



IN TOUCH

A NEWSLETTER FOR OUR PARTNERS AND FRIENDS
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2022

NEW YEAR

New Opportunities



FCU SOLUTIONS INC.
NEWSLETTER

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THE CEO AGENDA IN 2022: HARNESSING THE POTENTIAL OF GROWTH JOLTS

by Anu Madgavkar, Asutosh Padhi, and Sven Smit

The COVID-19 pandemic maintains a grip on the world with severe human and economic consequences; and as variants bring new uncertainties, society's efforts to save lives and safeguard livelihoods should continue unabated. But innate to any crisis is the potential to fundamentally reshape a person, an economy, and possibly an entire society.

In the case of the pandemic, businesses have tried to cushion their employees, customers, and operations from the worst blows of the economic shocks and responded to COVID-19's massive productivity accelerants and the disruptions underway.

The resulting innovation and behavioral changes have initiated a ripple effect in the economy, with the potential to deliver a jolt of growth and prosperity—if business leaders respond strategically.

This may be the moment to commit to growth.



As society stands at the dawn of 2022, business leaders may want to consider a stance of clear-eyed optimism about growth—and reflect it in their business agendas. Despite the vicissitudes of the past two years, could there be a post-pandemic boom on the horizon?

This will likely depend on business leaders' ability to respond to the productivity and growth "jolts" born from the pandemic.

The onset of COVID-19 brought a set of discontinuities that drove the first jolt to growth and productivity. Now, near-term uncertainties pose risks to growth; however, responding effectively could translate to a second jolt. The potential third and final jolt may be the largest as companies reshape their long-term strategies to reflect—and define—the next normal.

While uncertainties prevail, a growth mindset could be a force for good. Growth sets the trajectory for a future in which millions more people could prosper and attain greater economic security, material comfort, and well-being than ever before. Growth is the foundational enabler of progress toward inclusion and sustainability, helping to create well-paid jobs for more people and generate sufficient funding for the climate transition.

The third jolt could come as leaders relate long-term, post-pandemic strategies.

Even amid some of the biggest disruptions of our lifetime, this could be a moment of immense potential to chart the course for the next decade and beyond. From the advancement of medicines, to the reskilling revolution, to the spread and intensification of digital and analytics—if business leaders respond skillfully, the world could be on the cusp of a new age of prosperity marked by sustainable and inclusive growth.

For CEOs, now may be the time to examine your strategy and consider seven tests that can help gauge whether you are ready for the next growth jolt.

1 ARE YOU ADOPTING A STRONG GROWTH MINDSET IN YOUR MEDIUM-TERM STRATEGY AS THE PANDEMIC EVOLVES?

This may be the time for CEOs to make bold decisions, reshaping the direction of their organizations and realigning capital and talent accordingly. Companies could remain responsive and flexible in resource allocation, whether that is capital expenditure, operating expenditure, R&D, or employees, to meet changing market opportunities. McKinsey research shows that, across industries, businesses that do reallocate capital earn higher returns: in one study of 1,600 US companies between 1990 and 2005, companies in the top third of the sample shifted an average of 56 percent of capital across business units over a 15-year period and earned 30 percent higher total returns to shareholders than those in the bottom third.

2 ARE YOU SPENDING AS MUCH TIME CREATING NEW BUSINESSES AS YOU ARE IMPROVING YOUR BUSINESS?

Building new businesses has emerged as the top priority for organic growth, and the pace of this activity is quickening. In a recent McKinsey study, 74 percent of companies surveyed that chose business building as their main strategy grew at rates above the average of their industries. These companies allocated, on average, one-third of their organic-growth capital to business building—more than twice as much as the laggards.

