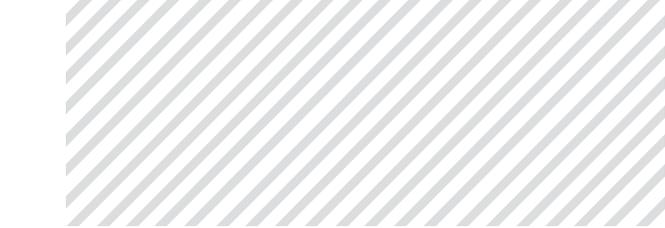


# Learning from Crisis Mode:

*Implications for Better Strategy Implementation*

A SPECIAL REPORT BY QUARTZ INSIGHTS





## Preface



**RICARDO VIANA VARGAS**  
Executive Director, Brightline Initiative

*Ricardo Viana Vargas*

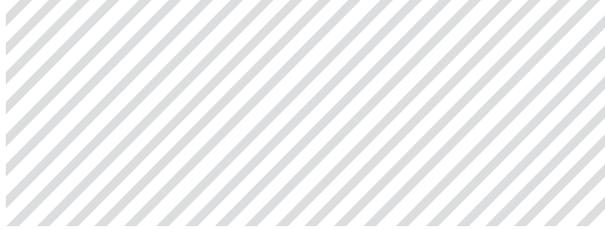
A hack that exposes millions of customers' data. A major holiday product launch pushed into next year. A chairman's immediate dismissal for misconduct. An employee's misstep gone viral. The circumstances of a corporation's next major crisis vary, but its appearance is inevitable.

Less inevitable, however, is a company finding a positive outcome in the wake of a crisis. While of course no leader would ever wish for crisis, it doesn't need to spell disaster. On the contrary: Our research suggests that it's possible for certain opportunities to emerge from crisis and have a lasting positive influence on a business. A crisis can bring out the best in your staff, unearth improvements in processes, and reveal new business opportunities, all of which can—and should—influence post-crisis strategy design and implementation.

Quartz Insights, in collaboration with the Brightline Initiative, set out to identify the ways that organizations can best leverage the experience of a crisis and use those learnings to improve the way they integrate strategy design and delivery. We surveyed more than 1,200 senior global leaders and executives from the government, non-profit and the private sector about management decisions and organizational strengths during and after crisis events. This report summarizes our findings and includes interviews with executives who have experience and insights into crisis management around the globe.

The executives we interviewed explained how they prepare for crises; how they reorganize processes and reallocate resources when a crisis hits; and how, following a crisis, roles, protocols, and procedures can evolve, perhaps permanently. The majority of leaders report "significant changes" during and after crisis, and our hypothesis was that these changes can expand beyond the crises themselves—that the way organizations behave in crisis can inform their strategy implementation processes afterward. With 75% of respondents agreeing that their organization's strategy implementation capabilities grew stronger as a result of the crisis, our goal was to discover how companies can reap these benefits without experiencing a crisis.

In the spirit of letting no good crisis go to waste, the report provides actionable ways that you can learn from the experiences of hundreds of others who have faced the challenges of crises and successfully applied learnings from them to strategy implementation—without needing to weather a crisis yourself.



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# 1

## Executive Summary: Three steps from Crisis Mode to strategy implementation

The experience of crisis is a common one: 68% of our respondents agreed with the inevitability of their organizations facing a crisis in the future. However, it's not often that the opportunity arises to talk candidly with executives about their most challenging professional moments. And while all of their crises were different, three main takeaways emerged from our research:

### I. Learning from a crisis requires moving into

**Crisis Mode.** When facing a crisis, organizations must make a deliberate break from their traditional ways of working. Operating as “business as usual” prevents organizations from isolating their in-crisis learnings and applying them to post-crisis improvements.

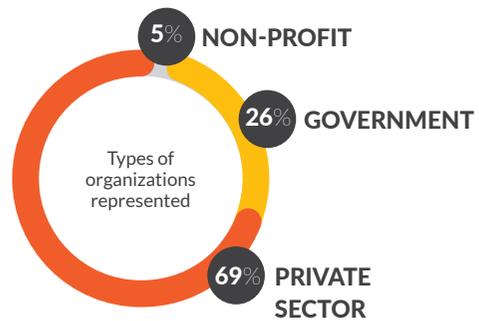
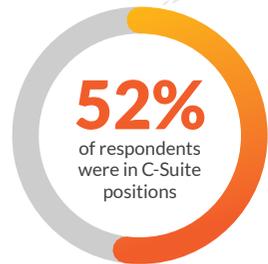
**II. Organizations that emerge stronger post-crisis make Crisis Mode shifts in two key areas: people and process.** Companies that empowered non-leadership-level employees who were closer to the crisis to make decisions and increased flexibility in internal processes tended to emerge stronger post-crisis than those that didn't.

**III. Crisis Mode forces companies to examine three key areas** that can help all businesses improve strategy implementation, regardless of whether they're post-crisis or enjoying business as usual: prioritization of strategic initiatives, speed in decision making and execution of process, and empowerment of teams.

## About the research

Our research, conducted in August 2018, surveyed 1,258 executives who have experienced a crisis.

Their companies are profiled below.





