

Workforce and Workplace: Recovery and Optimization

August, 2020



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Agenda



Transitioning from response to recovery



Workforce strategies



Future of workplace



Scenario planning



Workplace re-entry



Closing

Section 1

Transitioning from response to recovery

COVID-19 recovery: What are we hearing from clients?



35%



2-1/2 Hours



Aug 2021



25%

As progress is made against response efforts, organizations are turning their attention toward recovery so they can thrive again

Workplace Occupancy Rates in the Wake of COVID-19

Analyzing data from 3,600 buildings across more than 40,000 organizations in 47 states, shows that workplace occupancy remains between 20-25% -- a 60% decrease from early March levels¹

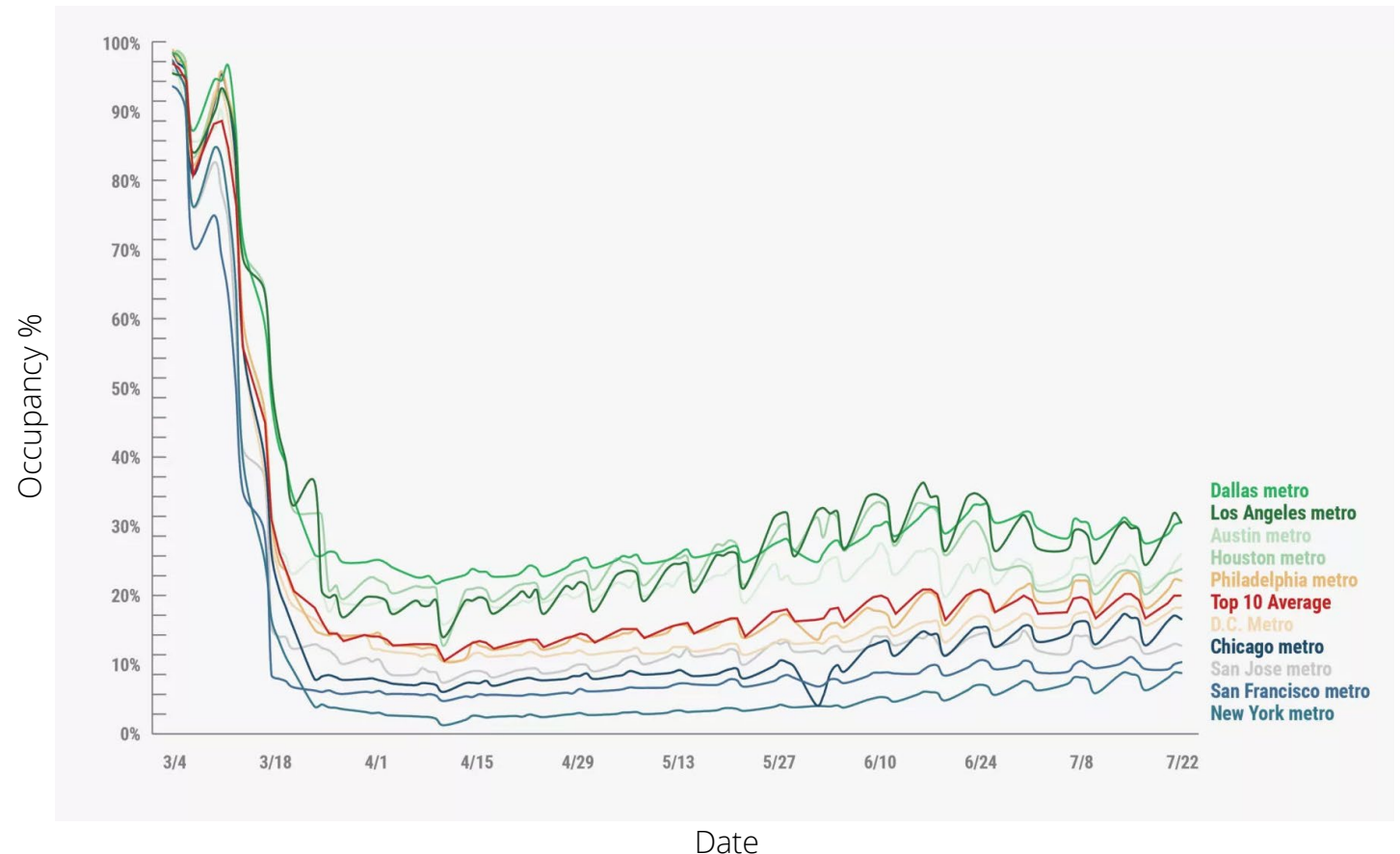
21.9%

10 City Occupancy Average

Top 10 Metro Area Trends

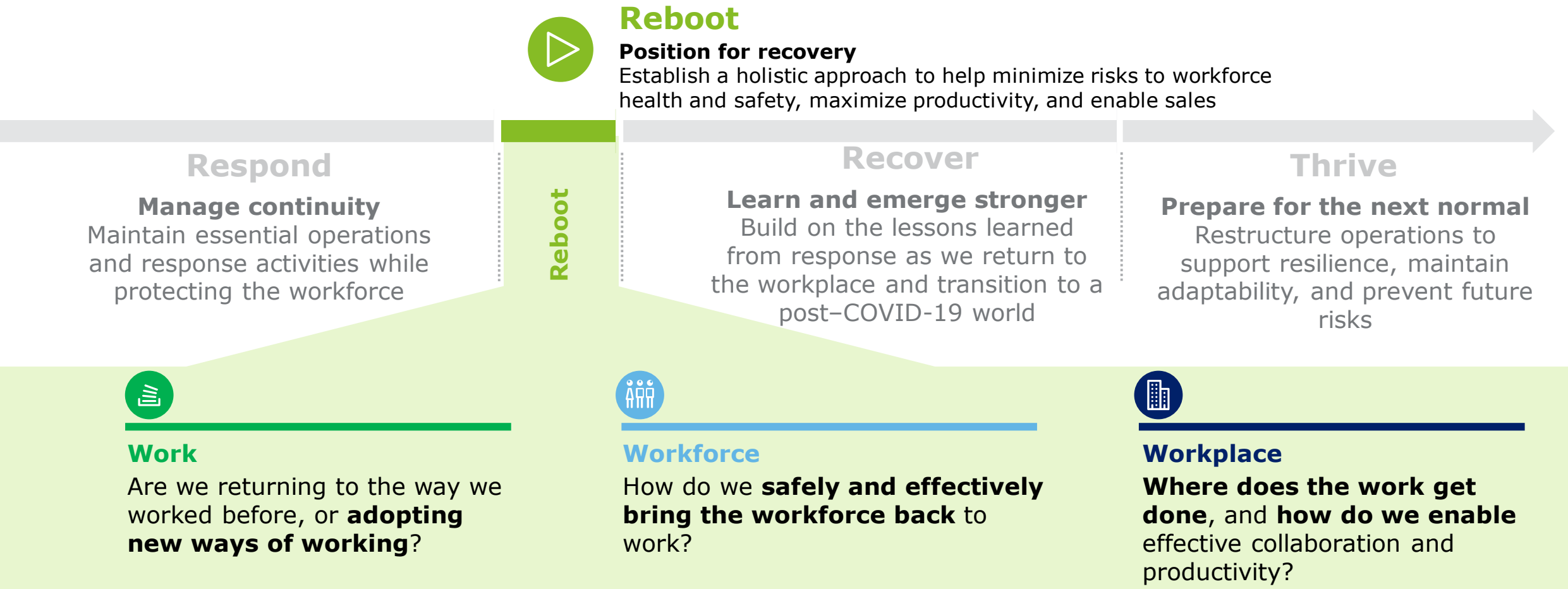
City / Metro	7/8/2020	7/15/2020	% Change
San Jose	15.9%	14.7%	-1.2%
San Francisco	13.0%	12.3%	-0.7%
Los Angeles	31.9%	32.3%	0.4%
Washington D.C.	20.4%	20.2%	-0.2%
Chicago	18.6%	18.4%	-0.2%
New York	10.6%	10.8%	0.2%
Philadelphia	25.0%	24.0%	-1.0%
Dallas	31.5%	32.3%	0.8%
Austin	27.7%	28.0%	0.3%
Houston	25.5%	25.8%	0.3%
AVERAGE	22.0%	21.9%	-0.1%

Occupancy Over Time – March 4, 2020 – July 22, 2020



1. Occupancy data represented on this slide is based on Kastle customers in 2,681 buildings in 138 cities - <https://www.kastle.com/city-by-city-views-of-americas-office-use/>

Many of our clients are asking key work, workforce, and workplace questions on their journey back to re-entry