3 IS YOUR ORGANIZATION READY FOR THE ENERGY TRANSITION AND THE IMMENSE ECONOMIC IMPACT IT COULD CARRY?

One of the most crucial aspects of the climate transition is the transformation of energy and land-use systems. These may come with disruptions to energy markets, potentially raising cost and volatility for producers and consumers. Recent McKinsey research found that average annual investment in these systems will need to increase by 60 percent (\$3.5 trillion) to meet a net-zero emissions goal by 2050, requiring innovative forms of financing. In this context, companies may want to consider measures to ramp down their high-carbon businesses and grow new low-carbon ones, while managing changes to their cost structure and supply chains. At the same time, they could build capabilities to regularly assess exposure to risks and potential for opportunity on a granular level, especially as the underlying physical, cost, and policy assumptions continue to change. Finally, leading businesses should learn, adapt, and engage continually with their top teams and boards to set their energy and sustainability agendas.





4 ARE YOU EMBRACING NEW TECHNOLOGY AS QUICKLY AND HOLISTICALLY AS YOU DID NEW WAYS OF WORKING AT THE START OF THE PANDEMIC?

The impact of new technology on the bottom line is growing; AI gives us a powerful example. Twenty-seven percent of business leaders now report that at least 5 percent of earnings before interest and taxes are attributable to AI. This may be especially true of companies following best practices, relying on cloud, and making incisive investments. For example, a consumer goods giant has a centralized control tower that integrates company-wide, real-time data and runs scenarios to identify the best solution when problems arise.

5 ARE YOU INVESTING IN HUMAN CAPITAL WITH THE SAME DISCIPLINE AND INTENSITY AS YOUR CAPITAL EXPENDITURES?

Leading companies are getting creative to build the workforce they need. This includes hiring based on skills rather than educational degrees and partnering with universities and ed-tech platforms to train their employees in skills that complement automation. Some companies are using remote work as a way to broaden recruiting efforts, while others are using the “return to work” as a cultural reset button.

6 ARE YOU REMAPPING YOUR GLOBAL FOOTPRINT IN RESPONSE TO OUTSIDE STRESSORS?

Supply chain resiliency has assumed new prominence in the wake of the pandemic, physical climate risks, and geopolitical shifts. As governments undertake a thorough review of critical supply chains, business leaders could take stock too and consider dual sourcing, holding more inventory, moving operations closer to consumers, diversifying supply chains across countries, and shifting focus from vertical integration to securing control points. In a recent McKinsey survey, just under half of companies surveyed said they understand the location and key risks of their tier-one suppliers; and only 2 percent could make the same claim about suppliers in the third tier and beyond. Many of today’s most pressing supply chain shortages—such as semiconductors—happen in those deeper tiers.

7 ARE YOU JUMP-STARTING A STRONG GROWTH ORIENTATION IN YOUR LEADERSHIP TEAM AND BOARD?

During the pandemic, the most adaptive boards increased their focus on external risks and corporate purpose. At the same time, collaboration between boards and management teams increased significantly, with new and improved ways of working that may outlast the health crisis. Now, companies can build on this momentum by aligning leadership teams and boards on their organization’s medium-term stance on growth, new-business building, and capital reallocation and investment in talent to deliver holistic impact.

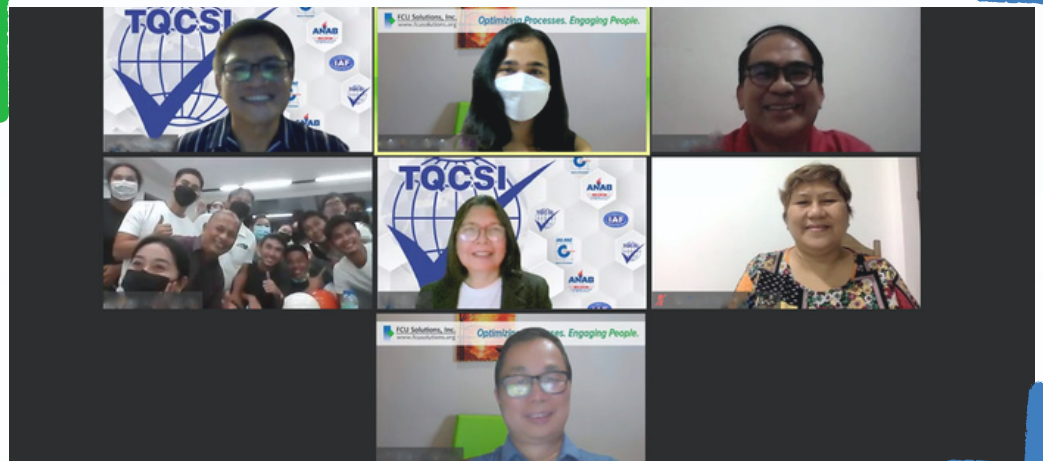
Over the past two years the world has been through a crucible of change because of the pandemic; but there is reason for optimism. If leaders can drive growth, we may see benefits to society on a broad scale.

