

FORGING A NEW FUTURE

Businesses prepare for a post-COVID-19 reality while still adapting on the fly.

Whatever their phased-reopening plans look like, the governments across the globe that are managing the restart of economic activity in the wake of COVID-19 have generally been in consensus on one point: The final phase, full resumption of economic and social activity, will not happen until a COVID-19 vaccine is widely accessible.

With that stage unlikely to be reached before mid-2021 at the earliest, businesses have had to figure out how to create comfortable experiences for customers and workers while public-health regulations on social distancing and mask-wearing are still in place. In the Netherlands, McDonald's planned to welcome guests back into its restaurants with table service—delivering orders to customers' tables via trolleys from which they could pick up their food. The company also announced plans for hand-washing stations at restaurant entrances and a "Take Out Plus" contactless ordering experience for pedestrians and cyclists who cannot use the drive-thru but do not want to dine indoors. Employees are to be spaced apart in 1.5-meter intervals with plastic partitions between them as necessary.

To give some peace of mind to fliers as

air travel slowly resumes, carriers including Delta Air Lines and American Airlines announced moves to block off some middle seats on their planes. Air Canada and Frontier in May became the first North American airlines to roll out pre-boarding temperature checks for passengers.

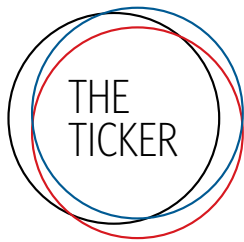
Starbucks, acutely aware of its position as a "third place"—a sought-out destination away from work and home for customers—reopened the vast majority of its U.S. stores in May, incorporating lessons learned from its reopened stores in China. The coffee giant expanded mobile ordering and contactless pickup and debuted curbside pickup in some locations.

Indeed, the rise of order-online, pick-up-at-store options may be one of the biggest retail trends to emerge from the COVID-19 pandemic.

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Source: Adobe Analytics



Employees have rising expectations for being able to work remotely post-pandemic.

Source: Gartner

curbside pickup options are compelling on several fronts: no shipping fees, the convenience of being able to get items the same day they are ordered, peace of mind from minimized exposure to other shoppers and associates—and still an opportunity to get out of the house.

Coming out of isolation, customers “crave the connection and community that are fundamental to humanity,” Starbucks CEO Kevin Johnson wrote in a letter to customers and partners. However, he noted, they also want retail experiences that feel safe, familiar and convenient. Responding to evolving customer expectations and developing new adaptations and routines alongside customers will help forge a new, robust future for the “third place,” he indicated.

REMOTE CONTROL

What happens when everyone can work from home? Working remotely, already on the rise before the COVID-19 crisis, became a mandate for swaths of workers across the globe in

March. New research suggests workers and employers alike expect remote work to be more of a mainstay once the pandemic ends.

A Gartner survey in April found employees have rising expectations for being able to work remotely post-pandemic. Thirty percent of those surveyed said they worked remotely at least part of the time before the pandemic, but 41% anticipate working from home some of the time going forward.

A separate Gartner survey of CFOs and other business finance leaders this spring found that nearly three-quarters (74%) expected a small share of employees to work from home permanently after the pandemic ends. About one in four respondents expected 10% of employees to continue permanently working from home.

An increasingly remote reality is registering for at least some employers: ZipRecruiter labor economist Julia Pollak told *The Atlantic* that before mid-March, 1.3% of job postings on the site mentioned the opportunity to work remotely. Since then, 11.3% have.



SEA CHANGE

Expanding domestic production of certain goods deemed essential to the public interest—medical supplies, for example—may be an enduring impact of the COVID-19 pandemic.

Companies and buyers that depended on components or finished materials from China, for example, found themselves facing supply chain delays that challenged the public health response to the pandemic. And according to University of South Florida faculty member and supply chain management expert Seckin Ozkul, while companies often model out supply-chain disruptions such as natural disasters, the scenarios they run often examine disruption only for a particular region—not worldwide disruption. “Every company right now is looking at their supply chain and thinking, ‘How can I diversify it further?’” Ozkul told *Business Insider* in May.

While some businesses, including Ford and GM in the U.S., pivoted to producing ventilators, face masks and/or other medical equipment and personal protective gear to help shore up dwindling supplies, a lack of coordinated domestic plans to deal with international supply chain disruptions has renewed calls worldwide to build in supply chain redundancies and accelerate adoption of technologies such as additive manufacturing (3D printing) that can allow more flexibility in what gets produced where and when.

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FINANCING FOSSIL FUELS

Environmental organizations have been shining a harsh light on banks—specifically, the fact that they have been lending hundreds of billions of dollars to gas and oil companies in recent years. In the past three years, for instance, JPMorgan Chase alone lent over \$195 billion to gas and oil companies. One Chase-funded project will lay 337 miles of oil pipeline across Minnesota. Such projects have led to rising calls for financial institutions to drop their investments in fossil fuels.

Even before the crash in demand brought on by the COVID-19 pandemic, oil was losing momentum. In 2019, energy was the worst-performing sector on the S&P, with analysts predicting that declining gas consumption would lead to decreased oil demand by the early 2030s. Any company that does not adapt to the new energy reality “will fail to exist,” according to the heads of the Banks of England and France.

Some oil companies, like ExxonMobil and Chevron, have stayed true to oil, hoping to outlast competitors. Shell, by contrast, has sought to continue with oil and gas while also expanding into other sectors such as plastics and electric power. And last year, Shell made a notable pledge: It committed to reducing its emissions by up to 3% by 2021 and by about 50% by 2050, and the organization tied its executives’ compensations to those targets.

“The future of energy needs to evolve as something else, and we find a role for ourselves in it,” Shell CEO Ben van Beurden told *Time*.

Shell’s decision to cut emissions followed heavy pressure from investors as well as protests and rising consumer sentiment against Big Oil. But oil companies will have to navigate a tricky path between a growing number of investors wary of having oil in their portfolio and shareholders eager to reap rewards from their bets on a risk-rich sector. **IQ**