Workforce **health and safety is foundational** to any return-to-workplace scenario—companies should plan how to both **ramp up** their workforce *and* **sustain** safe operations over time. Failure to comprehensively plan can put communities at risk of future outbreaks, liability claims, workforce dissatisfaction, and overall disruption to business continuity.

Reboot is a journey

What does reboot mean for office users?

- Primary concern is the safety of the workforce and the employee experience
- During reboot, occupiers will aim to maximize virtual productivity and position for business impact
- Working on-site will be on an opt-in basis
- Full reboot journey will occur in phases
- Reboot considerations will affect local and global offices differently, taking into consideration the country and local legal mandates
- The primary risk is in locations where on-site work will ramp up

Four interrelated questions to develop an organization's reboot journey:



Use feedback loops to redefine based on new data

“Macro” conditions

Legal, health, and industry mandates; risk appetite to accelerate operations

“Micro” conditions

Impact of reopening on workforce safety, financial position, legal liabilities, tax implications; preparation of infrastructure and facilities

Reboot approach

Phases to reopen; gates between phases; who is prioritized to return first

Ongoing monitoring

KPIs and data needed to track and respond to workforce risk, health, and safety; ongoing engagement and support materials

Section 2





Workforce strategies

Workforce strategies | Determine who should return to the office


The longer-term remote working strategy should consider functions, work, and roles to determine the appropriate work location

Who should come back to the office?

