

## THE POST COVID WORK MODEL? ABANDON THE OFFICE AT YOUR PERIL

You can't open a newspaper or turn on the radio without being faced by an article about the future of work. Hypotheses are plentiful and varied - ranging from a snap back to normal from 2022 to the death of the daily commute. It's a fascinating debate which has wider ramifications for the rest of society and the future shape of our lives.

Before I explore this subject, I must declare an interest. I sit on the board of Workspace Group plc, London's leading provider of flexible office space. And I have adult children taking tentative steps on their career ladders.

As usual, the leading financial and professional services firms have been most vocal on their views of the future work models. The Goldman Sachs CEO David Solomon recently called remote work an "aberration" and "not conducive to productivity." On the other hand, PWC lead partner Kevin Ellis has offered his 22,000 staff a new "Deal" in which they need only spend 40% of their time in the office. And a half day on Fridays through July and August to boot. Some leading tech companies including Salesforce, Spotify and Twitter have gone further telling their staff that they can continue working from home "forever". And "home" can be anywhere in the world.

But what about the small and medium sized enterprises (SMEs) which are the backbone of our economy. In 2020, there were approximately 6 million private businesses in the UK (source: ONS) of which 99% were SMEs (fewer than 250 employees).

2020 was a year like no other for SMEs. Small workforces were confined to home. Bedrooms, garages and even kitchens were rapidly converted into office spaces and previously unheard of technology was introduced. (I readily admit I hadn't heard of Zoom before March last year). And things didn't fall over. In fact, many companies reported an increase in productivity, however that is measured.

Furthermore, in 2020 the UK Insolvency Service reported a 27% decline in company liquidations from 2019 levels. So the proposition to carry on working from home is compelling. And many employee surveys indicate that there is widespread reluctance to return to the workplace anytime soon.

Allow me to sound a note of caution. As government support is removed over the coming months it is tempting for SMEs to abandon under utilised office space to save money. The office remains as important if not MORE important post pandemic. Simon Glenn, BNP Paribas Real Estate said recently "The office has a key role to play in building a brand and company culture, which cannot be done in the same way with staff working entirely from home."

The office is the public face of an SME's brand and offering. It is key to attracting and retaining talent. It is key to attracting customers. And it is key to attracting investors. The Zoom meeting or coffee shop just won't cut it.

Talent: Millennials (including my aforementioned children) are looking for vibrant and stimulating working environments surrounded by likeminded individuals. Get this right and you will attract and retain the best of the best. In short, offices are where we collaborate, innovate, cross fertilise and socialise.

Customers: Successfully securing and maintaining sales of a product or service needs your customers to feel confident in your company's long term viability. It can be difficult to convince them in a Costa coffee shop or your front room. Or through a Zoom screen, however professional your backdrop.

Investors: There is a dash for growth. The FT reported that 2020 saw a record \$8 billion invested in UK start ups and young businesses. And there is plenty more cash looking for a home in 2021. A dynamic office space with an engaged, present and energetic team is key to attracting funds for growth.

So a return to the office is key but the office of old is not the office of new. All providers will need to rethink office configuration to emphasise flexibility. The traditional office workspace will be replaced by workspace designed around social interaction, inter company collaboration and relationship building. Spaces will have to offer high quality catering, bicycle storage and even gyms.

By 2022, we will see a healthy growing flexible office market promoting the launch of bright new businesses and supporting the growth of established businesses.

Just watch this (office) space...

Lesley-Ann Nash