

COVID as Accelerant – What’s Burning?

Description

As businesses begin to reopen across the country many are hoping and waiting for life to return to what it was before the virus appeared. In just a few short months people seem to have forgotten that life as we knew it really wasn’t life as we knew it, at all. It was life as we like to think it was and it was already changing at a startling rate. Now, we need to think about what post-pandemic life is going to look like. I believe that COVID has accelerated many of the changes that were already underway but has also ignited many that weren’t or which were quite a way off.

What COVID Has Accelerated

Many trends were underway before COVID struck and now they have been accelerated by it. Largely, this results from job losses, forced closures and social distancing policies exposing us to new restrictions and challenging what we are willing to accept. It seems likely that some vestige of these policies will persist, possibly dormant at least for a couple of years if they are not actively in force, until we have a working vaccine that relegates COVID to be no more dangerous than seasonal flus. To the degree that climate change and increased incursion into animal habitats create increased likelihood of zoonotic disease transmission, the possibility of reinstituting these policies again to respond to another infection in the future is real. Some trends to consider:

- As stores have been closed people who have had little experience with on-line purchasing are ordering from e-tailers and having purchases delivered. Many stores are going to close permanently and the transition from in-person to on-line purchasing will expand.
- Many companies that have experimented with distributed work and work from home (WFH) will continue or increase opportunities for their staff to continue remote work.
- The trend toward Gig work and contract work will continue. This will be facilitated by the trend toward remote work.
- Remote education has been popular for professional enhancement or personal enrichment for some time. While the experiment with it as an alternative to in-school classes has not gone particularly well, there is a good chance that it may blossom as an alternative to residential college. The cost advantage to students and the potential for widening markets for educators and institutions are significant enough that it may gain acceptance in spite of its cost of lost revenue to them.
- Technologies that create efficiency and displace manual work – Business Process Management software (BPM,) Robotic Process Automation (RPA) and Artificial Intelligence/Machine Learning (AI/ML) – will see increasing application, especially to the degree they displace the need for workers in offices.
- In general, high-touch services will transition to low-touch versions and low-touch services will transition to no-touch where possible.

What COVID Has Ignited

A number of changes that were, at minimum, unforeseen or a long way off seem to have burst into existence as a result of the virus, the shutdowns and the possibility of social-distance policies that may persist for some time. These include:

- Some form of monitoring, contact tracing, social distancing practices and residual preparation to re-institute them if needed will persist.
- Re-shoring of some production and processing to address Supply Chain Risks or new geopolitical realities will occur. This may create new career opportunities for vocational workers as production, assembly and logistics jobs are brought back from overseas.
- There will be price increases for many products that had relied on cheap foreign labor or which will be subject to tariffs.
- Companies may move to allow any employee that can perform their function remotely to work remotely. In fact, many positions may be established at inception as 100% remote. This may be associated with differential pay based on cost of living where employees reside. Wage arbitrage may pit people who live in high-cost areas against those who live in lower-cost areas.
- The cost of what may become underutilized real estate in large urban areas may drive larger companies out of them with profound effect on businesses that serve the workers that used to populate them. Less foot traffic may impact larger retailers and other businesses, as well.
- The pre-eminence of classic four-year secondary education as the gateway to a professional career may wane, many marginal institutions may close and the value of many degrees without a direct path to employment may induce vast decreases in participation. Alternative, remote education opportunities may lead to self-curated, hybrid curricula and independent certification organizations.
- Major changes in travel, entertainment, arts and sports may have profound impacts on how we consume them and what the companies and institutions that provide them are worth.
- Re-thinking social safety nets and healthcare programs may result in major structural changes in them.

What it means for you

You are your own product. You will have to take more responsibility for maintaining your economic viability and quality of life. I believe that there are four major areas of expense for which you are going to have to provide—Housing, Education (yours and your childrens—™,) Healthcare, Retirement. This means:

- You must be cognizant of factors relating to the viability and competitiveness of your employer. You also need to be aware of where you fit in your organization and perform a personal Strength, Weakness, Opportunity, Threat (SWOT) analysis regularly.
- You must engage in life-long learning. If you are in a technically-driven position, you have to assume that your knowledge base will need to be refreshed at a minimum of every 12 to 18 months. Even if your career does not seem to be technical, you need to develop technological literacy, which you will need simply to function in an increasingly automated society.
- You must become knowledgeable and remain aware of evolving technologies that may have impact on your job. Things like BPM, RPA and AI/ML are enabling new ways of doing things that can induce significant change.
- You will need to understand evolving alternatives to today—™s in-person and on-campus education and make informed selections from among them in order to extract the most value from your choices.

- You will need to acquire enough financial knowledge to accumulate the wealth required to meet your life's needs and then retire to something other than an old age spent in penury.

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