There has already been a period of immense profit growth driven by the first economic jolt. Business leaders have the chance to enter the new year with eyes wide open to the risks ahead and manage them closely, while utilizing the bold experimentation undertaken so far and forging it into potentially long-term sustainable and inclusive growth.

Source: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-ceo-agenda-in-2022-harnessing-the-potential-of-growth-jolts>



CERTIFIED CLIENTS



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CERTIFIED CLIENTS



**MAIR CONSTRUCTION
AND GENERAL MERCHANDISE
ISO 9001:2015 RECERTIFICATION AUDIT**

**NORTHERN BUILDERS
ISO 9001:2015 SURVEILLANCE AUDIT**

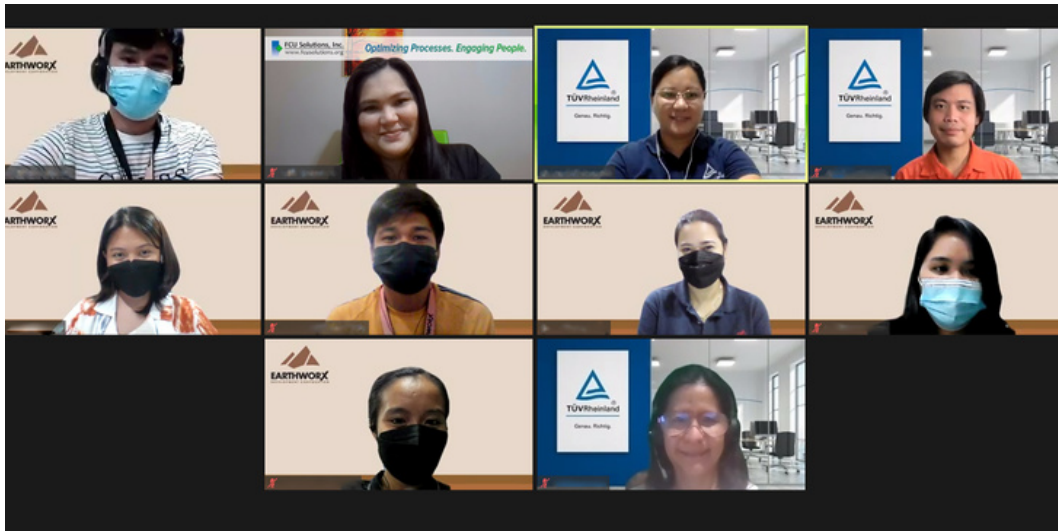


**ULTICON BUILDERS INC.
ISO 9001:2015, ISO 14001:2015, AND
ISO 45001:2018 RECERTIFICATION AUDIT**

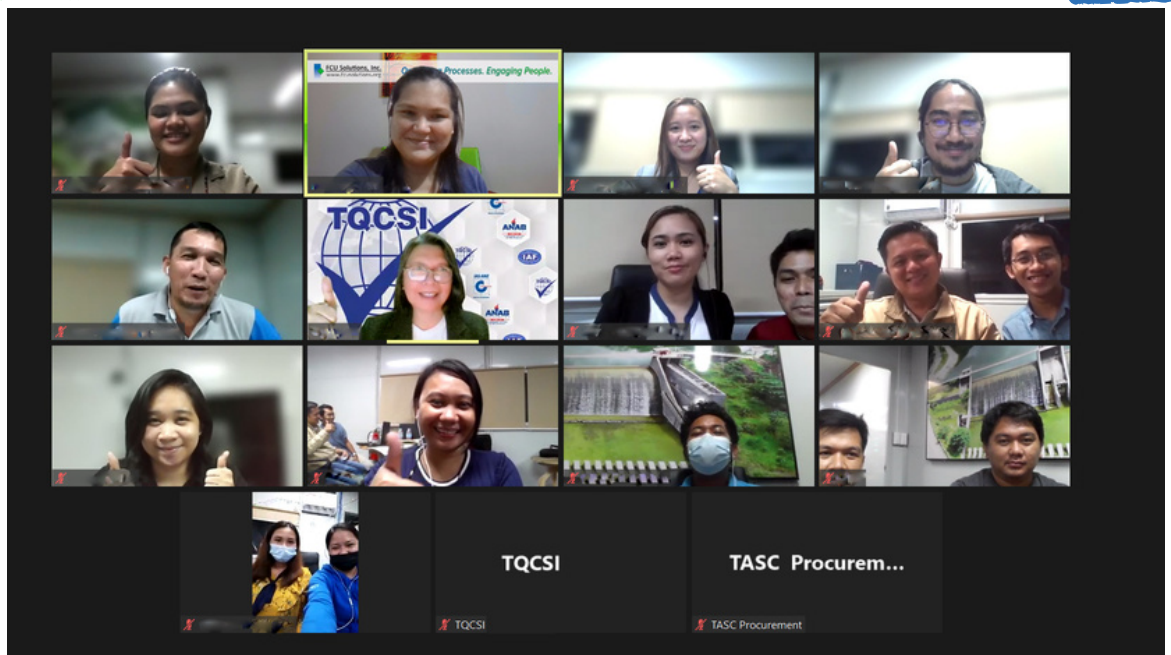




CLIENT AUDITS



**EARTHWORX DEVELOPMENT CORPORATION
ISO 9001:2015, ISO 14001:2015, AND
ISO 45001:2018 STAGE 1 AUDIT**



**TAGUIBO AQUATECH SOLUTIONS CORPORATION
ISO 9001:2015 STAGE 1 AUDIT**

7 WAYS YOUR BUSINESS STRATEGY NEEDS TO EVOLVE IN 2022

BY DEANNA RITCHIE



The market is becoming choppier, travel is slowing down, and businesses like Lyft, Google, and Apple are postponing their return-to-office plans. How, in the midst of so much chaos, can companies expect to be able to form and cohere to a single business strategy?

The short, unsatisfying answer is that they can't. A business strategy composed in January was probably in need of serious revision by the time July came around. This is poised to be just as true for next year as it has been for this one: COVID-19 isn't going anywhere anytime soon, and uncertainties continue to abound. It's time to call an audible on your business strategy in order to respond to current trends.