## Methodology

Both qualitative and quantitative participants were recruited online from a B2B panel and were screened based on company size, revenue, and country. Additional qualitative candidates were selected from a pool of executives with relationships with Quartz Insights.

For the qualitative interviews, candidates who were invited to participate represented a range of industries and organizational types. All had managed a team or organization through a crisis. Interviews lasted an hour on average and participants were offered anonymity in exchange for candidness.

After the qualitative interviews were completed, a sample of 1,258 executives and managers received a quantitative survey. The sample was constructed to ensure representation across geographic regions, company types, company sizes, and company revenues.

# 3

## **Crisis** noun

/KRĪSIS/

A critical event or point of decision which, if not handled in an appropriate and timely manner (or if not handled at all), may turn into a disaster or catastrophe.

## **Crisis Mode** noun

/KRĪSIS MŌD/

The operational realities of an organization in crisis, including shifts in ways of working and employee responsibilities.

# 3.1

## An introduction to Crisis Mode

68% of respondents characterized facing a future crisis as an inevitability. Whether it's a software hack or an overnight trade deal inflating the price of a needed commodity, the number of contingencies a modern business needs to prepare for can be overwhelming.

However, when a crisis hits, regardless of its specifics, an organization should not continue with business as usual. It should react to the challenges at hand by changing operating procedures. In short, it should enter Crisis Mode. Of the 68% of our respondents who agreed that crisis is inevitable, 93% agreed that their organizations went into Crisis Mode when a crisis struck.

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“Traditional boundaries, traditional gates are removed... Silos, approval times, budgets, number of people who had to sign off on something, those sorts of things. Reducing tyrannies of distance, email chains. Having people co-located, physically or electronically is really important.”

Senior partner & managing director, consulting

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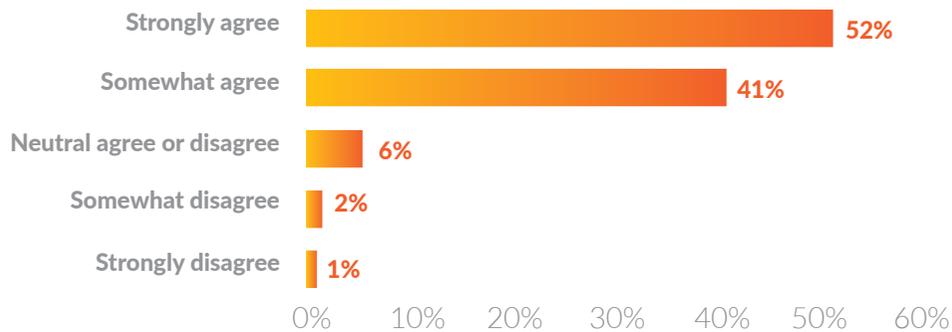
“For me, it's any condition that, if it occurs, has the potential to put project or organizational goals in jeopardy. I often say to organizations, especially when I'm doing crisis training, 'A crisis is a situation in which stressed out people are forced to work in unfamiliar roles, to make complex decisions based on uncertain information, in way too little time.' So, there is a fundamental discomfort to 99% of humanity to dealing in crisis situations.”

Chief reputation architect, crisis management PR agency



CHART 1

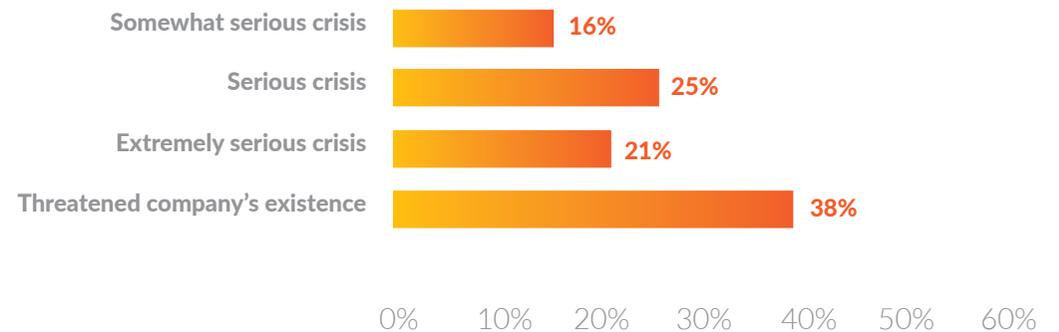
### When facing a crisis, my organization went into crisis mode.



Furthermore, Crisis Mode is observed across the severity spectrum of crises as well as across job responsibilities: of the 93% respondents who agreed that their organizations went into Crisis Mode, over half of the respondents strongly agreed that their organizations faced a crisis that threatened its existence or was an extremely serious crisis, and a majority (76%) have both strategy design and implementation responsibilities.

CHART 2

### The most serious crises call for Crisis Mode: Crisis Mode implementation by crisis severity



The importance of Crisis Mode is not only the specific operational changes that it brings, but also its existence to begin with: When companies recognize and act within a deliberate Crisis Mode, it sets that moment apart from business as usual. Acknowledging Crisis Mode allows an organization to examine its way of working in crisis, and then to learn from the specific changes, ensuring its ability to capitalize on these learnings and integrate them into strategy implementation long after a challenge has been resolved.

