Workplace strategy and scenario planning: Moving beyond the tangible to understand the future of work and place in a post COVID-19 world

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ABSTRACT

Our current global situation resulting from the COVID-19 pandemic creates an opportunity to revisit a paper I authored that was published in the Summer 2017 issue of Corporate Real Estate Journal. In that paper I cautioned that the traditional methodologies used in the corporate real estate (CRE) and workplace strategy arena to predict the future of an organisation’s workplace were short-sighted and did not provide the breadth of vision that would take into consideration a broader sphere of disruptions and changes to any given organisation. I recommended adopting scenario planning methodologies that would include an analysis of the conventional areas but would also include disruptions resulting from political, social, economic and health threats. Four years later, this paper revisits that hypothesis and examines our current COVID-19 condition and poses the same opportunity for helping organisations develop viable strategies for both their initial re-entry phase back to the workplace and, more importantly, in planning for a ‘reimagined’ workplace where both the nature of work and place are potentially redefined. The paper cautions against predictions based on limited knowledge and trends, as well as definitive solutions, but puts forth the proposition that scenario planning will be a more effective means to help organisations guide their enterprises into this reimagined world of work.

Keywords: workplace, strategy, scenarios, organisation, pandemic, disruptions
INTRODUCTION

The winter and spring months of 2019/20 and beyond have disrupted and upended all of our worlds, spanning geographies, professions, markets and demographics. The COVID-19 pandemic has for the most part put a stop to almost every aspect of our lives and what has been termed the ‘old normal’. The ‘new normal’ is far from certain and everyone is challenged with defining and predicting just what that new normal may be. Nowhere is this challenge more evident than in the environment of facilities, workplace strategy and real estate.

Defining or redefining both work and place will be the focus of the CRE industry for some time to come. While developing this vision will be the challenge for all of us in the coming months and probably years, the pandemic has also raised important questions regarding both how we have been using our real estate assets and have developed workplace strategies that purported to make the most effective use of them. As we seek to define the new normal, and its impact on CRE and workplace strategy initiatives, one has to also question whether the old normal was in reality all that great to begin with.

Part of this reflection should examine whether the old normal that some believe or hope we will eventually return to was, in actuality, the right approach to begin with. Did our thinking and vision of how we developed workplace strategies limit our ability to better prepare our organisations for this scale of disruption? And moving forward, what lessons could be learned that will enable organisations to more effectively prepare for, and define, a reimagined world of work and place, more resilient to meet future challenges?

I separate both work and place because what we have experienced from the start of the global shutdown has forced us to view the activities we associate with the workplace as independent of each other rather than intertwined. We have witnessed in a relatively short period of time an almost overnight shift for the majority of organisations from working from a tangible workplace entity (where the work you were engaged in was associated with the place you were doing it in, in most instances the corporate workplace) to working in a virtual world where the work being done was at home and digital. Within a few months, the focus of organisations shifted from how we can enable our workforce to effectively work remotely through the use of technology to one of re-entering the physical workplace with restrictions as to the quantity of employees allowed, the maintaining of social distancing and guidelines focusing on health and safety protocols.

The months following the re-entry process will unfold numerous experiments in social distancing, travel, technology and, for most organisations, a split workforce where some may re-enter the physical workplace while others remain working from home. All of this has occurred during what seems like an eternity but was in reality only a few months. More importantly, we need to understand and take into consideration what we can learn from this period and how we can build on this knowledge to determine and understand the possible future of work (that future being potentially a reimagined world of both work and place). Will we rely on what we know, mostly built around insightful trends, or should we be using different strategies and methodologies to determine that reimagined future?

In 2017 the Corporate Real Estate Journal published an article of mine, ‘Scenario planning and the future of work: There is a better way to predict the future of work’. In light of our current environment, and in retrospect, it poses some intriguing questions as well as, I believe, insight into how we go about developing workplace strategies for the future, as well as an opportunity to reflect on what we could have done
differently and may have been too quick to adopt as former beneficial strategies.

