01 Develop a more conscious business model
02 Build resilient societies and organizations
03 Establish the entrepreneurial ecosystem as the core of recovery
04 Leave no one behind: invest in development, education and opportunity generation
05 Take a closer look at opportunities for a new trade globalization and regionalization scheme
06 Embrace digital transformation and the Fourth Industrial Revolution
07 Leverage economic recovery through sustainability and innovation
08 Drive talent in a connected educational system
09 Drive global governance and multilateralism
10 Forge collaborative, transparent leadership
Decalogue for the Economic & Business Refounding of Mexico

Introduction

The COVID-19 pandemic has driven home the need for organizations, societies and individuals to adapt to unexpected events, the so-called black swans. The profound health, economic and social effects of this crisis have made a substantial redefinition of the dominant paradigms imperative. In this context, thinking of a rapid recovery and return to the former situation is not realistic. On the contrary, the establishment of a new scenario is highly likely, a great reset in which business models will have to be adapted, disruption across entire sectors increase, and new forms of work and remote consumption become commonplace, with all their technological and geographic implications.

At EGADE Business School - Tecnológico de Monterrey, we have promoted a collective learning from this multidimensional crisis, committed to our mission to empower new generations of omnipreneurial leaders who create shared value and transform society. Such learning resulted in the formulation of a decalogue of proposals aligned with a vision of commitment to the transformation of Mexico, contributing to reflection and the search for collective solutions.

At EGADE Business School, we also call for the optimism, solidarity and collective talent that throughout the history of Mexico and humanity has so often contributed to a splendid rebirth from situations equally as critical as the one we face today.
The COVID-19 crisis has given us an extraordinary opportunity to redefine our purpose as human beings and the role of businesses in society. Before the pandemic, we were already immersed in a profound environmental and social crisis that was gradually eroding citizens’ confidence in globalization, democracy and a capitalist model that, while generating immense prosperity, growth and opportunities, also exacerbated inequality and caused practically irreversible damage to our planet.

For decades, with this model, companies have prioritized shareholder value over all other objectives, forgetting their main purpose as agents of transformation and shared-value generation in their societies.

There is an urgent need for a new paradigm to foster business practices that will elevate organizations’ sense of humanity, putting its positive impact on communities and the transformation of society above the organizational “purpose”, in short, a conscious business vision. Furthermore, in a more vulnerable world, companies need to prioritize business strategies that incorporate responsible and sustainable consumption and production and their participation in entrepreneurship and social innovation.

1. Develop a more conscious business model
2. Build resilient societies and organizations

- The shock produced by the pandemic has exposed the **vulnerability of most companies and institutions**: their supply chains, workplace policies and financial resources, together with the capacity of executives and teams to lead in uncertain contexts, among other aspects. The impacts of epidemics and climate change are frequently remembered by scientists, and ignored by society, companies and governments.

- Implementing **future thinking mechanisms** to monitor emerging trends and establishing guidelines for a fairer, more sustainable future for all Mexicans are urgently required. This involves building resilient (adaptive) physical, social and institutional systems to address the short-term effects of catastrophic events, including robust, sustainable health and social protection systems. The COVID-19 pandemic has brought to light the fragility of the binomial formed by the health and economic systems.

- Even though the future cannot be controlled, companies and governments must **invest in the resilience capacities** required to anticipate and mitigate the consequences of foreseeable, though unexpected, events.
3. Establish the entrepreneurial ecosystem as the core of recovery

- The pandemic, apart from having a profound, negative impact on the economy, has also produced a strategic proactive response and opportunities that many entrepreneurs have seized: mobile services, e-commerce, online banking, food industry, pharma and technological devices, among others. However, with depressed market, industry and investment environments and a sharp drop in the availability of venture capital and foreign investment, supporting and facilitating the survival of existing companies and the creation of new firms by developing government funds matched by private funds is vital. Businesspersons, entrepreneurs and new companies must have access to loans where factors such as the generation of potential employment and cash collateral are sufficient.