If a company can't learn from its crises, it will miss substantial opportunities for improvement. And for organizations that aren't experiencing crisis, the clearly defined Crisis Modes of others offer a chance to vicariously benefit from their learnings and incorporate them into best practices to improve strategy implementation capabilities.

# 3.2

## CHART 3

### All Crisis Modes are not created equal

Despite similarities in leadership and crisis resolution strategies, groups saw different benefits and positive outcomes, varying with crisis severity, organization sector, and numbers of employees. For example, while for organizations with 100-499 employees the most positive outcome is that the crisis clarified the organization's priorities—allowing resources to be rapidly allocated—this was the least likely positive outcome in organizations with 10,000 or more employees.



# 3.3

## People in Crisis Mode

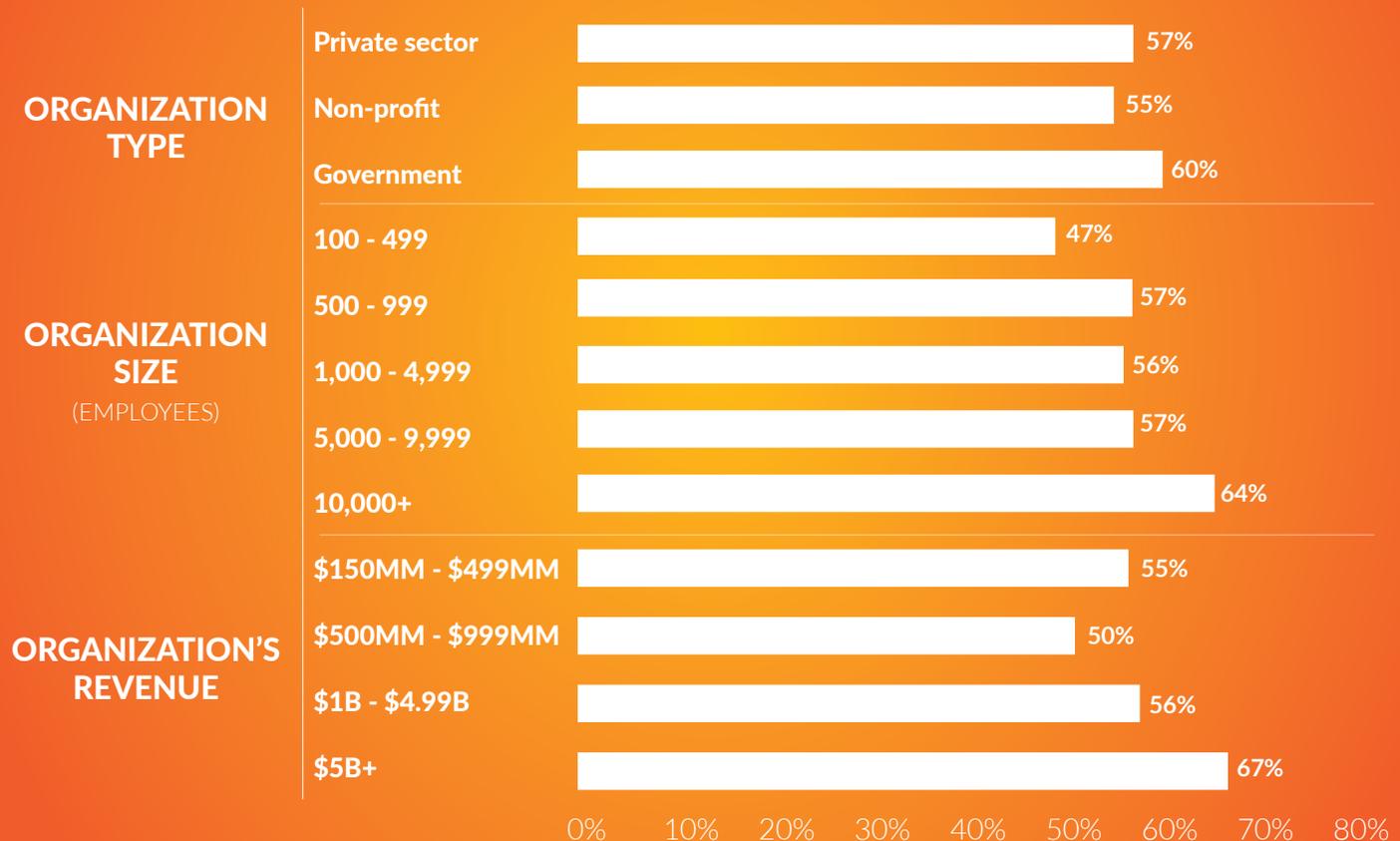
It's clear that leaders are going to come under scrutiny in Crisis Mode: 58% of respondents agreed (and just 20% disagreed) that the crisis the organization faced was a symptom of poor leadership, a sentiment that was universal across company revenue, size, and type (non-profit, private sector, government). Luckily, it was also revealed that non-leaders see Crisis Mode as an opportunity to step up and prove their superior performance: 75% of respondents agreed that people rallied together to work with great purpose towards a shared goal when their organization faced the crisis, and 80% of those agreed, that having weathered a crisis, their organization was stronger than had it not faced the crisis.

