

LSE Generate: Building resilience will fast track your business' success

The past year saw life as we know it change in many aspects, from our personal lives through to our professional ones. And as COVID-19 caused the UK to plunge into the deepest recession on record, data from the Office of National Statistics also found that more than 900,000 small businesses in the UK are at risk of failing due to the pandemic.

However, despite all the odds against businesses, many budding entrepreneurs seized the pandemic as an opportunity to launch their own ventures, as they looked to respond to the rapidly changing needs of individuals and companies. In the UK during the last quarter of 2020, business incorporations were up 30% (compared with the same period the previous year) and the annual growth rate has been in double digits since June last year.

But when it comes to starting a new business, there are, of course, many challenges along the way and entrepreneurs know that having the million-dollar idea is just the beginning of their venture. If the last year has taught us anything, it's that a successful business comes down to its founding team's ability to respond to each situation and create an organisation that is smart and resilient.

Purpose of profit

Startups and any other kind of business in this current climate should strive to have a purpose and be socially responsible – organisations have an ethical obligation to contribute to the societies in which they exist. Balancing purpose with profit allows companies to see the bigger picture and developing an ability to future-gaze with a cause in mind allows for long-term improvements over short-term gains.

Now more than ever, organisations are in pursuit of an objective, with 79% of business leaders recently surveyed by PwC believing that a company's purpose is central to business success. If an organisation is able to foster a culture that values purpose, research shows they will experience better financial performance, and it doesn't stop there.

Social impact businesses are more ambitious, they attract the top talent, inspire richer innovation, make faster and more informed decisions, and are trusted. They can also have greater customer loyalty, which will ultimately attract more investment. All these attributes lead to a more successful and resilient business.

Health comes first

A key lesson businesses and individuals have taken away from the multiple lockdowns has been the importance of health and wellbeing. While most organisations have focused on supporting their employees' wellbeing, founder health is just as important.

In this age of coronavirus, normalising and openly discussing founder mental health is now more important than ever. And we're slowly starting to see it come to the fore with Tom Blomfield, founder of Monzo, announcing back in January 2021 that he was stepping down due to his mental health. This was a big moment for the business world as it showed just how important it is to show that founders are human.

Entrepreneurs should be honest about their health and openly discuss how they are feeling – after all, a successful leader can't lead when their wellbeing is being compromised too.

Expect the unexpected but control what you can

If the pandemic has taught businesses anything, it's that a curveball will come our way and no matter if it's a global corporation or a startup, unexpected events can knock us off our tracks. External factors happen: for example, economic, technological and political changes happening in our environment that we can't control. But the important thing is to think about what you can control in these situations.

For example, you can control how prepared you are based on how much research and analysis you have done on your competitors and the market you're operating in. Once a business has taken all these factors into account, they can then create a contingency plan that will prepare them for any challenges they have to face.

Though the past year has been a challenge for all, there is a lot we can learn from it. One of the most important lessons is that the businesses that have stayed resilient through this are the ones that are willing to accept that curveballs will always happen, and know that the key is to adapt to survive and hopefully even thrive.

LJ Silverman is head of [LSE Generate](#) at The London School of Economics.

Article by LJ SILVERMAN