



Your COVID-19 business battle plan

Use the grid to:

- Perform a clear-headed, systematic impact assessment
- Identify potential solutions to your unique challenges
- Prioritize what's most important and get to work

We hope this document helps businesses affected by the pandemic.
It is free to share and download.

Introduction

Many businesses are suffering as a result of the current pandemic. Some of our friends have already lost their jobs.

Many people also want to help, but aren't sure how. We're all facing different challenges, so there are no straightforward solutions.

The grid can provide some support. It's a framework that shows all the factors that affect your business on a single page, allowing you to understand the challenges and opportunities your business is facing. It can also help you consider the implications of any decision on the business as a whole.

Since its launch, it has helped thousands of decision-makers around the world – including us! – and we believe it can bring some welcome structure to these chaotic times.

To that end, we've made a set of custom worksheets that step you through the elements that affect your success or might be impacted by the pandemic. You can work through them on your own or as a (remote!) team.

We have also put together:

- a brief [YouTube video](#) explaining the grid and how it works
- a single-page explanation of the model at the end of this document

Now is the time for action. If we can help, drop us a line at hello@methodical.io.

Stay safe, and good luck.

The Methodical Team.



Customer wants & needs

Beliefs and values

Customers prefer products and services that reflect their values, beliefs or self-image: such as supporting local businesses, or believing that price gouging is morally wrong.

- Are customer beliefs and values changing because of the pandemic?
How should we respond to these changes?
- What should you definitely NOT do because it would clash with customer values?
- What course of action would your customers strongly support?

Customer goals

Every product or service is a means for customers to achieve a goal they care about – goals that may have significantly shifted as a result of recent events.

- What matters most to your current or prospective customers in the current circumstances?
- How might you continue to support those goals?
- What unique or pressing challenges are they facing?

Barriers

A barrier is anything that stops or limits people's ability to do business with you. Recent government action – such as mandatory stay-at-home policies – are an all-too-real example for many.

- What new barriers are customers facing? Is it financial constraints, physical constraints or simply easier alternatives given changing circumstances?
- How might you lower these barriers, or help customers overcome them?

Notes and ideas

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Rivalry

Category

A category is a type of product or service – toasters, airlines, or video conferencing software are all examples. The current global pandemic has dramatically distorted demand for entire categories.

- How will category-wide supply and demand be affected in the short and long term?
- What specific limitations are imposed on your product or service categories?
- Do the same challenges or opportunities apply to everyone in the category?
- Are there categories you could enter where demand outstrips supply and you could add value?

Territory

Different geographic locations are being affected by the spread of COVID-19 in different ways and to different levels of severity.

- How are customers in different markets or geographies affected? How should you tailor your response to different areas?
- How are suppliers in different markets and geographies affected? How should you tailor your response to different areas?

Alternatives and substitutes

Alternatives are direct rivals, like competing airlines. Substitutes are indirect rivals, like an airline competing with a train. Many now find themselves in a different competitive landscape.

- Are people solving the problem you normally solve for them in a different way?
Is this likely to be a temporary change, or a lasting one?
- Are you now facing a different set of competitors?
- What are the most important direct alternatives or substitutes for what you offer?
- Might there be strength in numbers – should you partner or team-up?

Notes and ideas



Offerings

Proposition

The product or service proposition is the concept the customer is buying into. Customers must have clear, obvious reasons to choose it over alternatives – your proposition may need to adapt.

- What will add the most value to your customers in the current circumstances?
- What about your proposition needs to change (e.g. moving online, supporting self-service, etc.)?
- How might you use your skills or resources to help those in need?

Brand appeal

If mishandled, your response to current circumstances could cause untold damage to your brand and reputation. Think of your customers and those in need, and do what feels right.

- Are you doing anything stupid that will tarnish your brand?
- If you have a stated purpose or set of values, are you stepping up to the plate and living them?
- Are you communicating with customers in a way that aligns with your brand?

Customer experience

With emotions running high, priorities changing and uncertainty about the future, your customer experience matters more than ever.

- Are you clear on the highest priority customer scenarios? Are you prioritizing by severity of impact, immediacy of impact, frequency of impact, or the volume of customers affected?
- What feedback are front-line staff getting, and how can you assist them?
- What customer stressors can you help manage?

Notes and ideas

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Revenues

Revenue model

Your revenue model is how you make money: a fixed price, or charging by the hour, for example. Changing your revenue model could make your offerings more accessible.

