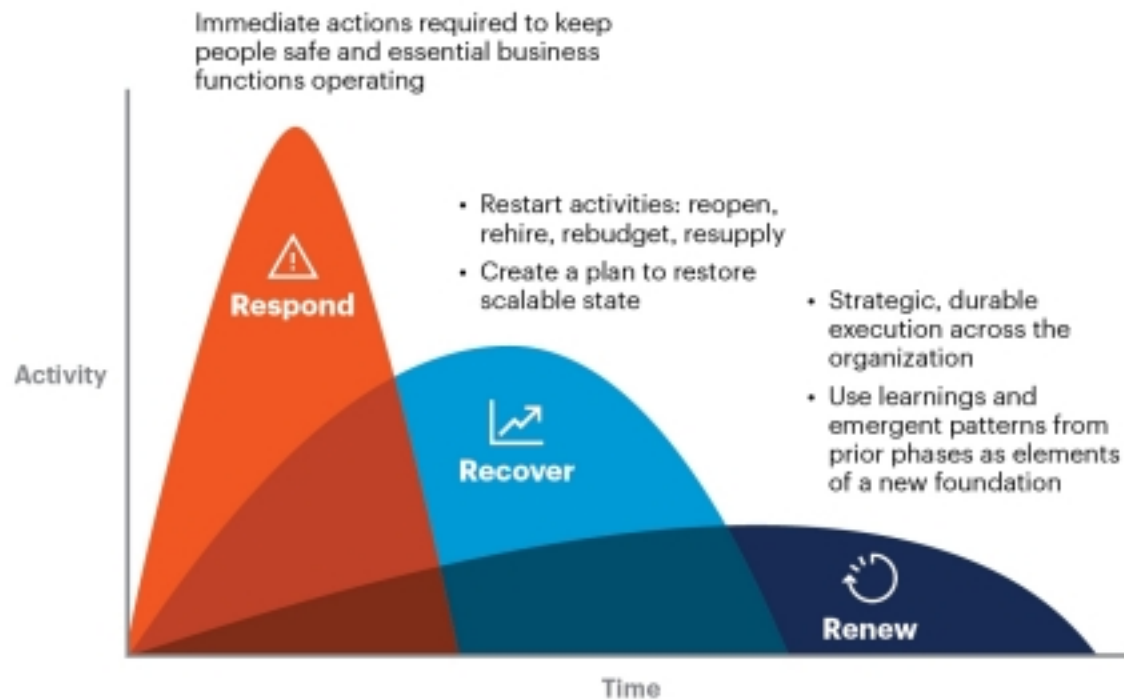


## **Gartner Says Companies Must Reset Their Business Strategy Due to COVID-19 Pandemic**

*The Reset Takes Place in Three Stages: Respond, Recover, and Renew*

# The reset



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**Gartner**

Figure 1: Activity Timeline (Graphic: Gartner, Inc.)

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STAMFORD, Conn.--([BUSINESS WIRE](#))--As the phases of the COVID-19 pandemic progress, business leaders must reset their strategy and build resilience, according to Gartner, Inc. It is crucial for senior leaders to make strategic decisions that will lead them to a renewed future state.

Gartner refers to “the reset” as three phases that leaders will go through during the pandemic. The duration of each phase varies by country, industry and enterprise, as well as by business unit, product or service. While business leaders reset their strategies during the pandemic, the three stages they will go through include: Respond, Recover and Renew (see Figure 1).

“There’s been a reset of the workforce and work itself, a reset of the employer/employee relationship, and a reset of the business ecosystem. For most, the business impact of the pandemic has been deeply negative, while positive for some fortunate sectors,” said Chris Howard, chief of research at Gartner. “The pandemic has wiped away the strategy for some leaders, but they’ve also garnered invaluable experience. Now it’s time to bring together the executive team and use those lessons to reconfigure their business and operating models for a new reality.”

**Respond**

Immediate actions are focused on keeping people safe and essential business functions operating. This is a relatively short period marked by high effort and potentially chaotic activity. Key activities include:

- **Temporary fixes to stop the bleeding.**

### **Recover**

This is a more organized/coordinated effort to stabilize operations. This has a medium duration. Key activities include:

- **Create a plan to restore a scalable state**
- **Identify capabilities needed to strengthen, refactor, reopen, rehire, rebudget, and resupply**

### **Renew**

Extended period marked by strategic, durable execution across the organization. Key activities include:

- **Learn to conduct operations processes and workflows in new, repeatable, and scalable ways.**
- **Use lessons learned and emergent patterns from prior phases to coalesce around a new foundation and way forward.**

These phases are not sequential. As seen in Figure 1, the phases can overlap. Mr. Howard said that during highly disruptive times, it is possible to think about the renewal phase, even while grappling with the triage response and recovery. In fact, for executive leaders, he said it's not just possible – it's essential.

Successful resets also build organizational resilience. As organizations weed out weaknesses and amplify strengths in their business and operating models, they will be better positioned to weather the next disruption.

“In the absence of a vaccine or cure for COVID-19, any rebound in business activity could easily be followed by another round of response, recover, renew, so the imperative is to absorb lessons learned quickly and build sustainable changes into business and operating models,” Mr. Howard said.

### **Create a Resilient Business Model**

Business leaders must first determine exactly where and how the crisis has stretched and broken their existing models, and where the risks and opportunities lie as a result. Senior and functional leaders must collaborate around an agile, options-based scenario-planning protocol they can use to identify significant uncertainties and evaluate them in terms of their importance to the near and long-term future of the enterprise.

In the Renew phase, leaders must take the opportunity to reset or rebuild their business models and operations for a new reality. Gartner has outlined the plausible post-pandemic pathways as rescale, reinvent, return, reduce and retire (See [Gartner Postpandemic Planning Framework](#)).

“For some, the pandemic has stressed business and operating models to the point of breaking. Organizations will ultimately reduce or retire some activities permanently. This could include moving some business capabilities out into the ecosystem (e.g., SaaS) or removing a product or service entirely. In some cases, retirement is long overdue,” Mr. Howard said.

“Others could reinvent themselves by refocusing their capacity. Think of government service centers that have been forced to offer their services remotely. They may be able to retire some of their physical centers and instead focus on their newfound digital capabilities,” Mr. Howard said. “Yet others, such as digitalized parts of an organization, might rescale permanently.”

Additional information is available in the [Reset your business strategy](#) section on [gartner.com](#). Complimentary research, insights and webinars are offered to help leaders build resilience on their path to business recovery.

## About Gartner

Gartner, Inc. (NYSE: IT) is the world’s leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities and build the successful organizations of tomorrow.

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1. Introduction

2. Methodology