HERE'S HOW YOU CAN DO JUST THAT BY EVOLVING YOUR BUSINESS STRATEGY:

1 KEEP UP WITH COVID

This is the big, no-exceptions mantra that should ring out whenever it's time to make a decision regarding business strategy. While major economies are unlikely to return to the harsh lockdowns of early 2020, the future trajectory of COVID-19 early 2020 is something a lot of consumers are watching vigilantly. According to an ongoing survey conducted by Deloitte, some 51% of customers are concerned about their physical wellbeing when it comes to their activities, up from 47% a month prior.

Far too many businesses have been on the back foot when it comes to COVID-19, waiting for trends to appear before responding to them. Significant portions of your consumer base are taking matters into their own hands when it comes to COVID safety; if cases start to spike, they may be more hesitant to travel or perform business in person. Instead of working to accommodate those preferences as they arise, closely monitor your local and national situation and adjust your practices accordingly. If you're not willing to take the steps necessary to make your customers feel safe and protected, they will find another business that is.



2 COMPLETE YOUR DIGITAL TRANSFORMATION

Plenty of companies were transitioning to the cloud before 2020, but the events of that year just added more fuel to the fire. For most of the past year, developments like the rise of remote or hybrid working and virtual communication have been front and center of most companies' business strategies. The reopening of the economy in 2021, however, has seen some businesses put a pause on their digital transformation for the time being – that's a big mistake.