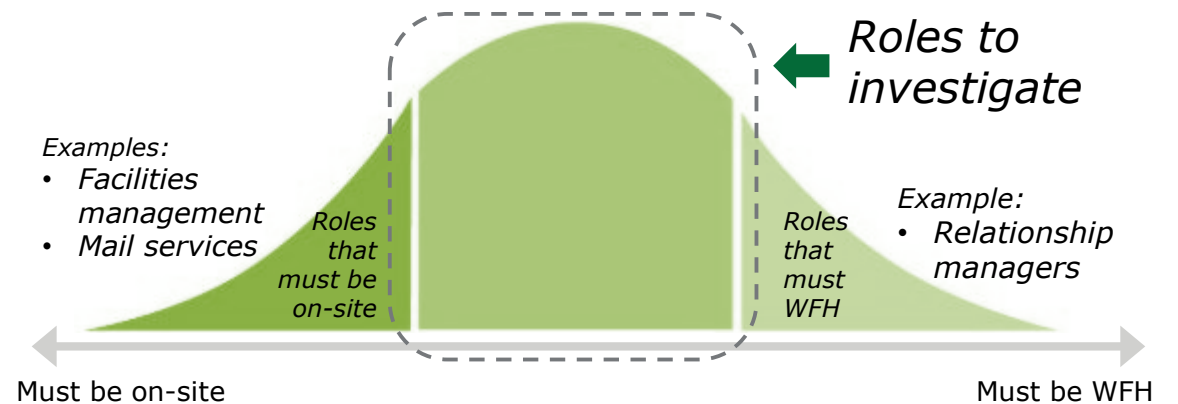
Business factors:

-  Determine **functions, work, and roles** that need to be on-site
-  Determine what roles **require on site team collaboration and/or access to tools** or materials not available digitally
-  Determine **frequency of on-site presence**—certain roles will require a blend of on site and work from home throughout the work week
-  Identify who should come back to the office based on **current workforce near-term needs** as well as **long-term opportunities** to increase remote work with new hires and evolving flexible working styles

Personal factors:

-  Determine who cannot work from home (WFH) due to **home environment** (*physical environment, technology, confidential nature of work, personal factors such as caring for school-aged children and elderly parents, etc.*)

Functions, work, and roles



Some functions will be clearly suited for WFH or required to remain on-site — focus will be on select functions that need deeper investigation

Workforce and workplace insights survey overview

Survey tools address key questions to help understand workforce sentiment and needs as organizations determine readiness to return to an office or remain working remotely

Deloitte. Workforce & Workplace Insights Survey

Office Re-Entry Considerations

Below is a list of potential concerns you may have as you think about how your work may change in the future and the need to physically return to the office.

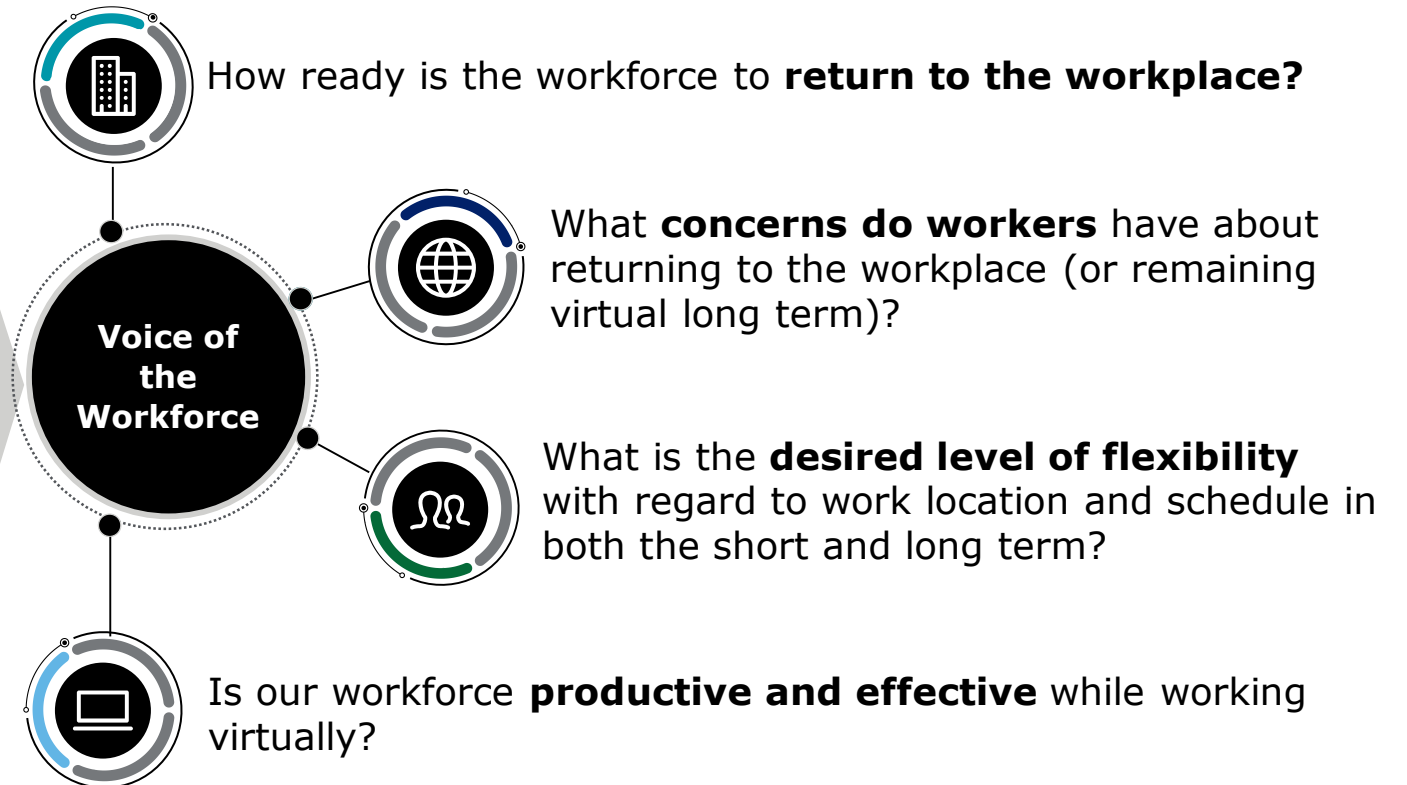
Based only on the items on this short list, decide which is your ONE **biggest concern** and which is your ONE **smallest concern**; to better understand your needs, this type of question will repeat several times, each time with a different list of concerns.