**SCENARIO PLANNING AND THE FUTURE OF WORK REVISITED**

The paper discussed how the CRE profession’s attempt at predicting the future of work has been too focused on a future shaped by trends — trends informed by real estate, the need to continually maximise on space as a result of cost, resulting in the over densification of the workplace, and trends in workplace design that shifted from a world of cubicles to a world of benching along with a greater emphasis on collaboration, hospitality and stakeholder experience. All important notions — but creating a myopic vision of the future.

I questioned the wisdom of this as the best means of allowing organisations to make better and more effective use of their workplace:

‘More importantly what we are predicting the future of work to be, and how we make these predictions (previously on trends), is problematic and not very useful. If we took a different approach to helping organisations predict “their” future of work, a more substantiative and meaningful result would occur that could better position the workplace to support business.’

My hypothesis was that with the ever-increasing disruptions (pre-COVID-19) that all organisations across all industries were encountering (technology-driven in most part and resulting in the gig economy), the CRE industry needed a different methodology to view its operations and its future workplace strategies:

‘A greater and more pressing lesson — and one that will make the office of the future a useful business tool — is the uncertainties most organisations are encountering: pressures from increased operating costs, unpredictable economic uncertainty, pressure of talent retention and far-reaching disruptions that are changing the face of every industry.’

Organisational and workplace resilience was an essential perspective that should drive and inform CRE and workplace strategy decisions. While we cannot future-proof our workplace, I contended that understating the future through a different lens would allow businesses to take a different approach in developing and deploying more resilient and meaningful strategies:

‘How to design a workplace that responds to these challenges is placing ever-increasing urgency on a desire to future proof decisions regarding workplace design strategies and subsequent design solutions.’

I argued that our reliance on trends for our view of the future was limiting an organisation’s ability to better prepare for uncertainties and unknown unknowns, sometime referred to as wicked problems:

‘The fundamental problem with trying to predict the workplace of the future using trends and current knowledge is its limitations in relying on what is known and not on what is unknown, as well as what will disrupt our current thinking.’

The paper focused on the use of scenario planning as an alternative to and a better means of understanding an organisation’s needs for its future and as a methodology that should replace the reliance on trends that are often outdated before they are deployed. Predictability — which is what trends most often focus on — needs to be replaced by methodologies that allow for ambiguity and uncertainty:
The research and information that is required can no longer rely on the simplicity of trends. Decision making based on less systematic and core input and which embraces complexity and ambiguities all organisations are facing needs to be the driver.  

I went on to offer that scenario planning processes, most often associated and attributed to those used by Royal Dutch Shell in developing long-term strategies in their environment of energy, would be useful if applied to developing real estate and workplace strategies for work and place:

As practised by Royal Dutch Shell, scenario planning was not about predicting but about providing a deeper measure to a foundation of knowledge about the future in order to make better decisions.

When using scenario planning to provide that ‘deeper measure … of knowledge’, Royal Dutch Shell goes beyond what it knows about the future of the energy environment. It explores a number of factors such as political, economic, social and health that could disrupt its current knowledge of its worldview of energy. I suggested then that we were limiting our abilities to make more effective use of our workplaces by only relying on the trends that revolved around technology, furniture and collaboration. Disruptive forces that could potentially turn all organisations’ business world upside down were also needed to better understand how these disruptive forces could potentially change the shape and structure of an organisation and therefore the workplace strategies required needed a more robust and wider perspective:

A model for using scenario planning to uncover unknowns and potential disruptions.

I demonstrated that we should be expanding our area of assessment to include these broader disruptions as part of our analysis models because these areas will play a greater role in defining the future of the workplace. By linking disruptions involving technology, health, social and political instability to an analysis model of organisational design, we can explore the organisational strategy, organisational structure, work processes and demographics resources, thereby providing the enterprise a more realistic view of its potential future.

In light of our current situation, looking back at this article provides some much-needed insight as to what we can learn from our old normal past, our current re-entry world, but more importantly, how we can make use of scenario planning as a basis of strategy development in reimagining an organisation’s world of work and place.