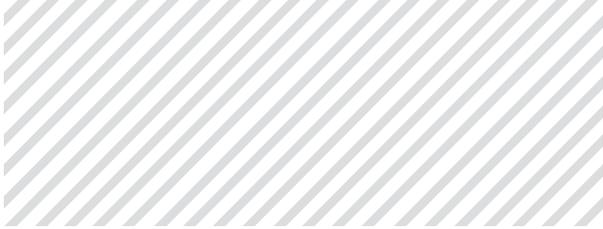
“A leader has to very quickly understand that you’ve got to change the culture to deal with a crisis, and when they don’t understand that it’s got to be a cultural change, then what you find out is that things spiral out of control.”

CEO, aerospace company

CHART 4

The crisis was a sign of poor leadership (by type, size, and revenue)





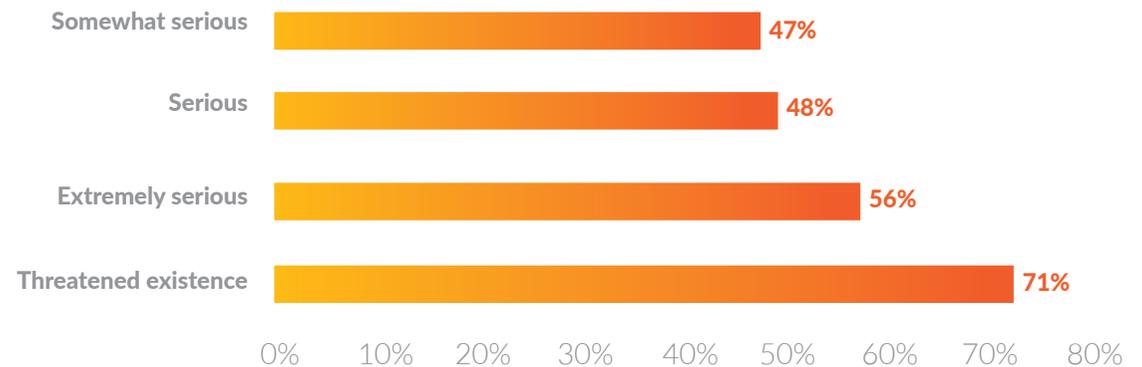
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“If you have been in the military, you understand leadership. You also understand followership. And military officers are trained in both. If you’re in business, you tend only to be trained in leadership. But, if you’re operating in a crisis team... you likely have to be trained in both roles. And I think a little more understanding on what it takes to actually follow, in business, as well as just to lead, would be quite an interesting thing to consider.”

Senior partner & managing director, consulting

CHART 5

**Perception that the crisis was a symptom of poor leadership, by crisis severity**



# 3.4

## Process in Crisis Mode

Operational processes also come under scrutiny in Crisis Mode, with respondents reporting that the situation calls for a willingness and ability to shift priorities and change team structure, as well as a shifted mindset toward quick action: 69% of them said that in Crisis Mode the speed of execution of existing processes changed, and 70% reported that overall decision making changed. Teams go from making decisions over days and weeks to making decisions in a manner of minutes.

This type of agility requires increased flexibility in the short-term that allows for exceptional openness to what decisions are made and who's authorized to make them.

Both leadership and operations will undergo a transformation in Crisis Mode. The question is, then, which changes should be permanent?

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“In a crisis, there needs to be accelerated decision-making, a tighter grip on direction from the top executive leadership.”

Government consultant

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“I think there's probably three reasons [why you can accomplish more in Crisis Mode]: First, you have no inhibitions. Second, others realize it's a crisis, so they give you more leeway. And third, it's pretty apparent that you have very powerful sponsorship.”

Senior partner & managing director, consulting

# 3.5

## Looking beyond Crisis Mode

**Of the organizations that went into crisis mode, 78% of respondents agree that their strategy implementation capabilities grew stronger as a result of the crisis.**

Positive discoveries from Crisis Mode can carry over into post-crisis life: 79% of respondents agreed that modifications to team structures that were introduced as a result of the crisis remained in place, 74% agreed that close working partnerships between cross-functional teams continued, and 71% agreed that a clearer understanding of the organization's priorities renewed its vision and sense of direction.

“Why can't we have this degree of cooperative effectiveness more commonly in our organization? Why does it take a crisis for us to operate this way? How can we take at least a portion of this magic and make it a more common element of business as usual?”

Senior partner & managing director

In addition to these benefits, our research shows that organizations can leverage the insights of Crisis Mode into long-term strategy implementation improvements. In fact, of the organizations that went into crisis mode, 78% of respondents agree that their strategy implementation capabilities grew stronger as a result of the crisis. This finding is even more impressive considering that over half (59%) of this group faced crises that threatened the existence of their organizations or were extremely serious.

When asked how long Crisis Mode could be sustained, 81% of respondents said only one quarter or less. In the return to business as usual, what distinguishes those organizations that fall within the 75% that report strengthened strategic capabilities post-crisis? What do these companies have in common, and what can we learn from the highest performers?

