

## **The next pandemic is already among us**

### **Reality or Fiction?**

On a business trip to Hong Kong with a stopover in Chicago, a business executive returns home to the Minneapolis suburbs, and two days later she passes out and has seizures. Her husband takes her to the hospital, but she dies of an unknown cause. Disconsolated, he returns home to discover that his stepson has also died, apparently for the same reason.

Other cases of the mysterious disease appear in Chicago, Hong Kong, Tokyo and London. As the new virus spreads, several cities are quarantined, and looting and violence erupt. At the CDC, doctors determine that the unknown virus is a mixture of genetic material from viruses transmitted by pigs and bats. The CDC tries to work on a cure, but scientists cannot get a cell culture in which to grow the newly identified virus.

Conspiracy theorists publish videos about the virus on the internet. In a video, one of them claims that he was cured of the virus using a homeopathic cure derived from forsythia. People looking for forsythia attack pharmacies and fight for the medicine.

The vaccine is costly developed, but at that point, the death toll has reached 2.5 million in the United States and 26 million worldwide.

### **Fiction or Reality?**

The above storyline, so similar to the one we are experiencing, is from the movie “Contagion”<sup>1</sup>, by director Steven Soderbergh and released in 2011. Similar to the point of returning to be a success when the pandemic (the real one) was established on the planet. Without a doubt, 2020 will be forever marked in our memory as a challenging year in which a pandemic arose that left no one out, causing us to discuss our governments, our companies and ourselves. The end (if we have one) is still far away, but the light at the end of the tunnel is already seen by most (rich) countries. And among so many marks that this period will leave, one thing is already clear: we all had our skills (social, professional, human) put to the test. And

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<sup>1</sup> Steven Soderbergh, *Contagion*, 2011. [https://pt.wikipedia.org/wiki/Cont%C3%A1gio\\_\(filme\)](https://pt.wikipedia.org/wiki/Cont%C3%A1gio_(filme))

among all the human sensations that we experienced during this period, one seems to have stood out among the others: fear.

Fear. We need to start with it. Four little letters that make anyone tremble, even the most powerful ones. But what is fear? The dictionary<sup>2</sup> gives us some clues: “emotional state provoked by the conscience that one has in the face of danger; cowardly behavior; feeling of anxiety for no reason; great concern about something unpleasant”.

"Emotional state provoked by the conscience that one has in the face of danger." The world entered this state on March 11, 2020, when the WHO declared the coronavirus pandemic (Sars-Cov-2). The alert went on, people started to look for more and more news, and the information virus also spread throughout humanity.

"Cowardly behavior." Empty streets, closed doors, attentive eyes and ears. As much as governments have enacted (or requested) isolation measures, the world has quickly slowed down. We shelter ourselves in our homes as much as possible, fearing the unknown. Everything and everyone became suspicious.

"Feeling of anxiety for no reason". But then, almost immediately, the other points of view emerged, the cunning dialogues, the denialists (some until today), the experts of nothing, among others.

"Great concern about something unpleasant". We then started to question ourselves, to question what we were consuming information with. How long will this last? What to do until then? Planning now or later?

As much as the definitions of fear served well for our behavior during the first months of the pandemic, for the plot of a real life film, they can also be used to explain the action or omission of the most varied types of entrepreneurs, in any corner of the planet.

From one day to the next, the consumption of consecrated products and services dropped sharply, at the same time as new needs arose and / or were expanded exponentially. And then we started to monitor, on a daily basis, companies firing and stopping their production, while others increased their production capacity and manpower. But after all, who acted correctly?

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<sup>2</sup> Dicio, *Medo*. <https://www.dicio.com.br/medo/>

## Hit Movie

It is too early to assess the impact of the pandemic on Earth, but we can already highlight some important points. In Brazil, one of the largest retailers in the country, which had already stood out positively in recent years through an accelerated and increasingly digital business model, shone even more in a scenario where large and outdated brands, plastered and full of processes internal, began to drown, calling for help from the government, competitors and consumers.

Magazine Luiza appeared in the 1950s in the interior of the state of São Paulo (the richest state in the country), from the dream of its founding couple (Luiza and Pelegrino Donato) to create a company that would generate jobs for the whole family. With a natural talent for business, the family has prospered over the years, acquiring other brands and opening more and more new points of sale. In 1991, Luiza Helena Trajano, niece of the founder, took over the leadership of the group and remains in the position until today.

During her presidency, the famous annual sales were launched, an event that is highlighted even on national TV news, and launched their own purchasing website, still in the year 2000. Since 2003, the company has always been at the top among the best workplaces according to the rankings of the “Great Place to Work” institute<sup>3</sup>.