**CHANGING PARADIGMS: EXPANDING OUR PERSPECTIVE OF WORKPLACE STRATEGY**

Our current COVID-19 environment calls for an expanded view of what workplace strategy is all about and what we should be exploring in the future. For far too long CRE and workplace strategy has kept away from areas of analysis that appear not to be directly connected to the tangible workplace — areas that seem to be beyond the jurisdiction of a CRE executive, facility manager, workplace strategist or workplace designer. Would embracing scenario planning methodologies, as I suggested in the paper, have allowed us to predict the scale of disruption resulting from COVID-19? Perhaps not, but it may have allowed organisations to be better prepared for it, even if the scale were unimaginable.

The pandemic is neither the first nor unimaginably the last we will encounter. Bill Gates suggested a number of years ago in a Ted Talk that the next catastrophe...
facing civilisation was not war or terrorism, but a pandemic. The CRE and workplace strategy professions have attempted to move organisations to better prepare for environmental disruptions, although not at the scale required to encounter a major seismic rift. Often these are ignored or put on the back burner due to political discomfort, corporate costs, or the lack of belief that these disruptions are as imminent as they are.

There is a sociological construct referred to as ‘the normalisation of deviance theory’. This theory holds that despite the awareness of and high probability of a disaster occurring, the fact that it has not occurred results in its ‘normalisation’ and therefore in its being ignored. The classic example of this was the Challenger disaster, as captured in Diane Vaughn’s book *The Challenger Launch Decision: Risky Technology, Culture, and Deviance at NASA.* In it, Vaughn argues that the potential for the O Ring to fail was known by the NASA engineers to be a high probability, but because numerous shuttle flights were conducted without incidence, there existed a culture within NASA that ignored the inevitable, resulting in a catastrophic disaster. Today, many project management firms make use of the normalisation of deviance theory to understand potential failings in construction projects and preparing alternative strategies. I would suggest that the workplace culture that has developed around CRE and workplace strategy has allowed us to easily ignore the significance and magnitude of potential disruptions that are seemingly outside the direct sphere of real estate and workplace. Ignoring the intangible in favour of the tangible often proves problematic.

What is needed is a new paradigm around both what constitutes the areas of analysis in developing CRE and workplace strategies and what the outcomes of those strategies need to be in order to be considered optimal. In the environment of CRE and workplace strategy, performance has relied on the tangible. Because it is a built product (a building, a workplace), we believe in certainty (in the built environment certainty is important, because failure would have dire consequences). I am not suggesting that we move away from performance metrics around the certainty of the built environment, but in the predictability of the methods used to develop design strategies for the utilisation of their assets.

In a *Financial Times* supplement from 2006 on mastering uncertainty, Phil Rosenzweig, professor of strategy and management at IMD, reflected on the difficulty of certainty in guiding organisational strategy:

‘The search for certainty is misguided because it leads us to overlook the unpredictable nature of business.’

He cites numerous areas that are problematic, from organisational physics and predictability in organisational constructs to inputs and outputs that focus only on organisational action. CRE and workplace strategy needs to move beyond using predictability as the benchmark of adopting strategies. Predictability and certainty is what resulted in trends being such a strong part of strategy development in the world of workplace. Trends are built around certainty along with benchmarking (what has previously been done). A paradigm shift and a change in culture is required where strategies that uncover unpredictability and ambiguity are viewed as more important. If there is any positive lesson resulting from the COVID-19 situation, it is that strategies are needed that rely more on uncertainty than on predictability.

We need to embrace a new culture of how workplace strategies are viewed and measured for success. Organisational models are following this lead, resulting in greater reliance on organisational agility in order to be more responsive to the uncertainties of future disruptions. In that same *Financial*
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*Times* supplement, Donald Sull, associate professor at London Business School and Ben Bryant, professor at LMD, in an article entitled ‘More Than Idle Chatter’, discuss uncertainty and the need for agility:

‘Uncertain markets throw out a steady stream of opportunities and threats. In these environments, companies succeed to the extent that executives and the organization are able to respond to shifting circumstances. The test lies in how a company moves through an iterative cycle of translating understandings into actions. In this cycle, managers sense the overall situation, anticipate emerging threats and opportunities, provide actions, execute on these priorities in a timely effective manner, and close the loop by revising their original assumptions.’