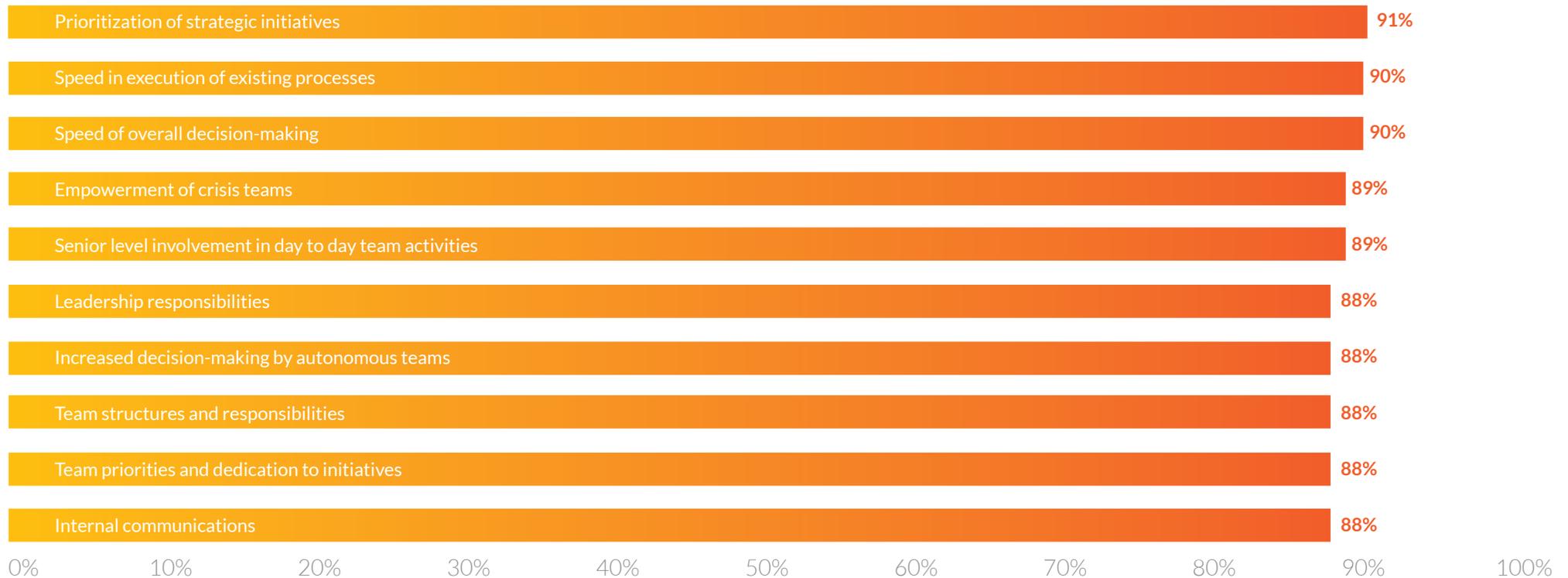
Base Q	Q.14.6. Overall, my organization's strategy implementation capabilities grew stronger as a result of the crisis.	
	AGREE (NET)	DISAGREE (NET)
Q12. CRISIS MODE: AGREE (NET)	78% of respondents who agree that their organizations went into Crisis Mode also agree that their organization's strategy implementation capabilities grew stronger as a result of the crisis (n=890)	5% of respondents who agree that their organizations went into Crisis Mode also disagree that their organization's strategy implementation capabilities grew stronger as a result of the crisis (n=59)
Q12. CRISIS MODE: DISAGREE (NET)	47% of respondents who disagree that their organizations went into Crisis Mode also agree that their organization's strategy implementation capabilities grew stronger as a result of the crisis (n=18)	39% of respondents who disagree that their organizations went into Crisis Mode also disagree that their organization's strategy implementation capabilities grew stronger as a result of the crisis (n=14)

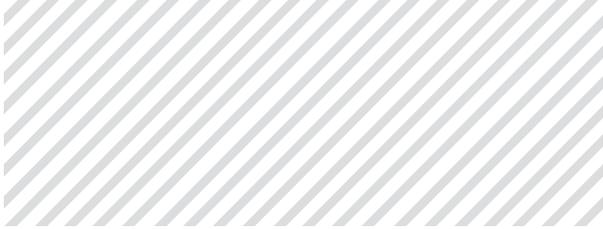
# 4

## CHART 6

# Applying the lessons of Crisis Mode to strategy implementation

Of the 75% of respondents that agree that their organization's strategy implementation capabilities grew stronger as a result of the crisis, here's what the most common changes were:

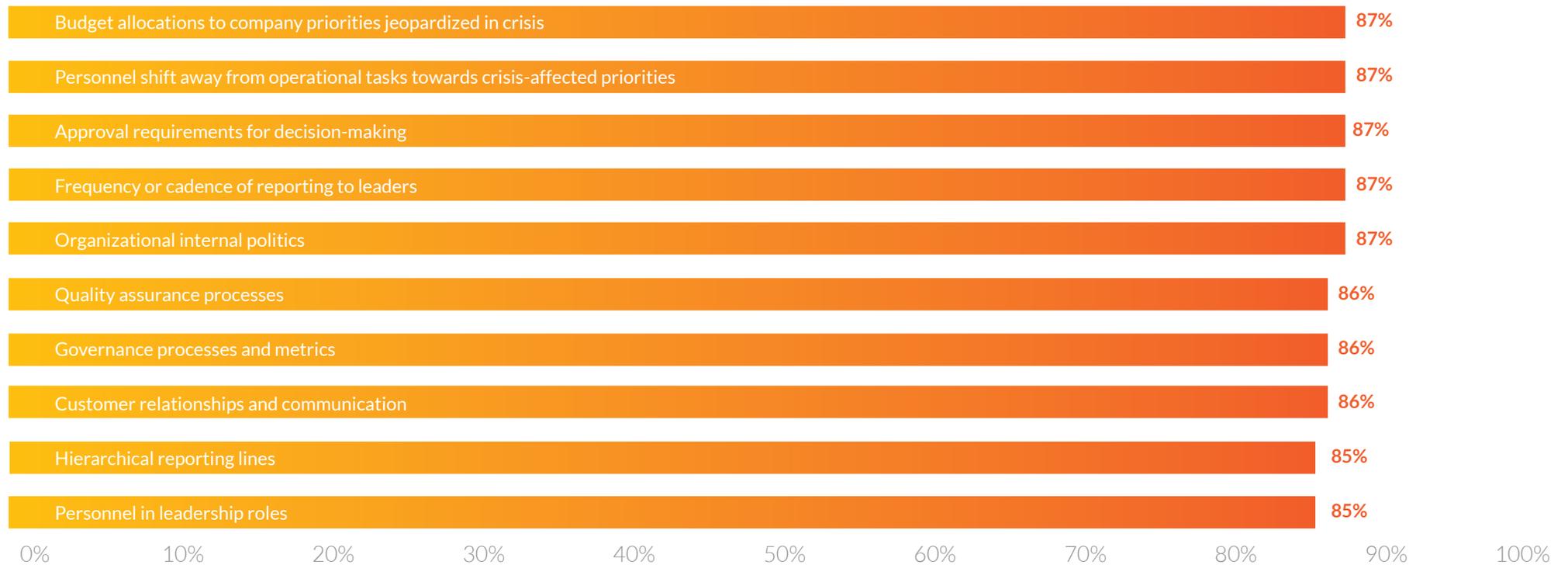




While 75% of respondents reported that experiencing Crisis Mode made them stronger in strategy implementation, there are specific skills and changes in ways of working that evolve from Crisis Mode that can be particularly useful to organizations aspiring to improve their strategy implementation

capabilities. Specifically, there are four measures that could be applied to strategy implementation: Prioritization of strategic initiatives; speed in decision-making and execution of process; empowerment of teams; and internal communications.

### CHART 6, continued



## CHART 7

**For organizations that improved Strategic Implementation post-crisis, here's what changed most in Crisis Mode:**

Management categories that changed in Crisis Mode	Did strategy implementation capabilities grow stronger as a result of the crisis?		
	Agree / Completely changed OR changed a great deal	Agree / Did not change (%)	Difference (%)
1. Overall decision-making speed	70% (n=657)	3% (n=32)	67%
2. Speed in execution of existing organizational processes	69% (n=649)	2% (n=22)	67%
3. Empowerment of crisis teams	69% (n=651)	2% (n=23)	67%
4. Prioritization of strategic initiatives	69% (n=646)	3% (n=30)	66%
5. Internal communications	67% (n=627)	4% (n=37)	63%

# 4.1

## Focusing on what matters: Prioritizing strategic initiatives

This was the factor most likely to change when facing highly serious crises (23% of respondents) and has the potential to most directly inform future approaches to strategic initiatives.

Of the 75% of respondents who reported that experiencing Crisis Mode made them stronger in strategy implementation, 91% reported making changes to their prioritization of strategic initiatives, and 88% changed their team's priorities and dedication to initiatives.

Ensuring that you leverage Crisis Mode for your post-crisis strategy implementation requires a willingness to assess what's working and what's not in the moment, and to respond quickly to focus on what matters most without fear of abandoning a previously established direction.

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“Once you have the plan in place, you can't just put it on the shelf or commit it to an intranet, in hopes that people would know how to use it when something happens. You have to test the team that's going to implement it because we're not just testing the plan, we're testing the people. To make sure they are up to the roles they are being put in and more importantly are up to executing in that way they will be expected to under conditions of extraordinary stress.”

Chief reputation architect, PR agency

# 4.2

## Need for speed: faster decision-making and execution of existing organizational processes

In terms of speeding up processes, within the high-performing organizations—respondents that agree they came out better as a result of the crisis—more respondents (81%) believed business processes benefit from adaptation as the crisis reveals weaknesses and strengths, than believed that business processes would suffer because unproven processes are adopted as a response to time constraints (70%). Similarly, teams were 11% more likely to increase their effectiveness in response to the crisis because of the challenge (82% of respondents from high-performing organizations) than they were to decrease effectiveness because of the emotional turmoil (71% of respondents from high-performing organizations).

Organizational decision-making was 10% more likely to have sped up during the crisis, increasing productivity and efficiency (80% of respondents from high-performing organizations) than it was to increase error rates and quality issues (70% of respondents from high-performing organizations).

