

Reimagination Is Key to Resilience

Happy new year and welcome to 2025. I hope you had a chance to rest, relax, and recharge. I certainly did.

I was expecting to write the first Weekly Brief of the year on the topic of preparing for the unexpected. After all, we've faced a lot of surprises so far this decade:

- COVID-19 and the resulting loss of life and global economic shocks in 2020
- The January 6 riot at the US Capitol and supply chain disruptions in 2021
- Russia's invasion of Ukraine, inflation, and the breakthroughs in generative AI in 2022
- A soft economic landing in the US, post-pandemic economic struggles in China, and the October 7 attacks in Israel and war in Gaza in 2023
- The rise of populism and challenges to incumbents across democracies and the huge success of Chinese-made EVs in 2024

We can assume the next half of this decade will be equally turbulent. Instead of offering insights about preparing for uncertainties, however, I'd like to focus on [reimagination, a central component of resilience](#)—and long-term success.

Lessons from Second-Order Impacts

Martin Reeves and the BCG Henderson Institute refer to the first three stages of resilience as *anticipating* (including effective scenario planning), *absorbing* (responding to initial shocks with minimal damage and disruption), and *adapting* (adjusting the business model to reflect a new reality).

Businesses are generally far better at all of these than they used to be, but what strikes me about the big events of the past five years is that what occurred afterward often had as much impact in shaping our world as the events themselves. Consider just these five:

- COVID-19 led to our most dramatic synthetic biology achievement, as RNA vaccines were developed and deployed at unprecedented speed, contributing to faster economic recoveries.
- Russia's invasion of Ukraine led to a transformation in military strategy and technology, including the growth of drones, which will soon begin to operate autonomously with AI and will have implications extending beyond military conflicts.
- GenAI has not just changed the tech world but is bringing benefits to all kinds of businesses, with a widening gap between those deploying it successfully and those still in the experimental stage.
- Israel's response to October 7 has led to shifts in power dynamics in the Middle East that will likely transform regional politics for years to come.
- China's domestic economic challenges, coupled with its growing leadership in advanced energy technologies, have reshaped global industrial competitiveness, accelerated the country's exports, and increased trade pressures—and not only with the US.

Reimagining for Advantage

While these second-order impacts are evident now, they were far from obvious on day one—which brings me to the fourth, and probably most difficult, part of resilience: *reimagination*.

Reimagination means looking past the direct implications of an event and seeing new possibilities. We must creatively consider how the world could change, the opportunities and risks that change could bring, and what it will take to prepare. Of course we must respond to crises, but real advantage will often come by reimagining what a company can be and do—not just reacting in order to survive.

Look at past crises and how some companies saw a new future. The 2008 financial crisis presented American Express with rising default rates and falling consumer demand. In response, the

company refocused on new partnerships and technology, becoming a digital bank.

When COVID-19 hit and customers were nervous about in-person shopping, grocery retailer Kroger was ready to offer a robust digital alternative. And it has continued to reimagine itself, leaning into emerging trends such as natural and organic, health and hygiene, and premium offerings through its private brands.

What might come next? With the possibility that new tariffs will cause major shifts in global trade, business leaders will need to reimagine not just supply chains but the overall architecture of what it means to be a global corporation.

The Road Ahead

Here we are in January 2025. Your plans are written. Your teams are energized. Big change is on the horizon—some predictable, much not. Resilience is the key, but it's not just about avoiding adversity. It's about being ready to reimagine how you can flourish in new conditions and create lasting advantage.

Christoph and I look forward to using this Weekly Brief to bring you insights in the year ahead that we hope will help you reimagine what's possible. All of us at BCG appreciate the opportunities to support you on this journey.

Until next time,

A handwritten signature in black ink that reads "Rich". The signature is stylized and cursive.

Rich Lesser
Global Chair

For our BCG community: As you might imagine, there is an outstanding team of dedicated professionals from across BCG who help us bring these insights to you each week. One of our finest colleagues, Lindsay Harris, who was a manager on our Global Email Marketing team, passed away suddenly on December 21, 2024. We are so grateful for everything she did to help make these Weekly Briefs, and BCG, better. Read more about what a wonderful person Lindsay was here: <https://everloved.com/life-of/lindsay-smola/>

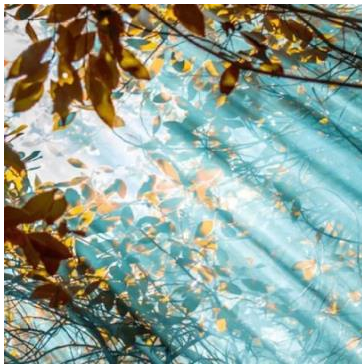
Further Insights



For CEOs Building a Legacy Begins on Day One

With bold action, a strong senior leadership team, and a focus on social impact, CEOs can make the most of their time at the top.

START YOUR LEGACY TODAY



Reaction, Rebound, Recession, and Reimagination

Leaders have an obligation to look beyond crises. Individual companies, and society as a whole, must reimagine norms, behaviors, and collaboration models.

TURN REACTION INTO OPPORTUNITY



Our Latest Thinking on Business Resilience

Our core belief is that times of uncertainty present opportunities to create advantage—for those who are prepared with a resilience strategy. Explore the latest thought leadership from our business resilience consulting experts for best practices and examples from the field.

LEAD WITH RESILIENCE