This same shift in thinking — developing a new culture around a workplace strategy paradigm relying more on an iterative process that explores and embraces uncertainty — is more effective for moving forward and developing workplace strategies both in the near and long term. Again, the use of scenario planning that provides iterative choices, an analytical model that ‘sense[s] the overall situation, anticipate[s] emerging threats and … provide[s] actions’ but also ‘revis[es] original assumptions’ better serves as a strategy development model.

**BLURRING THE BOUNDARIES**

Another consequence of our COVID-19 situation is that for the first time in the area of CRE and workplace strategy, there is an obvious blurring of the boundaries between the tangible physical workplace and the intangible attributes of the organisation and its external threats. The pandemic has illustrated, in a way that most of us in the CRE and workplace strategy world have been unable to demonstrate, the interconnections of these three areas. The pandemic threat has illustrated the connections between where work takes place, the organisational protocols, polices and strategies of the enterprise using that tangible resource, and the threats to businesses beyond the technological. Amid the anguish of what everyone is experiencing, these are positive outcomes — if we are able to capitalise on them and make use of them as a synergetic entity in developing workplace strategies in the future.

Scenario planning methodologies formulate a methodology that takes into consideration multiple perspectives and creates the vehicle to make connections and span silos and conventional CRE and workplace boundaries. We have learned within organisations the benefits of eliminating and breaking the boundaries between silos:

‘Innovation happens at the margins, where one discipline rubs up against another. Or as it were, where silos break down.’

Gillian Tett, in her research outlined in *The Silo Effect* (from which the above quote is taken), studies several organisations to understand the benefits of eliminating silos within an organisation. She points to several organisations where crisis was mismanaged and ignored because of those enterprises’ organisational silos and organisations which, through effective blurring of boundaries across the organisation, managed to not only weather crisis but develop innovative organisational solutions that transformed their organisations for success.

Breaking down silos between the tangible and intangible within CRE will be essential for future success. Blurring the boundaries between tangible and intangible business and environmental factors will be essential in meeting the challenges of the COVID-19 situation we find ourselves in and it will be critical to develop strategies that allow organisations to develop their reimagined future. In a paper dated 23rd April, 2020,
the business consultancy BCG\textsuperscript{18} stated that using traditional forecasting methodologies is essentially impossible:

‘Leaders should then build scenarios and update them frequently … Scenarios should be combinations about assumptions about each of the following factors which will determine the evolution of the current crisis.’\textsuperscript{19}

It goes on to identify various areas of potential impact and perspectives, including the public health situation, direct impact of government measures, macro-economic environmental factors and business-specific demands — not very different from the criteria formulated in Royal Dutch Shell’s scenario planning methodologies.

CRE and workplace strategies needs to adhere to these same expansive learnings. As organisations go from planning to re-enter the workplace for the short term and turn their attention to what the future workplace can and should be, most organisations are still falling back on the trends they find rather than focusing on this broader perspective. To successfully identify each business’s definition of work and place that will result in that reimagined workplace, learning from organisations that have successfully employed scenario planning will be useful.

**COVID-19 AND THE COMPLEXITY OF DECISION MAKING**

In addition to the blurring of boundaries between the tangible and intangible issues around corporate real estate decisions brought about and made more evident through the COVID-19 crisis, is the complexity of decision making that falls to the responsibility of the CRE professional. There are issues around short-term strategies focusing on the near-term re-entry process. How do we make our workplaces safe over the next few years without engaging in significant costs for strategies where the timeframes are unknown and the implications of re-entry strategies on long-term workplace utilisation strategies uncertain?