While the world may seem to be “returning to normal” for now, the future is all but certain to be one that happens online. Businesses need to transition to the cloud if they want to be ready for the next stage of digital commerce. For example, smart home and small business solutions provider Plume estimates that there will be 8.4 billion digital voice assistants in the world by 2024 – if your business is still married to brick-and-mortar operations, how effectively are you going to be able to respond to a consumer base whose primary method of purchase and research is digital voice assistants? The transitions that occurred in 2020 need to be accelerated, not halted, as 2022 approaches.

3 DON'T BET ON ROSY MARKETS

When the stock market plummeted in March and April of 2020, it seemed like the global economy was going to be in the dregs for some time. Little could anyone anticipate just how untrue that would end up being: the recession of 2020 ultimately lasted just 2 months, the shortest in US history. Growth since then has been on a sharply upward trend, and plenty of business leaders are getting ahead of themselves in expecting this growth to continue unabated for years to come.

Predicting the trajectory of the economy and the markets that comprise it is almost impossible, and there's reason to be skeptical of those who forecast halcyon years ahead. Legendary Boston-based money management firm GMO recently predicted that the S&P 500 will have lost half of its inflation-adjusted value by 2028, for example. Don't build a business strategy on a foundation of optimism alone. Create workflows and operating principles that can work in both good and bad times, and your business will be able to ride both the crests and troughs of whatever waves may come your way.



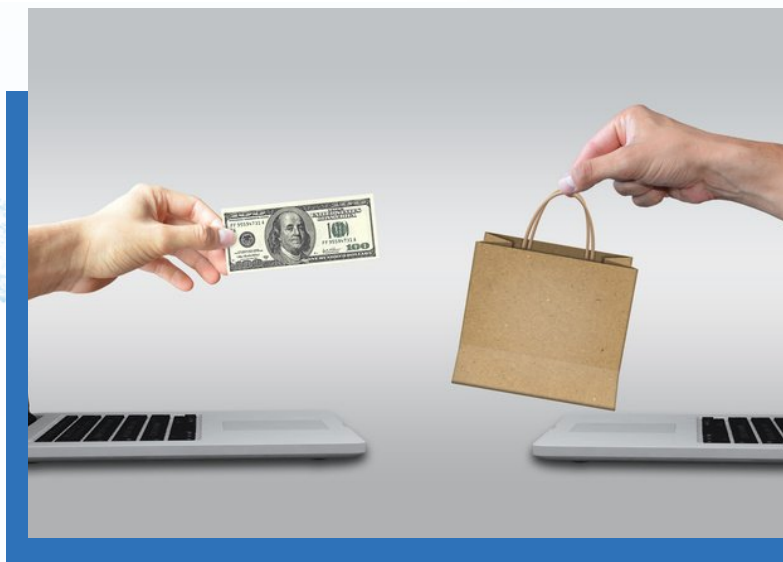
4 MEET YOUR CUSTOMERS WHERE THEY ARE

In 2020, businesses had to be able to reach their customers at home if they wanted their attention. In 2021, customers were more eager than ever to get out of the house and head to businesses directly. Which of these routes is more likely for 2022? What about the 2020s in general? How can businesses expect to cope with the uncertainty of consumer behavior?

Sticking to your storefront may ultimately cause more trouble than it's worth. Indeed, Bloomberg reports that the e-commerce industry could be worth over \$16 billion by the year 2027, with few signs of slowing down in growth thereafter. There's nothing wrong with returning to normal for a while in the next few quarters. However, don't bet too much on brick-and-mortar making a long-term comeback. Make your way to the cloud; your customers will be waiting for you there.

Consider offering a hybrid option. You would be accommodating both customers who want a traditional in-person experience, and those who prefer to do things virtually. Be sure not to neglect the latter in favor of the former, though.

Doing so is equivalent to adopting a business strategy far too near-sighted for long-term success.