- Would changing your revenue model – introducing a freemium service, fixed price or unlimited usage service – help your customers?
- How might changing your revenue model affect your business?

Pricing

Pricing typically has the most powerful impact on profitability. In these unusual circumstances, moral imperatives should take priority. Think of your brand, not your wallet! (N.B. Premium/luxury brands should avoid discounting and sacrifice volume instead.)

- How is willingness or ability to pay being affected?
- What can you do to support customers who are in financial difficulty?

Sales volume

Sales volumes are determined by the quantities people buy, and the frequency at which they buy them. For some businesses demand has never been lower, for others it's the opposite.

- How are sales volumes being affected? Is it quantity, frequency or both?
- What are the implications for stock and inventory management?

Notes and ideas



Customer base

Awareness

People can't become customers unless they know you exist, are open for business, and what you're offering. Raising and maintaining awareness is vital to building and keeping your customer base.

- Are you providing timely, helpful information about how your business and customers are affected and how you're responding?
- Are you setting clear expectations with customers?
- Are you answering their most pressing questions?
- Is this an opportunity to help others by sharing your expertise?

New customer acquisition

Acquiring new customers may seem impossible at present, but many businesses are innovating their way out of the crisis and acquiring new customers in the process.

- Go back to their wants and needs – what goals are customers really focused on at the moment?
- Reconsider your offering – how can you create value for people (typical customers or not) at this time?
- Again – what barriers might be stopping customers from doing business with you and how can you dismantle them?

Retention

Retention – keeping hold of your customers – is often crucial, but if people need to cancel or leave, think of your brand – don't leave a bad taste in their mouth.

- Do existing customers have particular needs at the moment?
- How can you show support for your loyal customers during this difficult situation?
- How can you make it easy for them to continue to use your products or services?

Notes and ideas



Imitability

Legal protection

Legal protection typically refers to intellectual property – patents, trademarks and copyright – that are protected by law to prevent rivals from copying you. It can also be subject matter expertise, such as trade secrets that are held under confidentiality agreements.

- Do you have any intellectual property – data, know-how, or expertise – that might be put to good use helping those affected by the crisis?
- Should you consider pooling your expertise or providing access to your IP to help those in need?

Durable advantages

Durable advantages – such as a unique cost structure, product ecosystem or network effects – can make your business challenging to imitate. They can also put you in a position to make a more powerful contribution to those in need.

- Do you have any inimitable advantages in your market – superior economies of scale, network effects, etc.?
- How might you put those advantages to work for the good of your customers, partners, and society at large?

Competitor lag

Some brands make themselves inimitable by moving faster than rivals, or forcing them to make difficult trade-offs that slow them down. In times of crisis, brands that can move fast are often able to offer the most assistance to others – as Dyson have proved, developing a ventilator in ten days.

- Do you have a speed advantage over others?
- How might you use this speed to create value for your customers or others who are affected?

Notes and ideas



Adaptability

Cash

If you run out of cash, you cannot continue to operate the business. The stronger your cash position, the greater the scope of options you can pursue. If you're running out of cash, don't hang around!

- How much cash do you have, and how long can you last?
- If liquidity is a problem, what options are available to you – government aid, debt, equity, cost-cutting, supplier negotiations, etc.? Consider each one carefully.

Scalability or capacity

The global pandemic has dramatically distorted demand across many sectors, forcing some to scale up rapidly and others to effectively halt operations.

- Do you need to scale up or down? If so, by how much and for how long?
- If scaling up, what is the best route – partnering, outsourcing, adding vendors, hiring?
- If scaling down, how can this be done without compromising essential services and quality?

Complexity and rigidity

Complexity and rigidity within a business can make changing direction agonizingly slow, if not impossible. In the current circumstances that could be a serious problem.

- How is complexity or rigidity preventing you from responding?
- How can you cut through the bureaucracy and red tape that's slowing you down?
- What are the most important things to change in the current circumstances?

Notes and ideas

**By now you should have plenty of ideas to consider implementing – we hope you do!
Good luck and stay safe.**

The Grid — The master model behind business success

To succeed, every business must pursue three goals: **desirability**, **profitability** and **longevity**. These goals are affected by three forces: the **customer**, the **market**, and the **organization** itself. This reveals a grid of nine factors that together determine the success of every business. Each box contains three essential elements, defined below.