The issue that arises for most organisations will be short-term versus long-term investment. Decisions around this are further exacerbated as a result of the financial crisis which is one of the more significant outcomes of the pandemic.

Adaxially, the long-term strategies are even more complex due in part to the uncertainty of the long-term impact of social distancing. What will certainly be a short-term necessity as a workplace strategy — social distancing and the dedensification of the workplace — has an uncertain long-term implication. The integration of long-term social distancing as an integral component of workplace strategies, long after the pandemic fades, is an open question that many organisations are struggling with. Yet this is not just a question of adopting a strategy where one incorporates social distancing and less-dense workplace strategies in the future. The complex decision that needs to be addressed is whether a less-dense workplace environment will result in increased real estate portfolios in order to accommodate an organisation’s workforce, or whether organisations will build on the lessons of the months of virtual work that most enterprises have experienced and seek alternative strategies.

To this end, there are potential multiple strategies to consider: do organisations adopt a hybrid model where some percentage of their workforce remains working virtually and others are in the physical realm, or are there other alternatives? One such alternative is that in order to no increase one’s real estate portfolio, the entire function of the CRE professional. If one looks at the notion that focus work can be conducted virtually, the role and function of the physical workplace could be considered purely as a ‘convening hub’ — a place where
employees come for training, social interaction and engaging with teams, colleagues, clients and customers.

My company, Gensler has been working with a national health insurance provider in the Phoenix area of the USA since pre-COVID days, in developing a workplace strategy based on the data that its current 500,000 sq. ft campus was highly underutilised. Using occupancy data, we found in September 2019 that the organisation was only occupying space on average 28 per cent of the day. Using scenario planning back then, we developed scenarios around disruptions to its business model resulting from technology organisations entering the field of health insurance. One scenario posed the question that the real problem facing the organisation was deciding on whether it remained a health insurance company that made better use of technology in the future, or if it needed to shift its business model to being a technology organisation that was in the health insurance business. Through an examination of scenarios, the leadership team acknowledged that the latter was the strategy to adopt. As a result, we developed a workplace strategy that significantly shifted the organisation’s physical use of space to an agile model built on activity-based work typologies with significant desk sharing ratios. This resulted in a reduction of its real estate portfolio to 375,000 sq. ft.

Five months forward, in the midst of the pandemic, the CEO observed that the organisation had the majority of its workforce successfully working virtually. He posed the questions: what would our strategy be if we maintained at minimum 60 per cent of the workforce working virtually? And how would that affect our workplace and campus strategy? Again, using scenario planning, we developed options that eventually resulted in a strategy that completely changed the role of the campus. Rather than being a place that accommodated the entire workforce, the physical place supported the primary reasons for which employees note they want to return to work: collaboration, social interaction and mentoring. This organisation’s new campus will comprise primarily a collaboration hub, which further reduced their real estate portfolio to 275,000 sq. ft.

At a time when everyone is attempting to predict the future of work post-COVID-19, scenario planning is the one methodology that allows organisations to move beyond adopting and planning for strategies that are based on trends or predictions, but allows them to make strategic use of the complexities of the uncertainties that they are encountering and to map out the ‘what ifs’ of a real estate environment that is increasingly complex and overshadowed by unknown unknowns.

Scenario planning allows organisations to work with complexities that are increasingly present in CRE strategies. The old paradigm was developing strategies that mitigated complexity and ambiguity. The mindset was based on simplifying the issues around real estate performance, maximising the portfolio and employee retention and attraction. COVID-19 has demonstrated that the issues facing most organisations in an uncertain future are far from simple and that rather than dismiss complexity, organisations need to incorporate complexity into their real estate and workplace strategies.

Technology and data are two examples of tools that the workplace profession has made use of to simplify the process, but by themselves will fall short of developing long-term meaning in a complex real estate environment. We know that the technology exists, even prior to the pandemic, for virtual work. The pandemic has forced organisations overnight to make use of technology and transform to a digital virtual workforce. I would caution, however, that it would be too simple to assume that because the vast majority of the global workforce is currently working virtually, this is the future of work. Knowledge of the technology alone does
not reveal the entire organisational picture in order for an enterprise to decide on adopting long-term virtual work. One needs to evaluate the enterprise’s organisational model in order to determine whether it supports a virtual workforce. The technology element needs to be viewed holistically within the confines of one’s organisational design. Again, embracing complexity oversimplification is imperative as an organisation’s real estate decision making.

