

CEO T O D A Y

The 5 Biggest Mistakes CEOs Have Made During The Pandemic

What are the most significant leadership and management mishaps that have befallen CEOs in 2020, and how can they avoid them in 2021?



Under increasing pressure, CEOs are having to make some difficult judgment calls to survive the current crisis whilst simultaneously steering business towards a revised strategy. [Les Brookes](#), CEO at Oliver Wight EAME shares the five most detrimental mistakes that CEOs are making right now and offers his advice on avoiding them.

Across the world, the coronavirus crisis and global recession are forcing business leaders to redefine the future of their organisations. As a consultant and coach, I work with many talented CEOs battling huge challenges arising from the pandemic. Many constantly face major judgement calls and, not surprisingly, some have made errors.

Often the biggest problems are as a result of CEOs being drawn into short-term management issues instead of the leadership position required to steer the course.

Here are five of the most damaging mistakes I saw in 2020 that CEOs must avoid going forwards:

1. Being permanently stuck in “fire-fighting” mode

Understandably, during the first lockdown many leaders immediately moved into crisis management mode, dealing solely with the many immediate problems.

Of course, leaders must act to quickly ‘right the ship’, especially when its survival is at stake. But you also need to swiftly step out of crisis mode again to create a sound strategy and plan for the future.

For instance, one CEO contact insisted on long weekly meetings throughout 2020 with his whole leadership team in case something should go wrong. How much better to have used this time to have gained an input on the short term whilst looking out to the future horizon and making key decisions to reset the course of the business.

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2. Giving up on innovation

I am seeing many businesses seeking to survive by simply hunkering down and hoping to wait it out. Many have become so focused on cutting costs to hit short-term numbers that they have forgotten to look over their shoulder at what their competitors are doing and how the voice of the customer is dictating change in service, product, and go-to-market offers.

This is equally relevant to those businesses doing well despite the pandemic. As [Fujifilm CEO Shigetaka Komori](#) said, *“In an often unpredictable business world, a peak always conceals a treacherous valley”*. Whether it is an investment for the post-pandemic future, or new services and innovations now, businesses need to be innovating.

This year one of my clients decided to withdraw their investment in the development of new products. They benefited from a short-term financial gain but have likely prevented the opportunity for a new market breakthrough. This will be great loss for them in the long run. My advice for leaders struggling to balance survival with innovation is be very clear on the long-term impact that your business will face if innovation is cut.

3. Failing to prepare for the opportunities after the pandemic

Earlier this year Oliver Wight conducted a [global survey](#) asking businesses how they were responding to COVID-19. 29% had not developed any scenarios nor contingency plans to address the post-pandemic environment.

How will these businesses be ready to seize opportunities and grow if they are not thinking about them? Especially with mooted vaccines offering a strong ray of hope for 2021.

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In the height of lockdown, one of my automotive clients recognised that *“the world has changed forever”*. They realised that changes to our work-life balance, an increase in virtual working, and a big push for eco-friendly travel could result in higher demand for electric cars, with consumers not having to charge them as often. Despite this insight, they had no means of running this future scenario and it was completely based on ‘gut-feel’.

To those organisations that are not developing scenarios and contingencies, I issue you a health warning – fail to plan your way out of the current crisis and you plan to fail. There will no longer be just one most likely outcome over the next few years, so be prepared.

4. Failure to execute strategy across the entire business

Many organisations experience a disconnect between the senior management’s vision and the middle management’s execution of this.

This year especially, CEOs have been driven to look incredibly short-term and align to a rapidly changing environment. CEOs should be focusing on longer-term decisions which often don’t have an effect on the business for at least a year.

Meanwhile, actions are being taken much lower down the organisation or, worst case scenario, no action is being taken at all! Leaders are oblivious that the future business outcome is being shaped without their involvement.

One CEO I am working with spent most of 2020 dealing with short-term fixes. He admitted that although the 2021 strategy looks good, it is down to “sheer luck” and not the result of long-term decision making. Going forward, he now ensures the focus of the leadership team is always at least 12 months out with re-aligned accountabilities in place to ensure this remains.

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5. Poor communication and dialogue with employees, stakeholders, and suppliers

In our remote world of working, it is more important than ever to communicate on multiple levels with employees, stake-holders, and suppliers.

During the pandemic, many CEOs have become invisible to their teams. This is a huge mistake – an invisible leader cannot steer the ship. CEOs must be seen to communicate openly otherwise they risk leaving people without a sense of direction.

A CEO friend of mine holds a virtual monthly 'town hall' meeting to update everyone on the business direction and bring a sense of support and togetherness. She also updates suppliers and stake-holders via a monthly newsletter which encourages them to ask questions. Since doing this, the feedback has been positive – teams feel more appreciated and suppliers and stake-holders are able to take part in a two-way conversation and better understand the business vision.

The pandemic has not been kind to many businesses, and, in hindsight, it is easy to criticise or focus solely on the mistakes. However, the crisis has also forced leaders to learn some valuable lessons which they will carry forward into 2021 and beyond. After all, this isn't the first global pandemic, and it won't be the last.