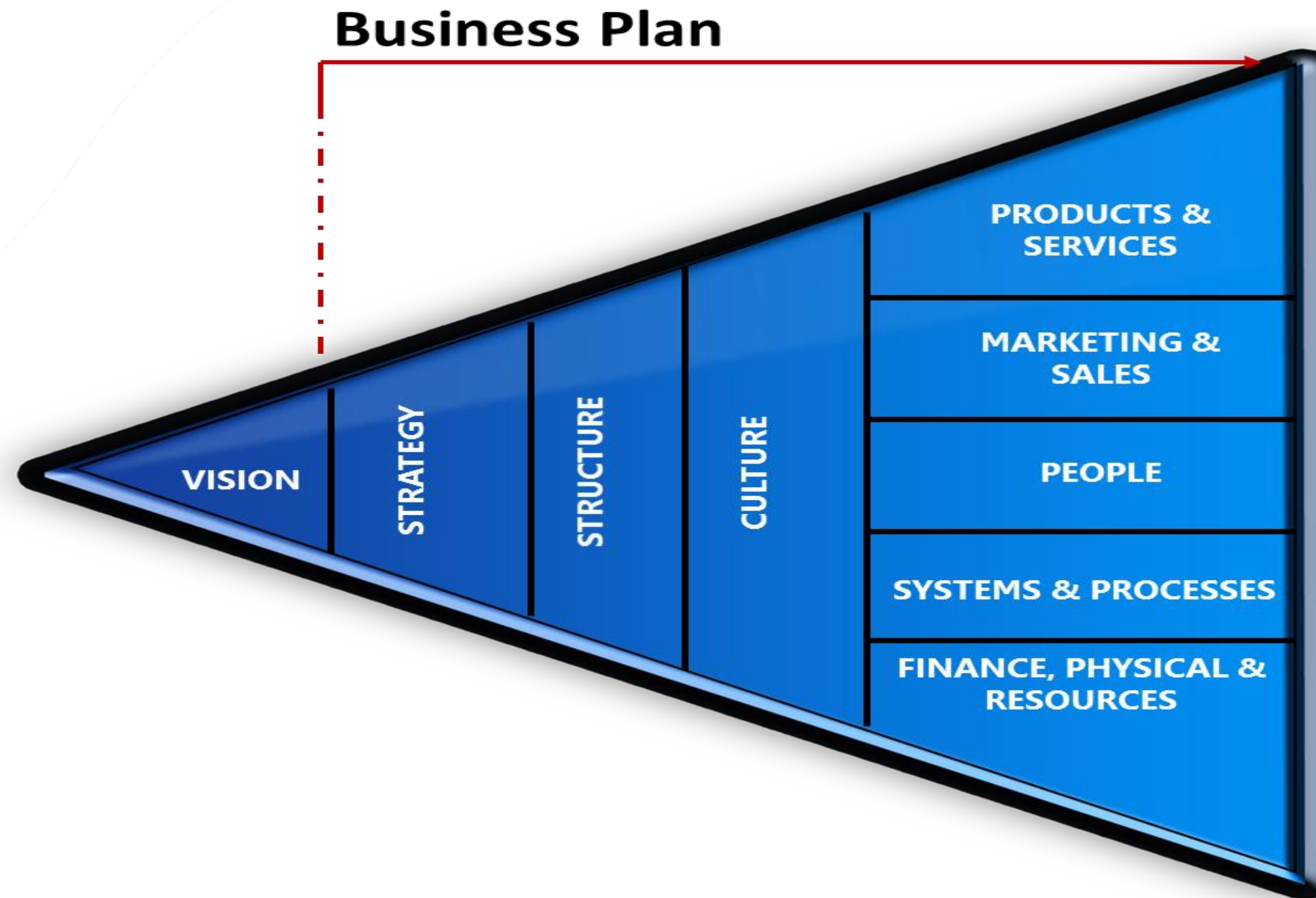
- A business needs direction, structure and processes. To facilitate Business Planning, we have developed a strategic management holistic framework for PKF-FPM, which we call the PKF-FPM Rocket.