The area around data is also used to simplify decision making. As the health insurance provider example above demonstrated, data obtained through observational studies indicated a low occupancy rate over its portfolio. It would be somewhat misleading to deduce from this that the resulting strategy should be one of virtual work as a result of data alone. The data suggests that virtual work could be adopted, but the data did not reveal why the organisation was underutilising its physical workplace. The data needs to be used in concert with scenario planning to add context to a broad complex situation.

Both the data and the technology issues ignore the intangible factors that need also to be addressed when reassessing one’s workplace strategy. One of the more significant issues is that of organisational culture, which becomes more important and challenging when adopting a virtual workplace strategy. Here again, what could have been viewed as simplification of decision making around the knowns of technology and data are in reality complex issues that should not be determined through these two lenses, but as two elements within a complex work environment.

**REIMAGINING THE FUTURE OF WORK AND PLACE**

Reimagining the future of an organisation’s workplace will need to first redefine what work and place are. We have learned through the shutdowns that many organisations and their workforce have successfully transitioned from the physical workplace to a virtual one, in many instances overnight. To some degree, this has been the largest pilot project for virtual working in the history of workplace strategy.

It has separated the notion of work from physical place and demonstrated that much of the work we do, both individual focus work as well as collaboration, can be done outside of a physical space referred to as the workplace. It has called into question what the best function and use of the physical workplace should be. The limited financial and physical resources available to most organisations struggling through the next years of the pandemic will require a re-evaluation and redefinition of how best to utilise their physical resources, which in turn will require a redefinition of what constitutes that physical workplace.

I would caution that, despite the inclination of the CRE and workplace profession to look for solutions that fit neatly into the trends we know, we first adopt a culture which acknowledges there is much that we do not know and which will emerge and evolve over the months and years to come. Relying solely on physical solutions to develop strategies around an organisation’s future will not be adequate to ensure success and resiliency. A lesson we did learn through the lockdowns was that those organisations that successfully transitioned had two critical traits: they had the ubiquitous technology that allowed their workforce to make the transition to a virtual world; and they had in most cases some form of agile organisational model that was team-based and not silo-based, thereby enabling the transition to a virtual world of work and the structural model that was team-based.

Defining solutions will require blurring the boundaries between organisational and physical solutions. They will not be successful if the organisation relies solely on
physical tangible strategies. The reimagined workplace will be the result of reimagining both the organisation and the tangible workplace. At Gensler, we have developed a model (see Figure 1) that incorporates both the connections to working with clients to combine a reimagined organisation and a reimagined workplace and that requires congruence. We are also using scenario planning methodologies to allow our clients to understand the uncertainties that their businesses will be facing within their business environment and seek multiple solutions and means that could be considered to reimage both.

Making use of scenario planning to guide the discussions and examine multiple perspectives and solutions offers a way forward. Taking a perspective that decisions made cannot and should not be viewed as fixed in time will allow organisations to best assess their intrinsic situation and develop an array of solutions that will suit their business. Scenarios should examine and define the work that an organisation does and the potential types of places that will be most effective for those tasks, while at the same time making the most effective use of their physical assets. In many instances this will result in completely changing conventional perceptions of what the physical workplace is used for.

These two core components (work and place) should be examined and studied in light of the tangible knowledge one has (what we have learned from working virtually and the re-entry process) and extended to include the unknown unknowns: how will various scenarios be affected by the health, financial and social climate conditions. In addition, the factor of time becomes a critical component that needs to be considered and included in the scenario process:

The structural components of scenarios are as follows:

- **Work**: What are the tasks that comprise activities, inputs and outputs; the impact of digital strategy to modify thinking around these activities, and how it potentially redefines tasks?
- **Place**: Where is the redefined task occurring? How will digital transformation affect where activities occur? Do we re-evaluate the role of the physical workplace as we view the role of virtual working differently based on recent experiences?