(1 of 8)

	Biggest Concern	Smallest Concern
Risk to personal safety (for me and/or my family)	<input type="radio"/>	<input type="radio"/>
Not enough time in the day to balance personal and professional demands	<input type="radio"/>	<input type="radio"/>
My career advancement and development opportunities	<input type="radio"/>	<input type="radio"/>
Balancing dependent care requirements (e.g. child and/or elder care)	<input type="radio"/>	<input type="radio"/>
Impact on my productivity	<input type="radio"/>	<input type="radio"/>

← →

0% 100%



There are a set of standard survey questions, however, clients can customize questions to tailor to organizational-specific needs

Section 4

Future of workplace

Workplace Archetypes: Identifying Implications

Archetypes represent different organizations' approaches to physical space and are based on an organization's culture, leadership, agility and overall business objectives

Definitions

Future Implications



Traditionalists

Organizational Culture is office-based.

Employees largely prefer to work and collaborate in office

- Adapt existing space to accommodate workplace distancing
- Likely to delay workplace modifications under the expectation that the pandemic will conclude
- Could require similar or even more office space post-COVID



Progressives

Company culture that supports both virtual and on-premise work. Employees are comfortable working in either a virtual or on-premise format

- Support employees who choose to work offsite, and those who choose to come to the office
- Likely able to reduce their current portfolio size
- Continue to provide both traditional and flexible workspace options for individual and collaborative work



Visionaries

Culture supports employee autonomy for workplace choice. Allowing employees to identify the appropriate type of workspace based on their needs, but still provide group space for collaboration

- Largely support WFH based on employee choice
- Leverage technology tools to support employees' remote work (individual and collaborative)
- Utilize shared workspace to support events and experiences rather than as the presumptive space for individual work
- Provide significantly more collaborative / flexible space that can be repurposed for multiple forms of engagement