	DESIRABILITY	PROFITABILITY	LONGEVITY
CUSTOMER	<p>WANTS AND NEEDS</p> <p>CUSTOMER VALUES & BELIEFS Customers prefer products and services that reflect their values, beliefs or self-image: like riding a Harley, or believing the more megapixels the better.</p> <p>CUSTOMER GOALS Every product or service is a means for customers to achieve a goal they care about. You bait the hook with what the fish wants to eat!</p> <p>BARRIERS Barriers prevent customers from achieving their goals or adopting your offering. A skill required or incompatible technologies for example.</p>	<p>REVENUES</p> <p>REVENUE MODEL Your revenue model is how you make money: a fixed price, or charging by the hour, for example.</p> <p>PRICE Pricing typically has the most powerful impact on profitability. Undercharge and you leave profit on the table. Set prices too high and volume suffers.</p> <p>VOLUME Sales volumes are determined by the quantities people buy, and the frequency with which they buy them.</p>	<p>CUSTOMER BASE</p> <p>AWARENESS People can't become customers unless they know you exist. Raising and maintaining awareness is vital to building and keeping your customer base.</p> <p>ACQUISITION Awareness should lead to acquisition – new customers joining your business. There's no customer base if people won't buy what you're offering.</p> <p>RETENTION Your customer base won't grow if existing customers leave at the same rate as new ones join. Retention – keeping hold of your customers – is often crucial.</p>
MARKET	<p>RIVALRY</p> <p>CATEGORY Your product or service category determines the intensity of the rivalry. Customers like buying from clear categories where comparison is easier.</p> <p>TERRITORY Where your business is located and the area you cover impact the size of your opportunity, the regulations you must meet, and the rivals you face.</p> <p>ALTERNATIVES & SUBSTITUTES Alternatives are direct rivals, like competing airlines. Substitutes are indirect rivals, like an airline competing with a train.</p>	<p>BARGAINING POWER</p> <p>WITH CUSTOMERS Powerful buyers can drive down your margins, so it's important to consider your bargaining power with customers and how it might be changing.</p> <p>WITH SUPPLIERS Bargaining power with suppliers is equally important. Powerful suppliers can also turn the screw on you – growing their profits at the expense of yours.</p> <p>RULES & REGULATIONS Every business must comply with basic regulations that limit their power – like tax, or health and safety laws – as well as industry specific regulations.</p>	<p>IMITABILITY</p> <p>LEGAL PROTECTION Legal protection – patents, trademarks and copyright – can prevent rivals from copying you.</p> <p>DURABLE ADVANTAGES Durable advantages – such as a unique cost structure, product ecosystem or network effects – can make your business challenging to imitate.</p> <p>COMPETITOR LAG You can make yourself inimitable by moving faster than rivals, or forcing them to make difficult trade-offs that slow them down.</p>
ORGANIZATION	<p>OFFERINGS</p> <p>PROPOSITION The product or service proposition is the concept the customer is buying into. Customers must have clear, obvious reasons to choose it over alternatives.</p> <p>BRAND APPEAL The expectations and associations people have about your business – its brand appeal – affect the desirability of all your products and services.</p> <p>CUSTOMER EXPERIENCE If your website is confusing, staff are impolite or returning damaged goods is difficult, desirability will suffer – no matter how good your product.</p>	<p>COSTS</p> <p>FIXED COSTS Fixed costs, like rent or salaries, stay the same regardless of how much you sell, affecting your break-even point and subsequent profitability.</p> <p>VARIABLE COSTS Variable costs depend on volumes – like the materials needed to make products. Cars have high variable costs compared to software, for example.</p> <p>CAPITAL EXPENDITURE These are longer-term investments, like factories or equipment. Their impact on profits are spread over the useful lifetimes of the assets.</p>	<p>ADAPTABILITY</p> <p>CASH POSITION If you run out of cash, you cannot continue to operate the business. The stronger your cash position, the greater the scope of options you can pursue.</p> <p>SCALABILITY OR CAPACITY Operating at full capacity leaves you unable to plan for the future. If your business cannot scale it cannot grow.</p> <p>COMPLEXITY & RIGIDITY Complexity and rigidity within a business can make getting new ideas off the ground or changing direction agonizingly slow – if not impossible.</p>

WE'RE HERE TO HELP: Visit www.methodical.io to learn more about the grid and how it can help your startup, business or project succeed.