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“Being forced to deal in the time constraints and under the pressures of a crisis forces you to identify roadblocks to getting things done.”

Chief reputation officer at a public relations agency

# 4.3

## Power to the people: empowering key employees

For empowerment of crisis teams, the constraints of crises caused employees within organizations that were capable of achieving better outcomes during a crisis to develop skills beyond their daily roles (77%) although they struggled with tasks outside their expertise (73%). High performing organizations believe crises uncover talented leaders from within the organizational ranks, allowing those leaders to advance (75%).

In addition, while the spirit of Crisis Mode is good in the moment (3 out of 4 people are motivated to rally together during times of crisis), a clear sense of direction and urgency is necessary for long term sustainability.

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“A good leader helps guide the conversation and will recognize the different perspectives that particular teams or employees can contribute.”

Senior director of a global hotel chain

Also notable is that respondents were least likely to agree with the statement that responsibility for successfully resolving the crisis rested with organizational leadership more than employees. In Crisis Mode non-leadership employees are motivated to take ownership of the situation, an attitude that has clear benefits in post-crisis strategy implementation.

There's a correlation: As people rally together with a common purpose (e.g., to resolve a crisis) their organizations' ways of working inevitably change. On the other hand, 84% of respondents agreed that when people do not rally together to work towards the resolution of a crisis, ways of working do not change. It's clear that deliberately and proactively drumming up support for any strategic initiative will be crucial to achieving real change.

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“I think in a true crisis situation, it becomes an all hands on deck situation where even the most senior of leaders need to roll up their sleeves and really start getting into a bit of the dirty work just to show solidarity on some level.”

Director of marketing, healthcare company

There is a single positive outcome that ranks first in having the longest lasting impact on organizations in the wake of the crisis they experienced: 79% of respondents agreed that modifications to team structures that were changed as a result of the crisis remained in place. There is universal agreement across organization types, organizations of different sizes, and the spectrum of crisis severity. In addition, 74% of respondents agreed that close working partnerships between cross-functional teams continued.

# 4.4

## Committing to communication: keeping teams in the loop

Most respondents agreed that crisis resolution strategies were more successful when they were communicated widely, and 71% of respondents agreed that a clearer understanding of the organization's priorities renewed its vision and sense of direction.

Of the respondents who strongly agreed that their organization's strategy implementation capabilities grew stronger as a result of the crisis, 91% also reported that communication from senior leaders was critical to aligning the organization behind a shared vision, and 89% said that crisis resolution strategies were more successful when they were communicated widely across the organization. Open communication with employees offers the context behind a strategy and can inspire all employees to find more value in it, building positive culture and thereby increasing overall productivity.

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“You have to communicate. You could have all the strategic plans and all the strategies you want but if you don't have people that have bought into that and for good reason, if you're not communicating as a boss to your subordinates, they're not going to understand what they're doing and why they're doing it. That's probably the big thing, is why, why are we doing this? If you can't communicate, you shouldn't be doing the job.”

Retired firefighter

## Conclusion: the key to capturing the crisis mode momentum

In a 2009 interview with the New York Times, then-CEO of Xerox Anne Mulcahy offered this advice: “When you have that window of opportunity called a crisis, move as quickly as you can, get as much done as you can. There’s a momentum for change that’s very compelling.”

The goal of this report is to help you capture some of the momentum of crisis without necessarily having to find yourself living it. Or, if you do find yourself in the midst of a crisis, this report offers assurance that there can indeed be positive effects of the experience.

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“No two crises are the same. You always learn something new that you have in your bag of experiences, because part of what makes a crisis difficult is not having ever done this before.”

Pharmaceutical Executive

Organizations needn't wait for a crisis to improve ways of working significantly and benefit from adopting leadership and organizational structures characteristic of Crisis Mode. Here's a summary of some specific ways that the Crisis Mode momentum can—and should—be applied towards sweeping strategy implementation initiatives:

### —Prioritization of strategic initiatives:

Don't remain attached to rigid priorities if it's clear that they're no longer actually relevant to the new situation at hand. In today's dynamic business environment, being able to prioritize and re-prioritize strategic initiatives is one of the most important capabilities to deal with radical shifts in the market, competition and customer preferences and needs, and leverage the scarce organization resources and delivery capabilities.

### —Speed of decision-making and executing process:

Find ways to make decisions faster. Maybe it's distributing the decision-making responsibilities away from specific leaders to more junior employees who might have a better understanding of the day to day implications of a strategy change. Design strategies in which the layers of approvals and steps to execution can expand and contract to the task at hand, and adopt processes that move faster and with fewer roadblocks.

### —Empowerment of teams:

Raise up your employees who show themselves capable and committed in crisis (or who you suspect would do so if you haven't experienced a crisis first hand). Inspire them to feel invested in your initiatives and the business as a whole by cultivating a teamwork mentality.

### —Internal communications:

Keep employees in the loop. Proactively give them updates on new strategies and business developments, rather than waiting until a crisis or disruption forces you to do so.

With 75% of respondents agreeing that their organization's strategy implementation capabilities grew stronger as a result of the crisis, there are clear learnings for organizations to avoid a crisis altogether but still improve everyday operational efficiencies to close the gap between strategy design and implementation.