Examining what should inform and make up the scenario development process includes:

- **Health conditions**: Short-term and long-term;
- **Financial environment**: How will the impact of the financial environment inform and change thinking about the effective utilisation of physical place? Scarce financial resources and capabilities will require re-evaluating the best use of physical assets;
- **Social**: What impact is COVID–19 having on the larger social environment and will this potentially affect our thinking about work and place?
- **Psychological**: The pandemic is the first significant disruption that encompasses a spectrum of issues from health to financial. Of significance to be considered will be the psychological impact that has the potential to transcend and overshadow any empirical knowledge around solutions;
- **Time**: Each of the above conditions will also be informed by the time frames it resides in and each has the potential to be affected depending on when it is viewed along a continuum. For instance, the financial impact will vary depending on its occurrence during the first 18 months versus the following 24 months. The same is true with the health conditions and the health environment over time: will COVID–19 be eliminated within a certain time frame, or will it reappear at certain points in time?

It is important that these scenarios are not
viewed as fixed in time but are permeable and used as a ‘working’ strategy that will be adjusted, re-evaluated and modified over time. This mindset shift will perhaps be the most challenging paradigm adjustment for many organisations but if embraced along with scenarios, has the potential of providing the greatest value to the organisation.

We are already seeing significant shifts in thinking among organisations regarding reframing the way they use their physical workplace resulting from the COVID-19 situation. While some organisations are adopting a strategy where most of their workforce will remain virtual and will significantly minimise their use of tangible space, others are taking a serious look at completely rethinking what the workplace should be used for. These scenarios are taking the perspective that for the vast majority of employees, focus work can be effectively conducted virtually. With the financial burden many businesses are and will be encountering, coupled with the adoption of long-term social distancing, the cost of real estate could result in a change in thinking about its actual use. In these scenarios, the workplace is best used for collaboration, social interaction and embedding organisational culture, and not for individual focus tasks.

LESSONS FOR PRACTICE

While the COVID-19 situation has created vast unimaginable hardships across all too many areas, it also has brought about potential unintended consequences that provide opportunities to not only rethink and reimagine the role of work and place, but to reimagine how we practise workplace strategy. It will have a significant impact on the following areas:

• How workplace strategies are developed: As discussed in this paper, strategies formulated around trends have even less value in a business environment where disruptions and unknowns become more of the norm. We have shown that strategies formulated around trends prevented organisations from better preparing for unknown disruptions to their business, whether those disruptions are technological, environmental or health. Scenario planning is far better suited to allow organisations to meet both current and future environments and develop workplace strategies that allow for agility and permeability and future unknowns;

• Providing an opportunity to critically evaluate decision making and strategy adoption: Through the short history of workplace strategy, there has been an absence of critical thinking regarding the success of strategy and place making. The profession has for the most part relied on stakeholder satisfaction surveys to gauge success. This metric is limited in providing true insight as to success. The current COVID-19 situation calls into question many of the strategy assumptions that have been adopted. This is not to suggest that any of these recommended strategies were incorrect, but that they could have been subject to greater questioning and viewed more through the lens of scenarios and what ifs. The most significant strategy that the COVID-19 situation brings into question is the viability of densification of the workplace.

Over the past decade we have deployed a square foot per employee metric as a benchmark of the quantity of square footage an organisation should occupy. We have gone from 275 sq. ft per person to 115 sq. ft per person in less than ten years. Different industries employ different benchmarking factors and each organisation views its requirements through this benchmarking filter. Should we have accepted this increased densification as a viable strategy? Increased real estate costs and the need of organisations to continually
minimise costs created an environment where densification was justifiable. Given what we know today, should this have been questioned? Had we employed a scenario planning methodology, could we have changed this mindset? Going forward, where social distancing will be with us near-term and long-term will affect future thinking. Densification of the workplace will potentially be replaced by a re-evaluation and rethinking of the use of the workplace. Scenario planning would have potentially allowed us to come to this conclusion years ago.

