

EVOLVING WORKSPACES :

# Insights from the world's top enterprises

May 2020

**wework**



# We spoke with enterprise leaders from around the world.

Every day, businesses are asking: How are the world's leading companies responding to the new realities of COVID-19? How are they thinking about the future of the workplace? What are they doing to prepare?

At WeWork, we have the unique ability to leverage insights from our global network and share them with our community. Over the past few weeks we've gathered learnings through informal discussions with Heads of Real Estate and executive decision makers from industry leading companies, **68 in total representing over 5 million employees**. Through these conversations, it's become apparent that the future will be focused on flexibility, trust, and wellbeing

We are using these insights to inform our own decisions and help our greater community adapt to a changing environment.



**DISCLAIMER:** This information is based on informal discussions held in April and May 2020 with WeWork Enterprise members. The content herein is for informational purposes only and of opinion and is not based upon any formal survey or data.

# These were the top 3 topics on their minds:

# #1

## WORK STYLES

How work gets done, changes and why

# #2

## MANAGED OCCUPANCY

Who returns to the workplace, when and how

# #3

## PORTFOLIO STRATEGY

Opportunity to optimize excess inventory

## In addition to...



COMPANY CULTURE



BEHAVIORS & PROTOCOLS



LEADERSHIP



TECHNOLOGY



DESIGN CHANGES



RISK & COMPLIANCE



EMPLOYEE MESSAGING



CLEANING

# Key Takeaways

## 01

### WORK STYLES

**Distributed teams can be productive.**

COVID-19 was a major change agent, proving that if the world is forced to work from home, it can be done to various degrees of success in the short-term. But the question remains: what are the costs long-term to company culture and productivity?

## 02

### MANAGED OCCUPANCY

**Moving back to the office will happen in phases.**

When it comes to returning to the workplace, companies are looking to balance government guidance with internal reviews of team functions, workflows, and comfortability. CRE, HR and IT are working together to develop phased approaches and their partnership is more visible to C-suite.

## 03

### PORTFOLIO STRATEGY

**Peak performance will require workplace flexibility.**

As companies rethink workplace strategies and what the office looks like moving forward, flexibility for employees is the common thread. The future likely includes a combination of remote work and hub and spoke models that preserve connection and safety across mobile workforces.

# Companies experienced extreme change and uncertainty, but work carried on.

“I think this is a ‘rip the bandaid’ moment and really positive for people who were not previously embracing change.”

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## Flexible work styles are working now, but companies question their sustainability.

Many workforces were virtualized overnight, with varying degrees of success. Our interviewees are keeping an open mind.

- Companies that are tracking productivity (via direct reports) during quarantine show it as positive, but are sensitive to potential burn-out.
- Executives shared concerns that increased mobility and remote work will create a cultural imbalance (e.g., offices being dead on Fridays)

"Total 'work from home' is not business resiliency."

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Remote work was activated within:

72 hours

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70-80%

Employees virtualized overnight by many companies

## Remote work has given the office a more defined purpose.

- Executives say the long-term purpose of the office will be collaboration, community, client activities and culture.
- Strategic plans or future offices will use a reduced daily headcount, but shared resources will keep things flexible.

500,000

Record numbers of FTEs now attending virtual town halls

## What this means: A hybrid model



### Flexibility

Companies will continue to support flexible work styles and greater mobility options for employees



### Come together with intention

Companies will use the spaces they need to get work done and come together with intention.

# Executives seek the best way to bring people back to the workplace safely.

"We're proceeding like a big rig truck driver in traffic: going 10 miles an hour, never having to brake quickly, keeping lots of distance to the car in front to avoid panic."

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## Companies will bring employees back in phases, when they're ready and safety has been vetted.

Companies are taking regional, functional and risk factor-specific approaches. Here's what they told us:

- Companies are reviewing business and seasonal calendars (e.g., financial planning, product releases) to inform phased timing.
- Companies are being thoughtful about giving employees the choice to return, depending on their circumstances. Many are using sentiment trackers to gauge readiness.

"We absolutely believe people will crave connection again, it's our job to make it safe to do so."

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EMPLOYEES WHO WILL RETURN TO THE OFFICE

Many companies are targeting 25% of employees to return after quarantine, ramping to 50% once widespread testing or vaccine is available.