Strategic Plan Determines the Vision



Business Plan accepts the Vision as it is & Revisits the best way to achieve it

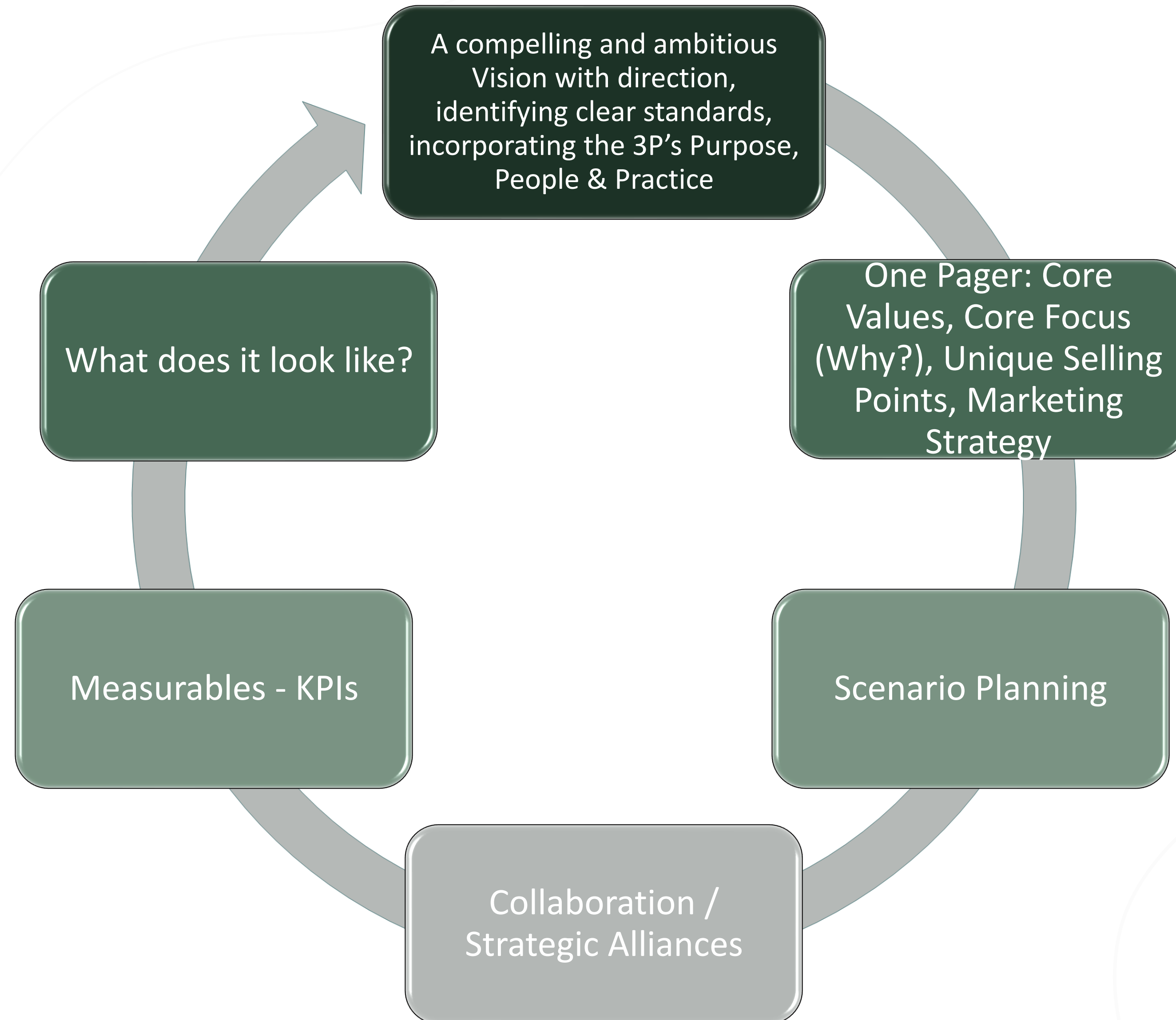


Innovation and research is interwoven into 5 Operational Plans

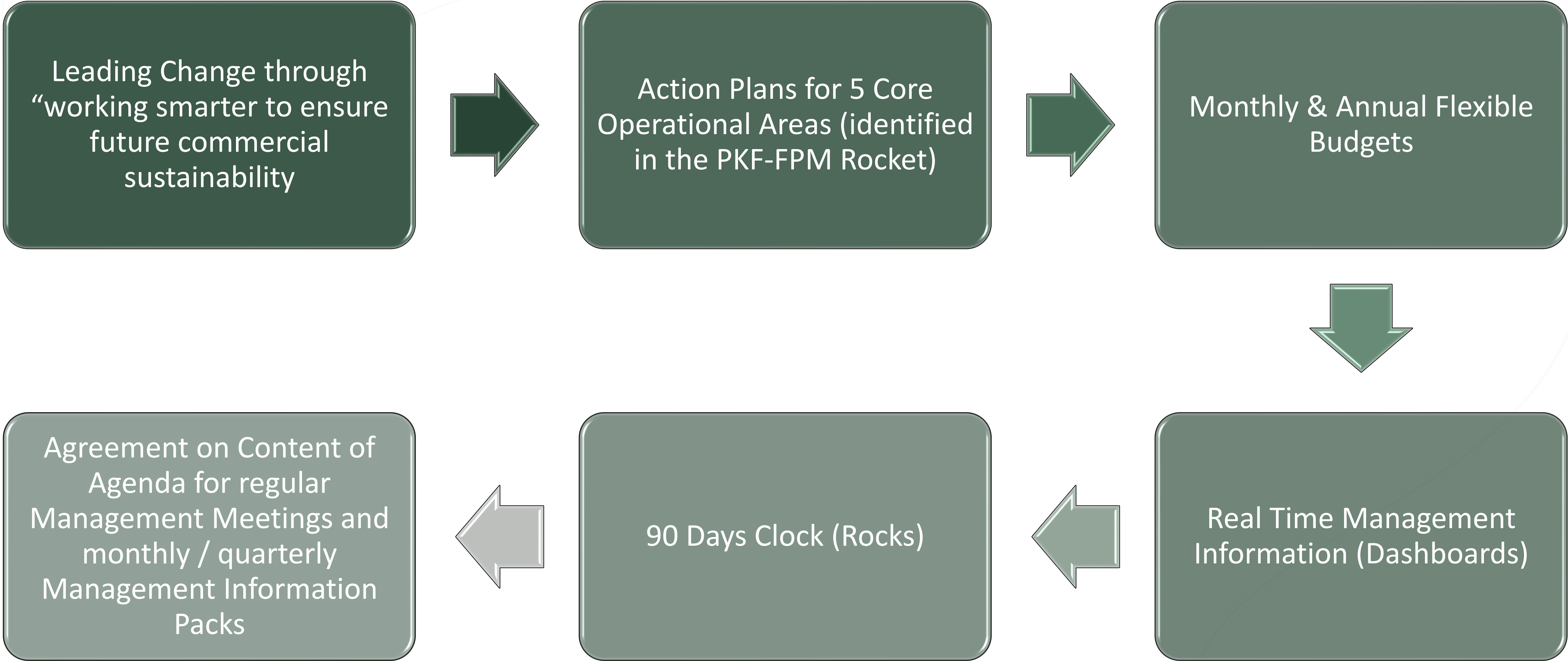
Where Are We Now?

- Baseline Position.
- Governance Structure: Legal Title; Shareholders / Partnership Agreement; Employment Contracts; Supply Chain Agreements; Sub-Contractors, Off Payroll Working / IR35 etc.
- Benchmark performance against key KPI's:
 - Revenue
 - Occupancy
 - Costs
 - Profitability – GP Margin %, EBITDA %
 - Liquidity
 - Working Capital
 - Gearing
- Estimate breakeven position
- Carry Out SWOT Analysis (incorporating PESTEL)
- Current Market Trends (utilising Market Research sources)
- Identify Opportunities for Improvement
- Shareholder Protection / Life Policies
- Succession Considerations

Where Do We Want to Be?



How Do We Propose to Get There?



Leading Change Through: “Working Smarter to ensure future Commercial Sustainability”



Working smarter will incorporate creating an adaptable high performance culture of competitiveness utilising innovation, technology, data analytics and flexible work practices and opting for solutions that emphasise health and safety and minimise unnecessary travel, while reducing carbon emissions.



Commercial sustainability will mean promoting a culture of resilience, embracing disruption, aggressive growth, lean processes (reduce waste and continuous improvement) and future proofing our business by transforming our organisation to create a “better normal” and satisfying today’s needs, without endangering future generations.



Future proofing will incorporate creating an environment to enable continuous learning that allows your people to be the best they can be, by attracting, upskilling and retaining talented people to embrace evolving technologies to facilitate more engaged working and the workplace of the future.