5 ADJUST TO NEW SOCIAL MEDIA PRACTICES

Social media usage is booming across all platforms. However, that doesn't mean you can just post traditional content and expect higher levels of engagement than before. As users grow, social media trends and practices evolve. The posts that accrued big engagement in 2018 will probably not make the same kind of splash in 2021.



This is perhaps most true in the ever-growing world of social media influencers. Just a few years ago, they were objects of fascination or derision in most marketing departments. But, businesses dismiss them at their own peril. A Google-commissioned survey from Ipsos found that 40% of millennial YouTube subscribers say that their favorite creator understands them better than their friends – that level of trust and engagement is way more likely to get a customer's attention than promoted tweets ever will. Don't let a dynamic business strategy become sclerotic when it comes to social media.

6 RESPOND TO CHANGING EMPLOYEE PRIORITIES

It's not just consumers and markets who have had their trajectories changed by the past year. Your employees have likely undergone a few changes themselves. Quality of life is increasingly privileged over big salaries and flexible work over traditional office setups. In fact, attempting to quickly retransition to the way things were before may cause quite a bit of consternation among your team. A recent survey from The Morning Consult found that 39% of workers would consider quitting if their bosses forced them to give up remote work and return to the office. This isn't just true for your current employees either. Prospective hires will also be expecting accommodations when it comes to remote and flexible working options. Businesses too set in their ways when it comes to cubicles and the 40-hour, 5-day workweek risk creating business strategies already out of date.



7 THINK GLOBAL, STAY LOCAL

It's an oft-employed maxim that the world is constantly getting flatter, and not in the literal sense. It's becoming easier all the time to communicate and do business across borders. At least, it was before COVID-19 struck. Disruptions to travel and international shipping meant that businesses once again needed to refocus their efforts on local and domestic markets.

What about 2022? Should companies bank on the reopening of borders and flourishing of international business or play it safe with nearer markets? Unsurprisingly, the answer is a bit of both.

Don't abandon your local operations in the hopes that your business's horizons will broaden in the near future. Instead, continue to nurture any and all existing customer relationships. And, do so while waiting for a good time to begin expansion further afield.

Make sure your business strategy reflects this by emphasizing operations you know can be sustained into the future while probing for potential opportunities down the line.

Anyone who tells you that they know what 2022 will look like is lying. The uncertainty that plagued 2020 and 2021 isn't going anywhere, and your business strategy needs to be composed accordingly. Prepare your company against whatever may come, and expect solid growth in return.