- In the long term, it will be essential to consolidate an entrepreneurship and innovation ecosystem with the participation of companies, universities and research centers as talent magnets, and to create mutual and social support networks for entrepreneurs. Talent is highly mobile, and its attraction requires the creation of dynamic, inclusive and sustainable communities.

- Since the main source of growth in knowledge economies is innovation, aligning research with business and social needs is critical. Emphasizing quality or customer and stakeholder satisfaction or experience will no longer be enough for organizations. Instead, they should focus their attention on increasing their stakeholders’ perceived value, which will undoubtedly have a positive impact on customer loyalty and satisfaction.
4. Leave no one behind: invest in development, education and opportunity generation

As in previous crises, the health and economic effects of this crisis are felt most acutely by the most vulnerable populations. Solidarity can shield against discrimination, exclusion and social inequality, but the best antidote is to trigger inclusive economic growth. In the short term, the most urgent needs are to protect employment and income sources and alleviate the liquidity crisis, especially in micro, small and medium-sized companies, which provide sustenance for the majority of citizens.

Economic reactivation must go hand in hand with the creation of opportunities for vulnerable populations through public-private investment and education and training. Universities and large enterprise can contribute by fomenting training, reskilling and upskilling, and safe, quality employment and empowering the local production chain to drive business creation. Organizations can also benefit from committing to talent diversity and the management of inclusive and multicultural teams, paving the way for social and cultural wealth, the great heritage of Mexico and Latin America.

Human progress has always enjoyed a research, innovation and knowledge-generation component; cultural change, diversity growth and the exercise of critical thinking, which makes economies and companies more competitive. As a society, we need to reinforce scientific and academic institutions to generate relevant, pluralist research with a practical orientation that will have positive impact on the economy and on society as a whole, and raise the ambition of our public and private investment in R+D+I.
The coronavirus pandemic has interrupted the supply chain across the world and demonstrated the fragility of global value chains. The new post-COVID-19 reality has placed a clear curb on globalization, the growth of megacities and the maintenance of global supply chains, fragmented and geographically distant from the main operations and with little control by productive economies, which forces us to **rethinking their regional orientation** and map opportunities that Mexico cannot miss.

Mexico has an enormous opportunity for **reindustrialization and to diversify its trade**, strengthening and growing the export market that is heading towards the new treaties signed with the USA and Canada (USMCA) and the European Union (FTA EU-MX). Mexico also needs to identify new value chains based on the installed capacity of the country’s productive system and create a diversified economy with the capabilities to compete in the regional and global arenas.

---

**5. Take a closer look at opportunities for a new trade globalization and regionalization scheme**
The drastic closure of companies and activities and the migration of education to online formats and millions of jobs to the home office modality, as a strategy to fight the pandemic, has exposed the need to **accelerate the pace of digital transformation**. One of the sectors that has been most affected during this pandemic in Mexico has been commerce.

COVID-19 has revealed the urgency of a **national program to promote the adoption of sales and distribution technologies** for proximity commerce - commercial positioning, online operations, payment systems, etc., which will increase and diversify clients and income and safeguard jobs, and incorporate better e-commerce tools and support mechanisms for proximity logistics. The country should use the Fourth Industrial Revolution to leverage Mexico’s ethnic, cultural and biological diversity as a competitive advantage.

As an economy, we need to capture the **social and business value of the exponential technological changes** accelerated by the pandemic, such as artificial intelligence, biotechnology, robotics, blockchain, 3-D printing and augmented reality, which already define the new business and work models in a shared and distributed knowledge economy, providing opportunities for large companies and SMEs, but also creating a more sustainable society. These new business models will require social protection and regulation for the new forms of flexible work based on individual creativity.
Economic, social, political and health systems depend on the environment and the health of the planet. One example is the risk of pandemics, resulting from a combination of climate change, biodiversity loss and deforestation. In addition, soil degradation and resource depletion impact productivity in many economic sectors. Climate change can also lead to a continuous, accelerated series of unpredictable disasters.