Future of the Workplace – During-COVID

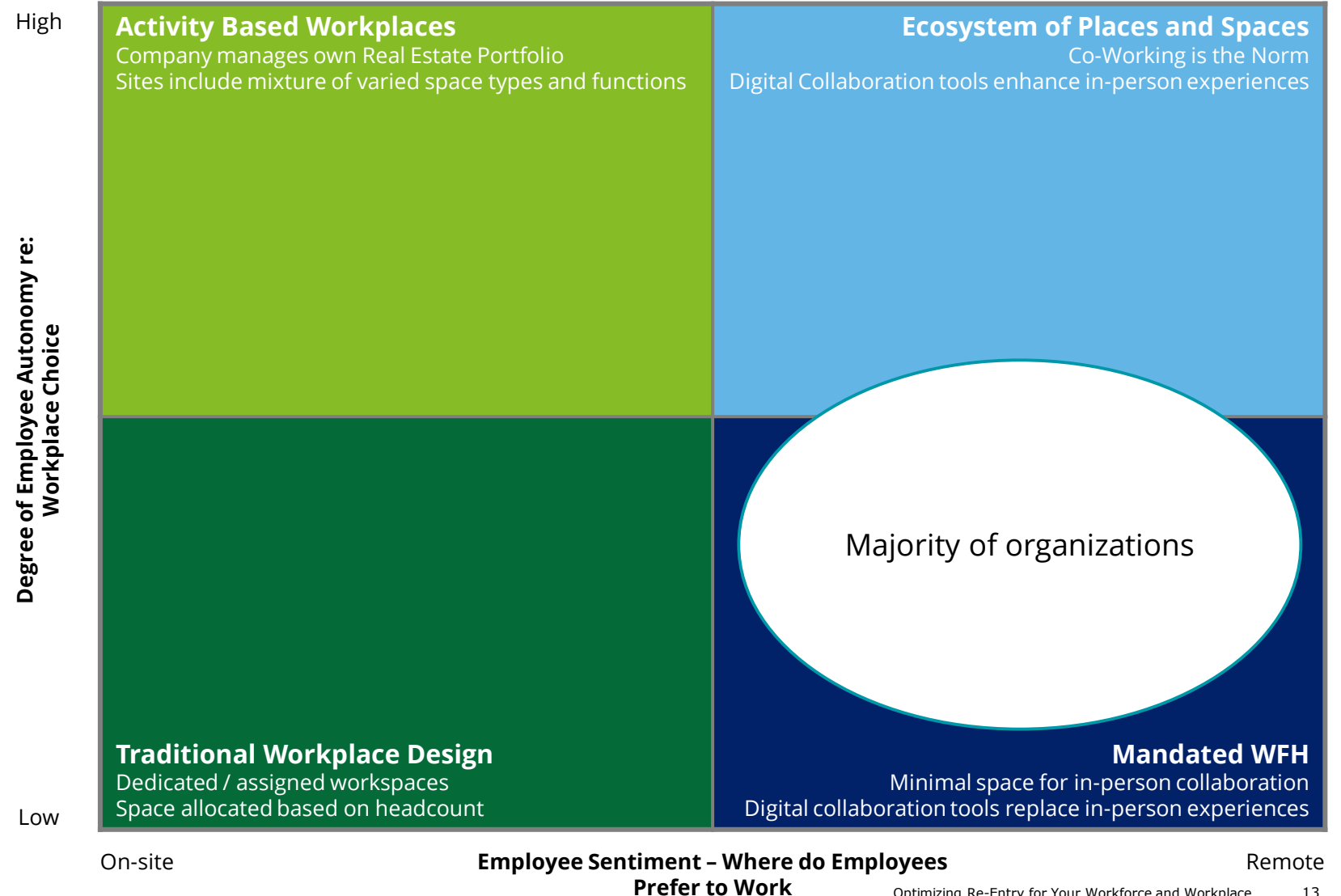
During the COVID-19 epidemic, organizations had to adjust to the vast majority of their employees working from home. This shifted many long-held perceptions regarding the viability of remote work

During COVID

85%+
Of employers encouraged employees to work from home¹

74%
Say working with colleagues in person is what they miss most about the office²

66%
Of remote employees report feeling burned out during the COVID-19 epidemic³



Workplace Choice and Sentiment: Post-Vaccine

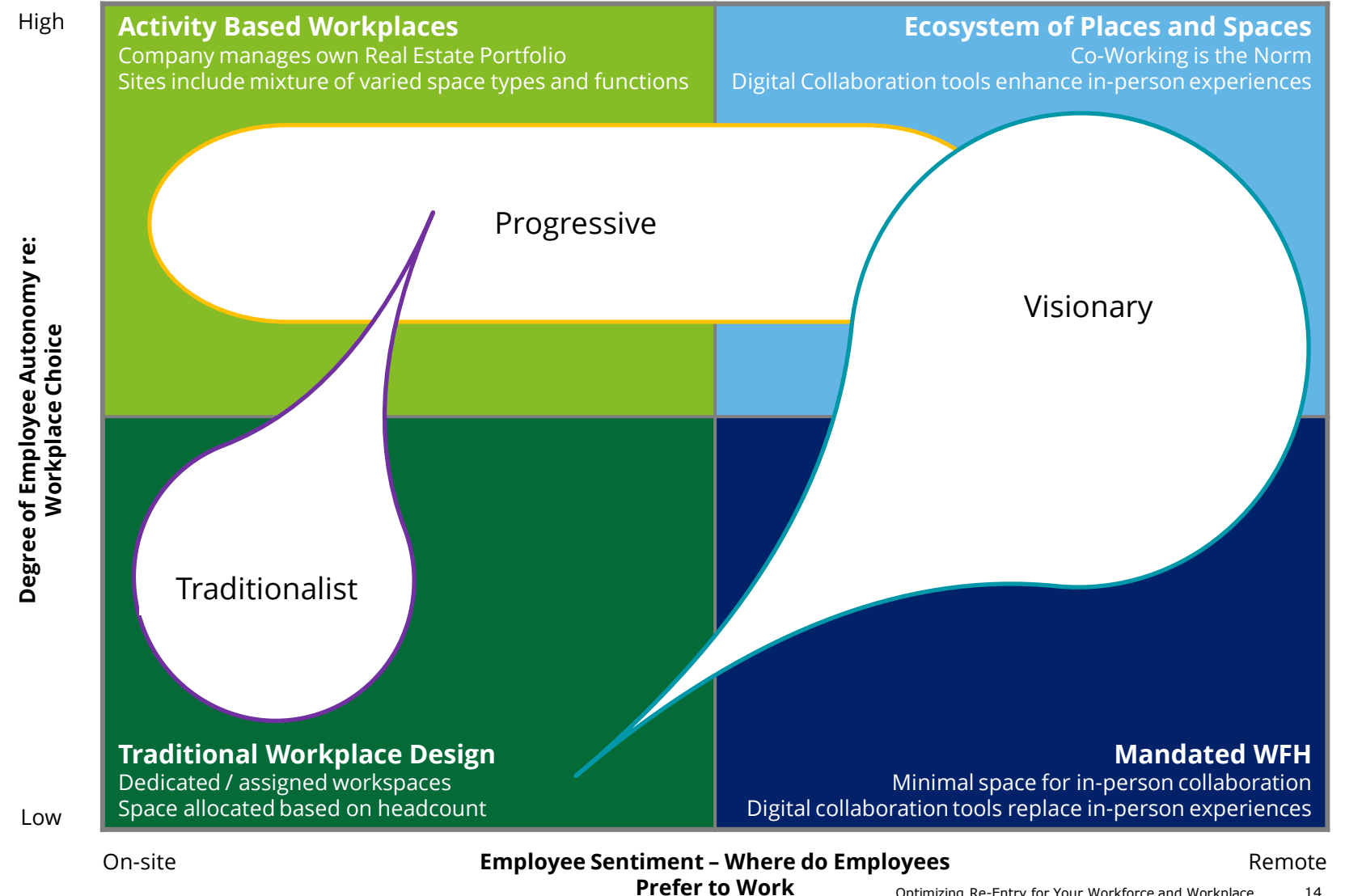
Post-COVID, some organizations may continue to function as Traditionalists, but it is likely that more will leverage learnings gleaned from mass WFH to incorporate more Progressive and Visionary approaches