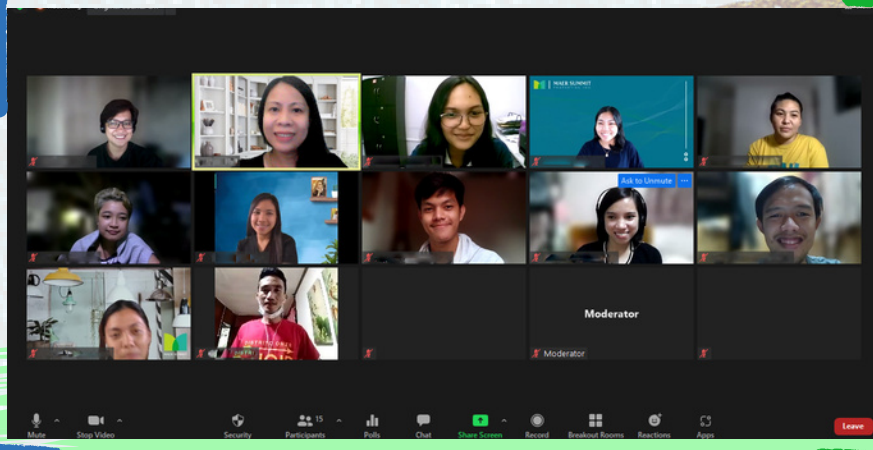


KNOWLEDGE SHARING WITH CLIENTS



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GENERATION CX: THE CUSTOMER SERVICE CHAMPIONS WORKSHOP**

**INFINIVAN, INC.
ISO 9001:2015
QUALITY PLANNING
WORKSHOP**



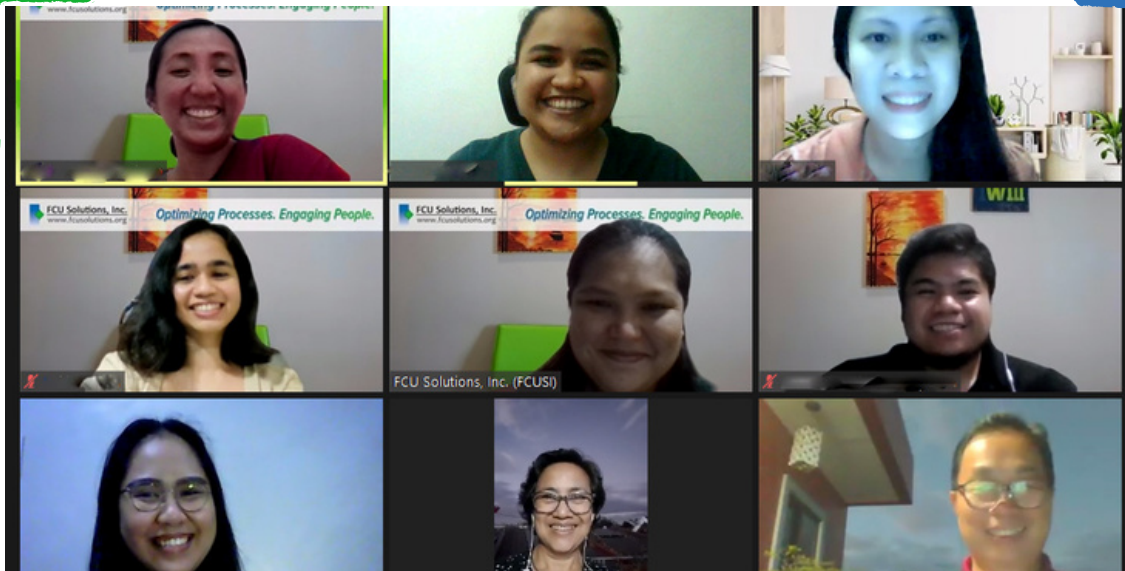
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INTERNAL AUDIT WORKSHOP**



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**MINI-CALIBRATION SESSIONS
SETTING OBJECTIVES AND TARGETS AND
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Feb 15-16	ISO 45001:2018 Appreciation
Feb 17-18	ISO 14001:2015 Appreciation
Feb 21-23	MOSAT™ Mapping in Business
Feb 22-24	Risk Management
Mar 01-02	Cause Mapping: An Effective Problem-Solving Approach
Mar 03	Management of Documented Information
Mar 04	Monitoring of Compliance to Applicable Environmental and Occupational Health and Safety Regulatory and Statutory Requirements
Mar 08-11	Internal Audit
Mar 14-15	Cultivating a Growth Mindset for Success
Mar 16	Managing Environmental Aspects and Health and Safety Hazards
Mar 17-18	Outcome-oriented Internal Auditing for Construction Industry
Mar 21-23	The SHIFAU™ Method
Mar 28-31	Lean Thinking in Construction

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FROM THE EDITOR

According to an English proverb, "A good beginning makes a good end." The past two years has brought a lot of uncertainties but it also resulted to innovation and behavioral changes. For the first issue of In Touch Newsletter this 2022, the articles provided aim to give you, our dear partners, a chance to look at the new year with eyes wide open to the risks and opportunities ahead to help you unlock your potentials for growth and development.

Here's to hoping that the New Year brings you a successful and fulfilling business. Happy reading and let's stay In Touch!

Sukh

CONNECT WITH US!

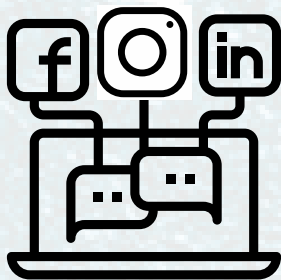
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