# Acknowledgement

We gratefully acknowledge the support and contribution from the Brightline Initiative team and its Coalition Members in the development of this research, data analysis, and insights presented in this executive report.

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## Quartz Insights

Quartz Insights is a unit obsessed with the topics that matter to people in business, dedicated to providing breakthrough insights, intelligence, and advantage to Quartz's business partners.

Quartz Insights is grateful for the contributions from its 1,258 survey respondents and 18 interviewees.

# What is *Brightline?*

Design

Delivery

The **Brightline™ Initiative** is a coalition led by the Project Management Institute together with leading global organizations dedicated to helping executives bridge the expensive and unproductive gap between strategy design and delivery. Brightline conducts thought leadership research and promotes best practices designed to improve an organization's ability to deliver on strategic intent.

**BRIGHTLINE COALITION**

PROJECT MANAGEMENT INSTITUTE · THE BOSTON CONSULTING GROUP · BRISTOL-MYERS SQUIBB  
SAUDI TELECOM COMPANY · LEE HECHT HARRISON · AGILE ALLIANCE · NETEASE

**ACADEMIC AND RESEARCH COLLABORATION**

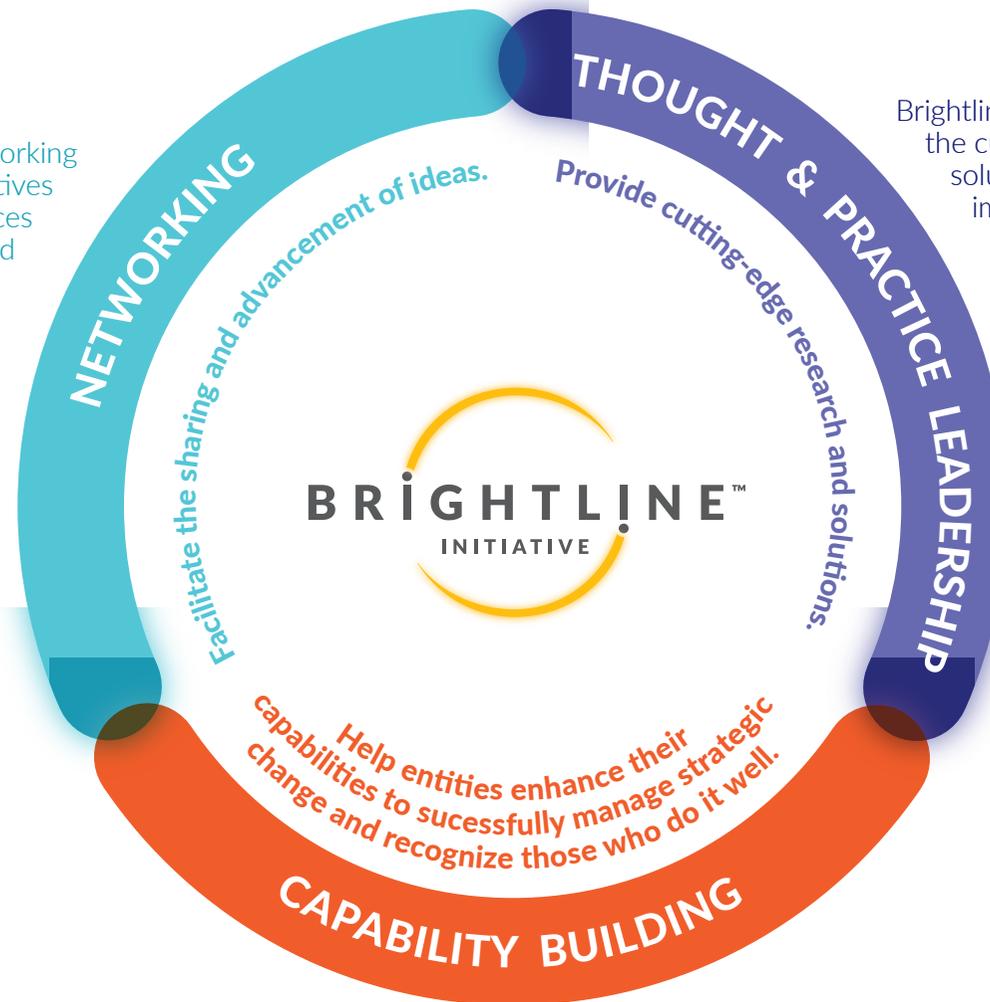
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UNIVERSITY OF TOKYO GLOBAL TEAMWORK LAB · BLOCKCHAIN RESEARCH INSTITUTE





## BRIGHTLINE SUPPORTS

Through networking opportunities, executives can exchange experiences and advance ideas and practices related to strategic initiative management.



Brightline will give organizations the cutting-edge research and solutions they need to better implement their strategy. The emphasis on 'practice' in addition to 'thought' complements the Brightline Initiative's focus on bridging the gap between formulating a strategy and delivering it. 'Practice Leadership' may include tools such as frameworks and assessments that support executives in delivering the strategy.

Through capability building offerings – such as resource libraries, executive education programs, assessments and certifications, and publications – organizations will have the chance to further develop knowledge and expertise.



[www.brightline.org](http://www.brightline.org)