Post-Vaccine

80%
Of employees would prefer a flexible arrangement rather having their organization mandate where they work³

54%
Of employees see the office as the preferred place to connect with colleagues for both scheduled and impromptu interactions²

25-30%
Of the workforce will be working from home multiple days a week by the end of 2021³



Section 4

Scenario planning

Workforce and workplace scenario planning

While planning for uncertain circumstances, it is important to factor multiple variables impacting the workforce and workplace decisions

Scenario planning framework

Macro conditions



Severity of the pandemic



Availability of public services



Availability of vaccine



Availability of PPE



Availability of testing

Levers



Headcount to return to office

Based on assessment of work and roles that must be performed on-site



Social distancing guidelines

Allocation of space per occupier to reduce risk of infection

Variables (*representative*)

- Time frame of analysis
- Re-opening approach (national, site-specific)
- Re-entry approach (one-time, phased)
- Reconfiguration options
- PPE costs
- Support personnel (nurse, elevator, security)
- Site capacity changes (partial openings, site closures, site openings)
- Remote work setup/recurring costs
- Cleaning/maintenance costs

Scenario planning outputs

How many people can we accommodate?



- Maximum capacity
- Headcount we can accommodate
- Space available/needed
- Building utilization
- Remote working and seat ratios

What are the capital and operating expenses related to re-entry?