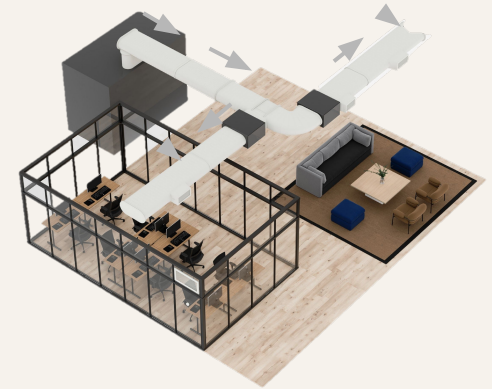
## Cleanliness is key to bringing people back into a shared workspace.

### Optimizing for health will inform new designs:

- A human-centered-design approach will help reimagine environments that keep employees both physically and psychologically safe.
- Key changes include reduced cellular spaces, decreasing volume of touch surfaces and pathways
  - Enterprise members are developing Health & Safety and Security steering committees and operational guidelines for their real estate assets.

“One thing is for sure: hygiene will be super important and we will focus on getting certifications that help people know they’re safe.”

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### HVAC systems

As a flexible space providers, WeWork is de-densifying existing spaces to allow for professional distancing, improving interior air flow, monitoring regular cleanings and adding sanitation stations. WeWork is also collaborating with building landlords to ensure safe access to spaces from the street.

For more, please visit the [WeWork COVID-19](#) info page.

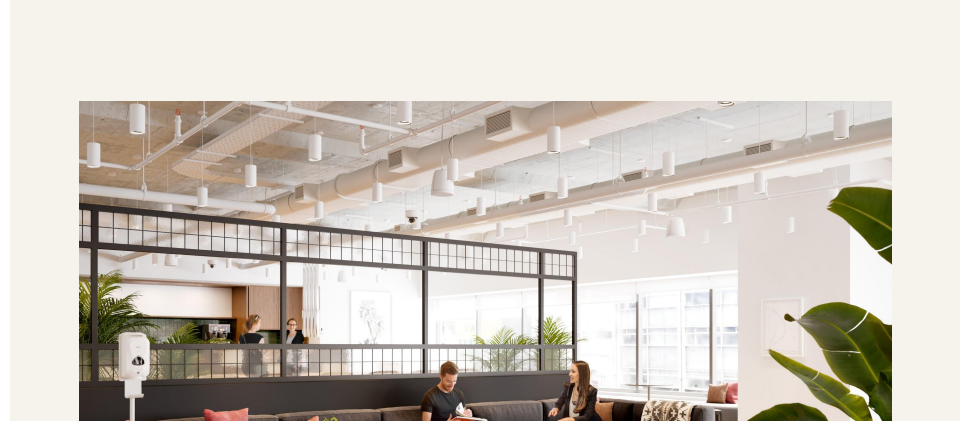
## A flexible office portfolio will be key to ensure long-term productivity.

“COVID will be a change agent for the optimization of excess space in our portfolio.”

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## Lease renewals are being evaluated with more scrutiny as flex options emerge.

- Companies are evaluating flexible use cases for space, like project-based working.
- Even industries slower to move (e.g., government) are considering new flex options.
- Enterprise companies are considering partial remote work (1-2 days/week).
- Sites are enforcing maximum seating capacities and adding policies to use flex providers to handle unplanned needs (e.g., consultants).



Immediate impact on company portfolios:

- 01 | Smaller corporate headcounts
- 02 | Capex frozen, Opex reduced
- 03 | Lease commitment delays

## Many are considering shifting to a ‘hub and spoke’ model to support a connected portfolio.

- Some companies are using existing drop-in sites around metro-areas to manage the flow back into central offices
- Companies are seeking a distributed network of third spaces that are local, to support people who can't work from home but aren't yet ready to use public transportation.



The WeWork platform is designed to support this shift, as our spaces are often used as ‘third space’: Work from home, from an office, from a WeWork space.

“We’re looking at using more centralised hubs...and will repurpose some of our spaces to project-based working.”

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## Companies want to know how their spaces are being used.

### Tracking at weekly level

Heads of Real Estate plan to track usage over the course of the week, monitoring staggered attendance and split team strategies.

### Understanding real density

Rather than planning portfolios around density per assigned employee, companies will look for usage data that demonstrates the real density experienced by regular attendants and plan accordingly.

"We will leverage [technology] to provide data and insights to inform how to evolve our strategy."

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At WeWork we have the advantage of data at scale:

800+

global locations

40M

usage data points

700,000

members





## We're here to help.

Let us help you navigate your evolving needs with our new workspace solutions. Contact your WeWork rep today for a preview.

we work