Since then, the company entered the stock market, further increasing its investment potential, bought several other traditional retail chains in all corners of the country, thus gaining millions of consumers, launched the “Chip Luiza” which offers access free of charge to social networks, aimed at low-income customers, created “Luizalabs”, a center for technological innovations, and in 2019, opened its 1000th physical store.

According to the testimony of CEO Luiza, “at the beginning (of the pandemic), I was very scared, like everyone else. I have a little experience and I realized that it was very serious, that many companies would have a problem, that unemployment would be great, in addition to the main one, which is the health risk. So, I was in shock for the first few days. At that time, there was no prediction of the future, we would live one day after another, learning with this digital connection, learning how to get through this better. Then, later, I started again and

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<sup>3</sup> Great Place to Work, *Magazine Luiza*.  
<https://gptw.com.br/conteudo/artigos/melhores-empresas-na-america-latina/>

understood that I had to play a leading role, mainly because of small and medium-sized companies. I started to be in close contact with them, with tourism (which suffered too much), with handicrafts from Brazil ... I got in touch with the big and small ones to give support, to promote unity, to be together”<sup>4</sup>.

With the arrival of the pandemic, the brand, despite the insecurity of the moment, acted quickly and ended up becoming a model of business management. Luiza, who is constantly invited for interviews, lives, and discussion groups, often says that the key was to think about the collective, and not just about the company's survival. "I did 230 lives, 60 and so many interviews, some of them on TV channels, and always with the same speech: let's unite, let's make it happen, let's look for alternatives. It's a difficult moment, we never deny that it was difficult".

The company, which had already been straddling the digital market, stepped on the accelerator and started putting products and services on the air in days, something that took weeks even before the pandemic (which, by the way, was already seen as “mind-boggling pace” by competition). With the challenge of maintaining sales even with the closed doors of its physical stores, it invested and further developed the “Partner Magalu”, a platform developed for small retailers and self-employed professionals to sell their products online. "400 thousand interested people appeared, where 50 thousand every day sell something".

From the beginning, the CEO stated that she would not fire any of her more than 20 thousand employees, and turned the physical stores into delivery points for the end consumers, thus offering a competitive delivery time in relation to the competitors, in addition to maintaining her active staff. Thinking even more about its employees, the company anticipated the vacations of its employees, reduced the salary of high-ranking employees, doubled the amount of daycare assistance to 5,500 employees with children up to 10 years old who had to work in person, and the logistics and distribution received salary increases.

In addition, it created the “Don't Demit” program, encouraging other companies in the country not to fire their employees, sharing content and the company's own strategic decisions that worked and could be replicated.

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<sup>4</sup> Yahoo Finanças, *9 ações positivas do Magazine Luiza na pandemia*, <https://br.financas.yahoo.com/noticias/9-acoes-positivas-do-magazine-luiza-na-pandemia-080019499.htm>  
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More than that, it continued with one of its main objectives, that of always being in evidence, launching its brand in TikTok, the network of the moment, reaching even more the young public that already interacted with the digital mascot of the brand in other networks and who started to use the internet even more in times of social isolation, in addition to taking advantage of the phenomenon that was the musical lives in the country, and making their own broadcasts with great names of Brazilian music singing in the middle of intervals with exclusive product offers.

Luiza Helena Trajano is, in addition to being one of the most powerful, the richest woman in the country, with a fortune estimated at US\$ 4.5 billion (about R\$ 24 billion), according to Forbes magazine. That is, where it is, the media is present. Among so many social groups created or promoted by her, the “Grupo Mulheres do Brasil”, which has 20 causes and almost 50 thousand women (from different places, including communities and slums in more than 80 cities), noticed a huge expansion of culture donation in the country. "Never have so many entrepreneurs, companies and families donated so much"<sup>5</sup>.

As Peter F. Drucker said in his article “The Effective Decision”, “Effective executives do not make a great many decisions. They concentrate on what is important. They try to make the few important decisions on the highest level of conceptual understanding. They try to find the constants in a situation, to think through what is strategic and generic rather than to “solve problems”<sup>6</sup>.”

As much as we live in her capitalist society, in which a healthy company needs to make profits at the end of the month, Luiza realized that the pandemic was a much bigger problem than her giant company. That is why it turned to the market, forming alliances, thus strengthening the entire Brazilian economy. The decision not to fire any employees, even in a segment as affected as retail, required courage and long-term vision, essential characteristics of an effective executive that Drucker talks about it: “They are, therefore, not overly impressed by speed in decision making; rather, they consider virtuosity in manipulating a great many variables a symptom of sloppy thinking. They want to know what the decision is all about and what the underlying

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<sup>5</sup> Correio Braziliense, *Entrevista: Luiza Trajano reflete sobre a pandemia, o varejo e o país*, <https://www.correiobraziliense.com.br/euestudante/trabalho--formacao/2020/08/4868634-as-licoes-de-um-a-executiva-na-pandemia.html>

<sup>6</sup> Peter F. Drucker, Harvard Business Review, *The Effective Decision*, <https://hbr.org/1967/01/the-effective-decision>

realities are which it has to satisfy. They want impact rather than technique. And they want to be sound rather than clever.”