Getting Results through People



- Close parallels between Sport and Business – the principles are the same, its all about getting results through people.
- Similarly in his Bestseller book, COMMIT!, make your mind and body stronger and unlock your full potential, Enda McNulty highlights that the biggest waste in life, is the waste of potential.
- In this context, he talks about the “Fixed Mindset”, where nothing is ever going to change and the “Growth Mindset”, which is full of possibility and redefines failure.

Agile & Flexible Leadership

It is important for a leader and an organisation to remain flexible.

Remember...

The only golden rule is...

THERE IS NO RULE

George Bernard Shaw said:

- The Covid-19 pandemic has been very difficult and caused major challenges for society and the tourism sector over the past 10 months, but looking back in anger achieves nothing.
- We need to stay flexible, adapt to changing circumstances and be positive.

Managing Change

- Change is difficult to implement as people by their nature, are often resistant to change and will impede new ways of doing things.
- Innovate or evaporate.
- To succeed the underlying culture of the business / organisation must be responsive to change.
- Culture is central to behaviour and is a key determinant in the performance of an organisation, and its ability to achieve its objectives.



Change Management (Interwoven Agility)

You can't do today's jobs, with yesterday's methods or mindset.

Remember Charles Darwin stated:



“It is not the strongest of the species that survives, nor the most intelligent, it is the one that is most adaptable to change”.

3 Pillars & Core Elements of Change

3 Pillars

- 1) Focus on People
- 2) Empower at all levels
- 3) Make change **REAL**

3 Elements

- 1) Hearts – Vision & Trust
- 2) Mind
- 3) Guts



Regenerative Tourism (a theme of the future?)



There is a belief in thought leadership tourism articles that Covid-19 (resulting in significant restriction on world travel) provides a unique opportunity to reassess tourism strategies and that the concept of Regenerative Tourism will become more popular and be promoted as a strategy by the World Travel and Tourism Council (WTTC) going forward

It is believed that New Zealand is currently leading on Regenerative Tourism, which is designed in a way that builds capital and “gives back” to the land and people. It is understood that this can happen in multiple ways – but system health, needs to be the ultimate outcome, with the goal of operating in a way, that does not compromise the opportunities of future generations (i.e. following the 1987 Brundtland Report)

Learn to Ride Life's Big Waves

- However difficult, the business environment may be, however stressed we might feel, as we reflect each evening, all these things will pass.
- These are not the challenges that we have to rise to. These are life's big waves – we have to learn how to ride them. Therein lies the only real challenge.



Perception Dictates Reaction

- Our perception dictates our reaction, so we better make sure, that we perceive what's real.
- If we can look in the mirror at home in the evening and say, I gave it 100% today, we can have no regrets.
- A big part of any team effort is personal ambition – we need highly motivated and ambitious individual winners, to create team success, but no solo runs.
- However, perceived challenges can cause distress or can motivate – its all down, to how we see it.



Hope and Confidence

- For recovery, growth to take hold, confidence must replace fear and we must convert natural anxiety, into a passion to deliver positive results.
- We must approach the future with great hope and confidence in our own ability and the ability of our business – to offer best practice, because:

The fittest will survive and evolve much stronger from our current difficulties



Passionate Leaders

I share Steve Jobs view that:

“the only way to do great work, is to love what you do”

Success, starts with passion, and successful passionate leaders are a living example of their vision, and don't just talk about it.

Resilience Business Framework is like Riding a Bicycle

- We have got to keep pedalling, because if we stop, we will fall off – thus we must keep moving forward and never be complacent with people, talent management and processes – retain a constant state of nervousness and focus on: Relevance, Sustainability and Trust.



Concluding Thoughts on Leadership & Resilience

- As sure as night follows day, individuals and Businesses make CHOICES everyday. Leadership, individual & business actions matter and can be a force for change. Let's try and make every moment count.
- Going forward ethics must continue to be embedded at the heart of business, and although we must embrace new technologies and act with pace, we should ask the key question "Should I?" rather than "Can I?"— remembering Dr Martin Luther King's famous quote: "the time is always right to do what is right".
- Going forward, leading change, to create a resilience business framework, I would suggest that the heart and passion every team needs, is driving each other on, setting standards and working on themselves to get better each day, by demanding honesty and accountability.

Thank you



Questions & Answers