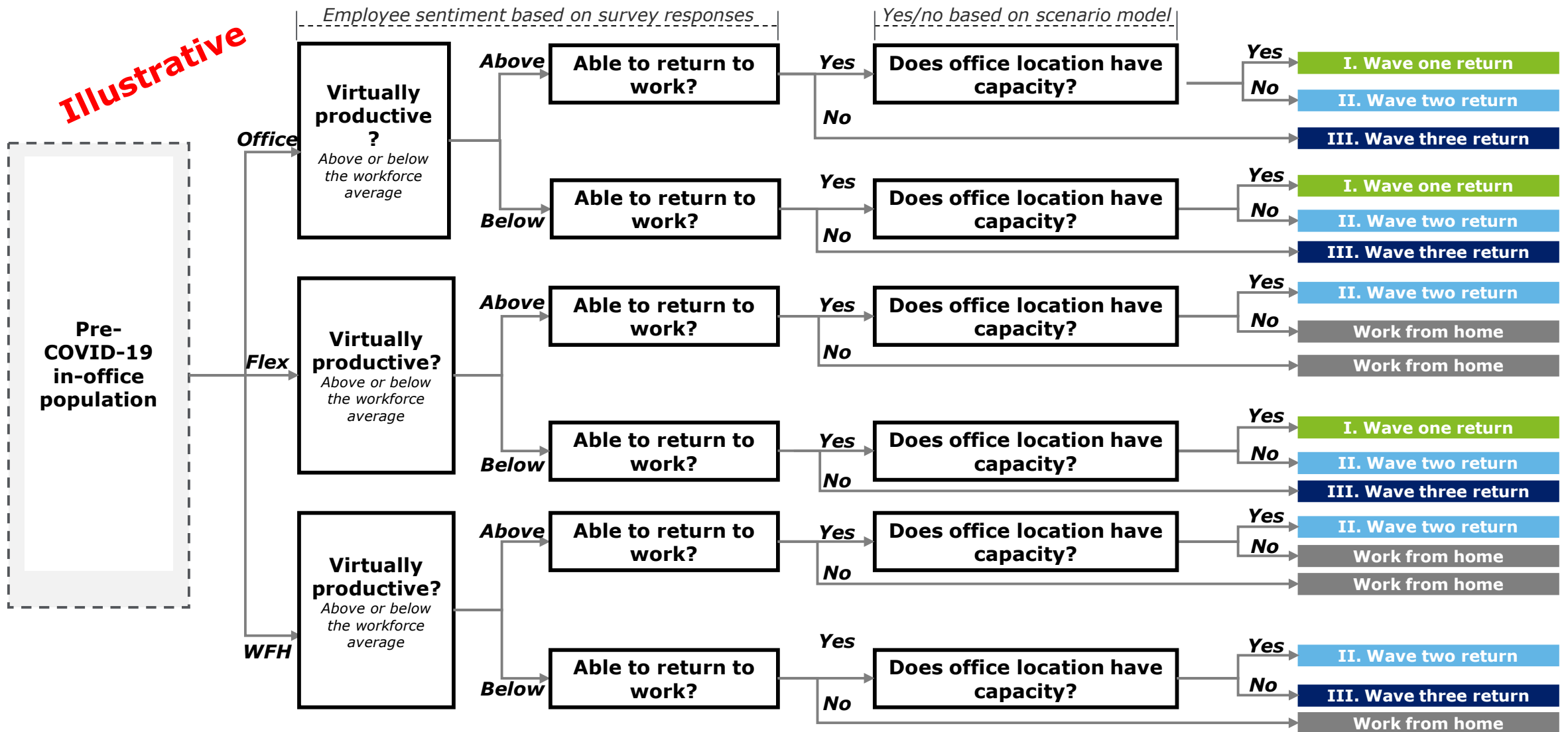


- One-time capital expenditures
- Re-entry recurring costs

Scenario planning must both consider and inform longer-term workplace and footprint strategies

Decision tree to inform return-to-office waves

A decision tree is used in conjunction with a scenario model to inform return-to-office planning



Section 5

Workplace re-entry

Re-entry planning

Detailed activity planning will inform what needs to be accomplished by which teams to bring people back to the workplace safely

Workforce		Facility readiness		Building operations		Health and safety	
Workforce re-entry classification <i>Re-entry groups</i>	On-site scheduling <i>Staggered shifts, restricted access</i>	Density assessment and planning <i>OSHA workplace distancing standards</i>	Amenity and support space strategy <i>Lounges, coffee stations, cafeterias</i>	Building access <i>Parking or entry and exit points</i>	Building systems management <i>Remote building management</i>	Screening and testing <i>Symptom screening; temperature, virus, or antibody testing</i>	Contact and occupant tracking <i>People movement data, contact tracing</i>
Workforce Re-entry training <i>Training for new site policies</i>	Help desk <i>Virtual info, FAQs, communications</i>	Scenario planning <i>What-if planning</i>	Building system standards and modifications <i>Ventilation, outside air, or MERV filters</i>	Workplace circulation <i>Elevators, escalators, or traffic flow</i>	Vendor management <i>SLAs and reporting</i>	PPE inventory and planning <i>Requirements, procurement, and inventory</i>	On-site health services <i>Medical professionals, clinic, or isolation rooms</i>
		Workplace modification plan <i>Layout, furniture, tools, or nanoseptic materials</i>	Facility cleaning approach and SLAs <i>Methods, plan, and tools</i>	Workplace signage <i>Directions and instructions</i>	Workplace technologies <i>Space mgmt., facility mgmt., BMS, or sensors</i>		

Supporting enablers

Governance: *Re-entry decision criteria, phase requirements, or corporate or site re-entry team structures*

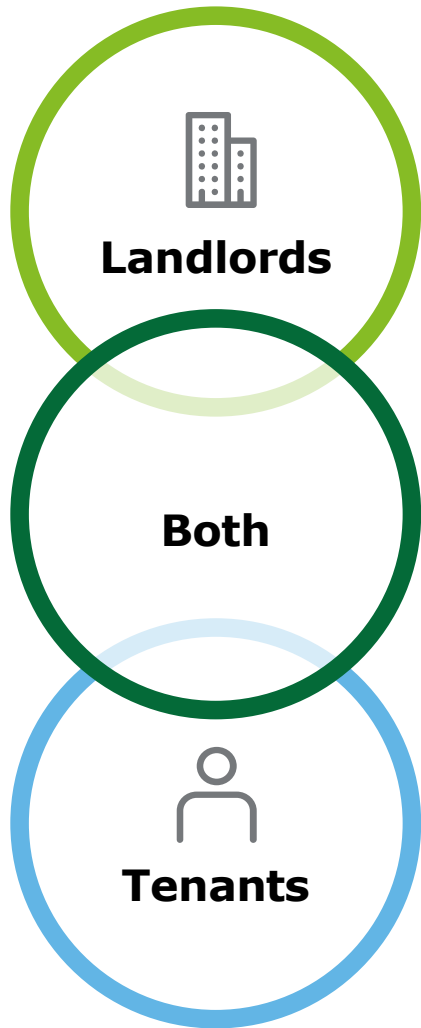
Technology: *Workplace applications, occupancy or thermal sensors, or reservation systems, etc.*