### **Real Life Movie**

No matter how much we study for years and specialize in our respective professional areas, we, market professionals, are not always able to anticipate everything that we will face. And the pandemic is the biggest example of the moment.

In view of the example mentioned above, the biggest lesson that remains is that courageous leadership is essential. Everyone wants to feel safe, wants to keep their job, their income, and at the time of squeeze, selfishness knocks on the door. It is the natural instinct for self-protection, derived from fear, mentioned at the beginning of the text.

But to be a leader, an exemplary manager, is to get out of the bubble itself and see the collective. Not only think about your shareholders, employees, suppliers and the entire chain involved in your business. It means thinking about each of their families, and about society as a whole. Magazine Luiza is a giant company, nationally recognized, and for that reason it has certain advantages, such as a security box and a huge workforce. But it also suffers huge demands, from making big decisions that impact the lives of millions.

After all, if the consumer is sick, there is no consumption. There is no exchange relationship that keeps society, capitalism, active.

And all this success and example of management can be measured not only in profit and sales figures, but also in the desire of so many young people to want to be part of this company. Young people, always so full of opinion, aversion to the traditional, to old customs, are the first to notice when a leader is moving in the right direction.

As much as the decision-making power is in the hands of a few people, of great businessmen and politicians, society is increasingly understanding the power of collection that it also has when it joins its peers.

If the internet had been growing at a fast pace in recent years, with the pandemic it just exploded. And young people are the most responsible for this. Here in Brazil there is not a week in which there is no movement being orchestrated, demanding some position from the great and

powerful ones, in the most different subjects, from the preservation of the Amazon forest to the eternal cases of corruption in politics, as well as, more recently, from vaccines.

The internet gave anyone the chance to become famous overnight. And it has been changing so much and so fast, that more and more attentive companies covet the most attentive young professionals to help them with the redesign of their own companies.

Old processes, giant bureaucracy, vertical organizational structure are things that no longer work, and the pandemic opened this up even more, together with the internet. Decisions need to be made faster and faster, and their validity is shorter and shorter. A company may have had the same principles for decades, but the rules now need to be pencil-written, ready for change at any time.

### **Futuristic Scripts**

Managing people will always be a challenge. Always, all of us, we will teach and will be taught throughout life. No one reaches the top at some point in their career and no longer needs to learn. The sharing of content, so widespread on the internet, is the same in our professional lives.

More than ever, we will be charged for managing teams that are increasingly inclusive, open to all, representative and dynamic. Only then, with the wealth of plurality, will we be prepared for the next challenges, which will not be easy.

As Bill Gates didactically reports in his most recent book “How to avoid a climate disaster”<sup>7</sup>, we have already suffered and will suffer even more with the inter-series of the climate. Not only global warming, but the lack of natural resources, the effects of pollution, new pandemics and hunger. We are already living in “pandemic plurality”.

It is a challenging future, which has already impacted our daily lives. And that will demand more and more quick, but global decisions, resilience and maturity. It is common, over the years, to acquire a great professional skill that will specialize us and make us safer. But at the same time, this great baggage is blinding us to external influences and accommodating us to the new, generating slowness and difficulty in making decisions.

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<sup>7</sup> Bill Gates, *How to Avoid a Climate Disaster: The Solutions We Have and the Breakthroughs We Need*, 2021, <https://www.amazon.com.br/How-Avoid-Climate-Disaster-Breakthroughs/dp/059321577X>

Young professionals, as always, with each generation, leave the classroom with new tools, with the freshness of light luggage, ready to take risks. The difference is that nowadays, they are even more necessary, since changes are increasingly faster.

With classrooms closed, young people still face the constant challenge of learning at a distance, something difficult for most Brazilians, who suffer from the quality of the internet outside large urban centers, as well as the lack of additional screens on the Internet. home of poorer families, who share the same cell phone among several children.

The challenges before the pandemic were enormous. The challenges posed by the pandemic are enormous. The challenges we will face after the pandemic will be enormous. But we are resilient, used to adapting.

More than ever, great managers have learned or are being forced to learn to adapt. Companies that adapt will thrive. But those that are paralyzed by fear, well, then the future will be bleak.