The imperative of sustainability cannot be postponed: governments and companies must ensure sustainable development through goals aligned with the 17 Sustainable Development Goals (SDGs) approved by the United Nations. Achieving the SDGs by 2030 will not only generate shared peace and prosperity, but also generate enormous opportunities available to companies that raise their sustainability goals, create new business models inspired by the circular economy, and develop and implement disruptive technologies. To do so, firms must develop innovation capabilities, investing in research and development, but also in the incubation and acceleration of their own developments in the market. Innovation elevates productivity, which, in turn, improves companies’ competitiveness and shared value for society.

Tension exists between the reactivation of the economy and the demand to foster socially and environmentally sustainable growth. However, there is also a chance to redefine which type of companies and sectors will receive investment and how the economy will be reactivated, directing growth towards a fairer, more inclusive, responsible, sustainable and competitive model. We have a responsibility to future generations.
The contingency has put educational systems to the test, requiring an accelerated migration to interactive distance and hybrid learning models, and incidentally increasing inequality and the social gap. Education, as the cornerstone of society in which a country’s talent potential is developed, is particularly sensitive to the dynamism and changes occurring in the world that are demanded by the new generations. In order to participate in the economy of the future, Mexico must, without delay, address its great pending issue: education.

Aligning universities and agents of education with the new economy and the new technological contexts has to be a priority in order to strengthen their impact on a country’s development and competitiveness. Focusing on the development of local talent in competencies such as disruptive leadership, entrepreneurship with values, holistic innovation, business intelligence, digitization of the value chain and humanistic business and organizational management, is of utmost importance in order to reinstitute competitive advantages based on innovation and technology rather than relying on the comparative advantages of labor and geographical proximity.

Consequently, the Fourth Industrial Revolution forces us to reimagine education in the face of exponential technological change, a flexible physical and digital learning model that includes artificial intelligence, virtual reality and other exponential technologies, which implies unlearning and relearning new skills, and creating more efficient and effective learning environments. With supply chains driven by technological innovation rather than cheap labor, education should combine “hard” competencies and cutting-edge knowledge with “power skills”, such as creativity, critical thinking, emotional intelligence, an entrepreneurial mindset and the ability to solve complex problems, among other key skills for integrating human work with artificial intelligence. Business competitiveness will be linked to concepts such as reskilling and upskilling. In the final analysis, creating a culture of career long learning as the great challenge to avoid talent obsolescence and the competitiveness gap.
The severe lack of coordination between countries and international organizations during the pandemic has revealed profound flaws in global governance systems. Moreover, both locally and nationally, coordination in the public sector, at every level of government, the private sector and universities, and other civil society actors has been a challenge that is yet to be resolved.

The challenges of the future require a meta-leadership which transcends the needs and capacities of a single institution or group of interest, protects common interests and incorporates the capabilities of diverse groups - affected communities, government institutions, business sectors, civil society and universities.

The most effective solutions will be cocreated by integrating business and institutional capacities, and rooted in communities’ capacities, interests and creativity. These interconnected realities could be united by a multilateral governance system, recognizing the validity of different points of view, and by acting in a more coordinated way to address challenges that are global.
10. Forge collaborative, transparent leadership

- As was suggested at the Davos World Economic Forum in January 2020, we are undergoing the **worst leadership crisis in our recent history**. COVID-19 has posed the biggest challenge at the worst time. The coronavirus pandemic has affected the whole planet, regardless of countries’ level of social and economic development. The alarming lack of leadership in our societies has led to confusion and grave, costly mistakes in terms of human lives and resources. Many institutions are suffering from a mounting lack of credibility, a breeding ground for intense political and social polarization at the local and global levels, hindering crisis management and a future of progress.

- Our societies and organizations need and deserve leaders who can, in collaboration with civil society and the private sector, commence the colossal, urgent effort of leading and coordinating **economic and social reconstruction**. We need leaders with a global, human and entrepreneurial vision to lead our future.

- We need leaders, as a Chinese proverb says, "with a cool head, warm heart and dirty hands" who can think strategically and communicate effectively, but who also go beyond words, are goal oriented and act decisively to deal with the challenges of an unknown world that we need to **reimagine, reinvent and rebuild**.
July 2020

EGADE Business School
Tecnológico de Monterrey