

## AGILE WINS

**Marc Lautenbach,**  
CEO of Pitney Bowes



"In these moments of dislocation, share tends to change hands. It goes to those who are agile. We are operating at very high volumes as an industry, but some competitors can't respond to that increase in demand."

## PRODUCTIVITY BLOSSOMS

**Kate Duchene,**  
CEO of consulting company  
Resources Global Professionals



"When you don't have the commutes and lost hours from the old normal... this will open up talent pools we didn't know we had, as it opens up virtual re-sourcing strategies. We're already seeing guys who say they want to work out of their RVs now and not be tied down to real estate."

## WORKSPACE REDUX

**Mitch Hoefler,** CEO  
of commercial architects  
Hoefler Wysocki



"Carpet is antimicrobial in many types; you could see more commercial purchasers of that...You'll see more autonomous hands-free environments, like those door-opening systems that already exist for handicapped people. You may have new six-foot-center-line spacing in office environments, though maybe not going back to individual offices."

We agree—and so did every one of the more than 50 CEOs and other experts we talked to about how they're coping with Covid—and what they think comes next.

How we get there remains the open question, though. Based on our conversations, CEOs have learned a lot about surviving a lockdown of the entire economy—not so much about what life looks like on the other side (though we goaded a few to take a stab at predictions—see boxes, at left). "Where things are fundamentally going to change is that, historically, we haven't felt that casual interaction with strangers was dangerous," says Marc Jones, chairman and CEO of IoT provider Aeris. "Now it is. So behaviors and mindsets are going to change dramatically until or if we get back to where that no longer is dangerous."

We found near-universal acknowledgement that there is no precedent for anything that's happened so far and no playbook for what to do to promote a recovery. But there is a fair amount of faith that the most extreme views about the future will not come to pass. "Historically, when people say there will be a 'new normal,' changes have tended to be on the margins, and they've tended to accelerate trends as opposed to creating whole new norms," says Marc Lautenbach, CEO of Pitney Bowes. "This could be different. But for the most part, the hit rate of prognosticators on how they think the world will profoundly change is wrong."

Still, few CEOs profess to having any specific strategies for leading their companies through the intervening months if cases and deaths flare, as projected. What happens to companies if business continuity is repeatedly interrupted over the next several months or year? Good question. Many CEOs say they're simply remaining flexible, talking to customers, taking things a day or a week at a time, trying to hang on to good people and making the most of technology to react quickly to endless curveballs. "Recovery in the short term is going to be uneven, unsettling and unpredictable," says Jim Turner, CEO of Intelligent Fiber Network. "The only thing that is certain is that the fundamental change we already have experienced will continue to exist and likely become more erratic."

### Changing Workplaces, Changing Work

In the face of this, many CEOs talked enthusiastically about the success their companies have had in switching to remote work on an emergency basis and the long-term positive impact that will have on their companies. They see accelerating digital interactions and digital processing of work, as well as a move to a more flexible, adaptable workplace. "That was in our gameplan on January 1, before we even knew what Covid-19 was," says John Schlifske, CEO of financial-services giant Northwestern Mutual. "This basically forced us to do it overnight. It's kind of a catalyst—an unfortunate one because of the mayhem and mortality—for something that was bound to happen anyway."

## A CHANGED WORLD BY 2030

Covid will accelerate a slew of mega-trends already reshaping our world, predicts Wharton professor Mauro Guillen, author of the forthcoming *2030: How Today's Biggest Trends Will Collide and Reshape the Future of Everything* (August 2020, St. Martin's Press). Here's what you should be watching.

**SOME CRISES ARE CLEAR TURNING POINTS IN** history, disruptions like the Black Death of the 1300s or the Great Depression of the 1930s, where everything before is swept aside and a new order emerges. The coronavirus pandemic is *not* one of those times, argues Guillen. It will just intensify and accelerate—rather than create—a series of interrelated trends. His advice for CEOs: "If you weren't doing enough before the crisis to catch up with some of these, you're going to have to run faster."

**Emerging economies truly emerge.** According to the IMF, emerging economies this year are projected to grow by about 2 percent. That's paltry, yet the U.S. should have -5 percent GDP, Europe, -7 percent. "Asia is worse off than it was before the pandemic, but they're going to keep growing, whereas we'll just be shrinking in economic size," Guillen says. "So, that's only going to accelerate their rebalancing of geopolitics in the world based on the size of economies."

**Smaller families reshape markets—and nations.** People usually postpone major decisions when faced with uncertainty. Having a baby is a huge financial commitment, and a recession will force many to reconsider whether the timing is right. In addition, the virus will reduce immigration, especially to the U.S. and Europe, further slowing birth rates in these regions, impacting everything from consumer spending to stressing social safety nets, like Social Security and Medicare. "On both counts, we're going to see an intensification of that trend," says Guillen.

**Online wins the customer.** Social distancing and "sheltering in place" are already intensifying shifts toward online shopping, virtual communication and digital entertainment. That will increase, and it will not be reversed. Banks, for example, are already seeing an unprecedented acceleration away from physical branches, with knock-on impacts for finance, real estate and the labor market. "This is a big experiment, and people have been forced to use the online channel given this crisis. And the learning, the experience, that is going to stay with them forever."

**Large-scale automation happens.** Covid-19 is providing the manufacturing, service and transportation sectors more incentives to automate than ever. The risk of disrupted operations and supply chains due to illness will tip the scales on the costs of conversion. "Inevitably, some people will lose their jobs, and you know who they are," says Guillen. "They tend to be people in their 50s with skills that are not really employable. They can't find jobs. That contributes to economic inequality."

**Generational divides expand.** With Europe and East Asia composed of an older age cohort and Africa and South Asia experiencing a baby boom, the share of the world's population moving to the latter will only accelerate if the Covid mortality rate among the old continues at the pace we are witnessing, with financial and other impacts.

**Income inequality and health.** The working poor and the homeless are unlikely to have access to good healthcare, and their immune systems may already be compromised due to poor diets or insalubrious living conditions. While the virus won't discriminate by income or healthcare coverage, people at the bottom of the socioeconomic pyramid are far more exposed to the consequences of infection. This will have long-term, perhaps multigenerational, consequences.

