Effectus Ecosystem of Product:
June's Update and Outlook

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THE POST PANDEMIC WORKSPACE

In the years leading up to 2020, most company leaders and employees would have considered the office an essential component of doing the work they love. While the primary role of the office was to provide employees with a physical place to work, the workplace also served as a community where employees could socialize, easily collaborate and share knowledge and ideas with one another as well. When shelter-in-place became an external threat to day-to-day operations, business leaders had to reimagine and reengineer how certain job functions, previously thought of as "in-person only", could ever translate to a remote world. We believe that the new workplace structure established over the last year and thought to only be temporary will have a residual effect on the workplace of tomorrow. An impact that is especially relevant in the Ecosystem of Product where we have a variety of workplaces such as corporate, production, and retail environment.

I.   The Corporate Environment

Most people associate the corporate environment with cubicles and water cooler chat. Since February 2020, the corporate environment faced significant disruption in the status quo of how work was done. Today, executives are developing action plans now that vaccines are readily available to the general public and social distancing standards are becoming laxer. These decisions evaluate bringing employees back to the office, leaving them at home, or adopting a new, more effective workplace. Five models have been identified for the corporate environment and what they look like in the post-pandemic world:

1. As It Was: As the name implies, employees are returning to the office and resuming their regular office hours. The *'as it was'* office will likely put new emphasis on cleanliness and sanitization, but most things will likely be as they were before the pandemic.

2. Clubhouse: This hybrid model enables employees to visit the office when they are seeking collaboration efforts but still utilize their remote environments for more focused, independent work. The office format option works as a social hub – a place for employees to meet, socialize, and work together.

3. Activity-Based Working: Employees work from an office but do not have an assigned desk. The employee's time at the office is spent bouncing between various workspaces such as meeting rooms, phone booths, and lounges. Some examples of this have already been established in countries such as Australia where pre-pandemic, the office provided approximately 8 desks for every 10 employees since many are taking advantage of the other office spaces. Firms looking in this direction for their post-pandemic model are considering as few as 5 desks for every 10 employees, representing a 40% reduction in desk space that can be repurposed for other workspaces.

4. Hub and Spoke: Many employees have taken a liking to remote work because of all the time and energy they save commuting to a centralized office, typically in the center of the nearest city. The *'hub and spoke'* model allows companies to leverage smaller satellite offices in suburbs and neighborhoods closer to where employees live, which will in turn give employees the social aspect in a convenient form that works for them.

5. Fully Virtual: This last model is on the opposite-end of the spectrum from the *'as it was'* workplace. In the *'fully virtual'* model, employees stay completely remote and can work from anywhere they like. This will be an advantageous model for companies with a strong work-from-home culture who are ready to escape their expensive workspaces that are not popular among their people.
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II.   The Production Environment

This environment consists of the direct contributors responsible for manufacturing, storing, and transporting products to be made available for public consumption. Many of these jobs require personnel to be on the move, and some even require operating heavy machinery. Unlike the corporate environment where there are a few models to look at, this workplace is limited in workplace modifications. During the pandemic, these facilities implemented safety precautions like social distancing and masks. While masks will continue to phase out of these workplaces, it is unclear how much the spacing of these facilities will change once social distancing becomes even less of a factor. Facilities that found spacing out their operations to be more productive will undoubtedly keep things as-is, on the other hand, businesses that lost productivity will likely revert to a format that suits their business more effectively. Digital transactions have prepared the production space for growth, and the deployment of automation and artificial intelligence (AI) in these environments have enabled facilities to reduce workplace density and demand surges. Workplaces with significant human interactions are prone to seeing the quickest adoption of automation and AI which will lead to further change in these environments.

III.   The Retailer Environment

The Retail environment is the third, and most public-facing, workplace in the Ecosystem of Product. In this environment sales associates may find themselves in both the back and front-end of the store. This could be stationery, as is the case in checkout lines, or a combination of both. The public-facing factor plays a unique role in this environment because the space is used by both employees and consumers. As stated in past Effectus Insights, consumers are looking for an easy-to-navigate shopping experience whether it be online or in-store. By simplifying the store layout and bringing this shopper experience to life, shoppers and staff will both navigate the retail environment quicker and easier. Nevertheless, as social distancing becomes less of a merchandising constraint, we can expect the post-pandemic space utilization to be closer to that of the pre-pandemic retail environment. This ultimately creates opportunities for the retailer to offer more to their consumer and for brands to gain space and market share in their departments and categories.