Process and policies: *Service-level agreements, building entry, social distancing, delivery, occupant access, visitor management, PPE, cleaning, or associate data*

Communications: *Communications plan, branded re-entry program, and messaging*

Re-entry planning: Tenant and landlord coordination

Landlords and tenants have a shared interest in creating safe and healthy environments post COVID-19 as occupants return to the office



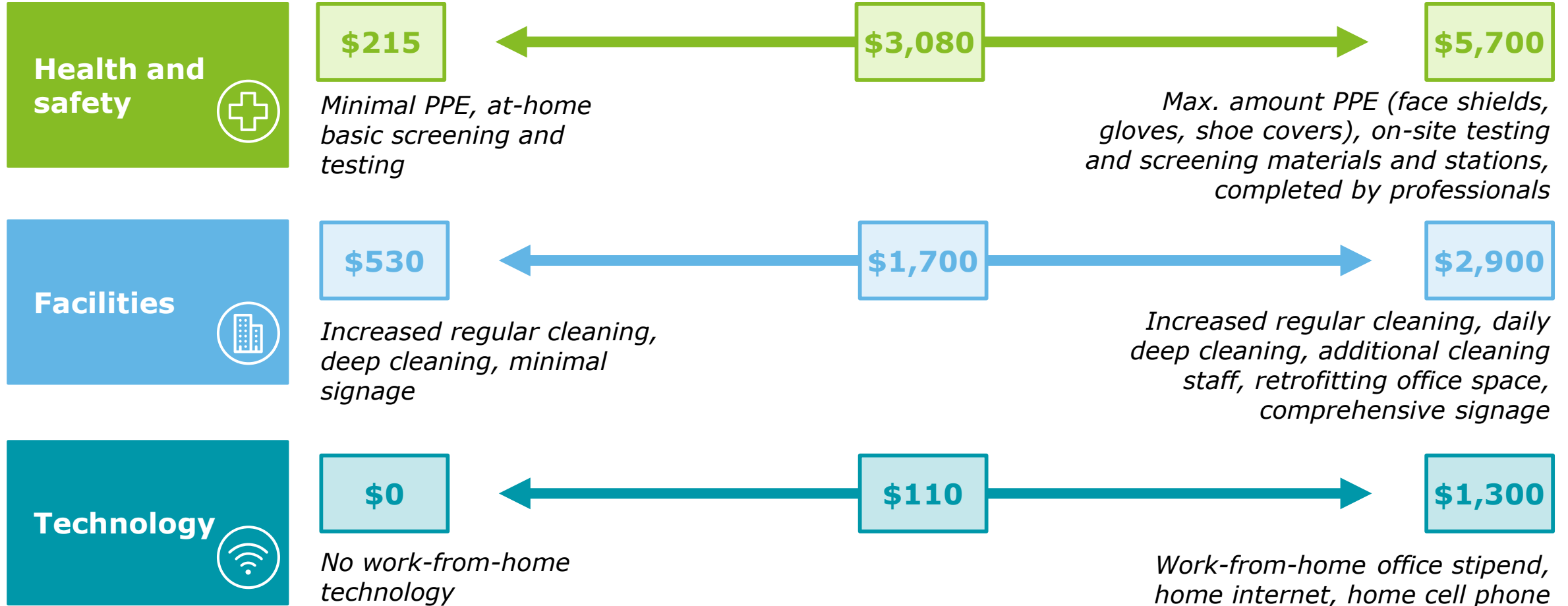
- Set reopening standards for building
- Determine building system standards and modifications (i.e., ventilation, outside air, filtration)
- Reconfigure/repurpose any common area spaces such as lobbies, stairwells, etc.
- Publish social distancing policies
- Develop new entry/exit points and procedures
- Develop visitor and delivery policies and protocols

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- Coordinate around specific re-entry requests from tenants
 - Align on elevator and stairwell access/procedures
 - Align on tenant use of common areas
 - Alignment on PPE/screening/testing requirements for building entry and tenant vs. landlord responsibilities
 - Determine responsibilities for positive test notification
 - Alignment of badging system with employee re-entry eligibility

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- Determine internal workforce re-entry groups and manage occupancy
 - Identify new employee policies and procedures
 - Identify necessary signage
 - Develop cleaning and sanitation standards and procedures
 - Reconfigure workspaces, shared spaces, etc.
 - Develop employee health and safety policies and procedures

Re-entry costs

As organizations plan for re-entry it is important to begin to understand the costs associated with various activities and procedures



Note: Dollar amounts are a representative sampling of potential annual costs per FTE and exclude any additional landlord charges that may be passed along

Question and answer

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