- **How organisations view the spectrum of the workplace strategy components**: The environment of consideration and workplace strategy will be expanded to go beyond real estate and physical assets as areas of study. As evidenced through scenario planning methodologies, the intangible environment will be included in an organisation’s study. The ambiguity and uncertainty of the future, as made all too evident through the current COVID-19 situation, will highlight the nature of wicked problems that affect the workplace;

- **The role of CRE executives and the corporate leadership team**: The COVID-19 situation has brought the role of the workplace to the corporate leadership team in a way that no other disruption has succeeded in doing. It has placed the need to understand the role of the workplace in the vision of individuals within the organisation who transcend the CRE executive and the facility manager. As a result of the nature of the pandemic and its direct impact on work and place, we are seeing the involvement of corporate governance, human resources, IT and senior leadership. It has become evident that strategies around work and place have a significant impact on organisational performance. Health and safety, employee experience and organisational performance are all viewed as interwoven;

- **The relationship between organisational design and workplace design**: There has traditionally existed a gap between the design of the workplace and the design of the organisation — a gap that should never have existed. We are seeing the merging and the blurring of boundaries between these two areas, also as a result of the COVID-19 situation. It has become apparent that the reimagined workplace will require a reimagined organisation as well. The two are interdependent and need to be congruent. Multiple papers issued over the past months by business consultancies such as McKinsey and BCG\(^\text{21}\) have pointed to the need of organisations to adopt different business models to successfully navigate their business environment and to enable organisational resilience that will become the focus of future organisational success;\(^\text{22–25}\)

- **The importance of workplace as an organisational asset rather than an organisational expense**: The conventional perspective of the workplace for many organisations was that it was primarily an expense to be managed rather than an asset contributing to organisational performance. While employee retention and attraction has been associated with the role of the workplace, the COVID-19 situation has increased the visibility of the workplace and how it will support all aspects of organisational performance. Conversations around what should be the role of place, and its shifting perspectives, are contributing to the increased perceptual value of the workplace as part of organisational performance. In our current work at Gensler, we are seeing more and more organisations view the necessity of confronting the complexities of the COVID situation as integral to their real estate and organisational strategies, and that scenario planning methodologies provide the most appropriate lens through which to
view their environment and understand the decision making process in a different light. Organisations have moved from the point in time of developing short-term re-entry strategies to the long-term consequences of their reimagined future and the role that scenario planning can play in helping to reimagine their future workplace in actuality.

Our first steps with these organisations are to develop scenarios that connect their future view of their organisation and work environment and pose the questions around ‘what ifs’ (see Figure 1). We have developed a scenario planning methodology that connects the organisational with the physical so that these organisations examine and explore potential strategies in an interconnected manner. We have applied the methodology adopted in our work with the aforementioned health insurance organisation to a broader field of organisations including a chamber of commerce, a mining organisation and a health provider of cancer care. It is a methodology that spans different organisational typologies and sizes, but the common denominator is an increased awareness of the importance of not relying on trends to develop one’s future strategies in a real estate environment that is fraught with uncertainties and complexities.

My original paper pointed to the importance of new analysis models to inform decisions around CRE and workplace strategy. If anything, the COVID-19 situation has reinforced that need and highlighted its value in decision making:

‘New analysis models need to be adopted, resulting in new and potentially more complex solutions. Responsibilities and the composition of the real estate/facilities/design team will also need to evolve, calling for different attributes and capabilities. Finally, the role of the CRE/FM executive also needs to change to one with more understanding of the complexities of the business with access to the organisational leadership team.’

This observation is even more relevant and important today than it was three years ago. It positions scenario planning as an important
methodology that will enable organisations to navigate the uncertainties of our current situation and move beyond to enable strategies that reimagine each organisation’s vision of both work, place and the enterprise (see Figure 2).

REFERENCES

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