



After COVID-19: anticipating a new reality

Strategy for a post-corona era

At the time of writing this paper, the corona virus is still wreaking havoc. Organizations protect their employees and vital processes in order to be able to restart after these challenging times are over. Although managing the immediate health crisis is on top of everybody's mind at the moment, sooner or later every organization will have to consider what their world will look like in a 'post-corona era'. With this paper, we want to provide some hopefully helpful perspectives and ideas to organizations that now are able to mobilize the capacity and brainpower to think about the longer term, the world after covid-19. This paper will explore the way in which people, organizations, and societies learn to deal with an era of episodic change. We learn from the new routines we develop now, from things we should have done differently knowing what we know today, and issues and uncertainties that the pandemic will present for the longer term. This paper gives executives and strategists, especially in the public, care, corporate, and education sectors, some concrete tools in order to prepare for a post-corona era.

Episodic change

We still do not know how or when this pandemic will end, if at all for the foreseeable future. We simply do not know if the virus will be able to be reined in on the short term. We do not know if seasonality will impact its spread significantly. We do not know how fast herd immunity will be developed nor how fast a vaccine will be available. We do not know, moreover, whether the virus will mutate and return in new outbreaks. Only time will tell how big the societal and economic damage will be. What we do know is that one day we will look back at this pandemic and consider its impact on our society, our economy, our organizations. We will mourn, pick up the pieces and carry on once again. We will also look back, evaluate, hold accountable, and, above all, learn. This has become apparent from previous crises, such as the financial crisis of 2008, WWII, or the Spanish flu (1918-1920). All these crises have left a lasting mark on the world. Like previous crises, the corona pandemic will divide history in a pre- and post-corona era. Although we do not know how exactly the post-corona era will look like, we can explore some contours through imagination and logical deduction.

In the words of organizational experts, the corona crisis is a period of episodic change (Weick and Quinn, 1999). Episodic change requires a new orientation towards the future. Rules will be rewritten, visions will be formulated anew, strategies will be replotted. In order to explore how the corona pandemic will change our lives, organizations organize themselves and how we organize society, we need to consider how people gather knowledge when confronted with major shocks and disruptions. Simply put, there are roughly three ways in which our brains operate and in how we learn; through doing (behaviorism), reflecting (cognitivism), and imagining (constructivism). All three modes enable you to gather valuable insights into the post-corona era.

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Learning by doing

Learning by doing or experience is about learning new routines during a crisis period that we will still employ after the pandemic. For instance, think about new routines we develop for our daily commute when dealing with long term road works or other infrastructural improvements. Various international studies show that after a period of long-term big maintenance during which travelers need to adjust their travel habits, efficiency improves. Travelers continue to use public transportation or existing infrastructure will be used more efficiently. So too will the routines we develop during the corona pandemic. Millions of people are working from home, are meeting digitally, providing education at home, ordering groceries online, and reaching out to lonely and vulnerable people virtually. These skills and experiences will not be undone and forgotten quickly and will, depending on the duration and intensity of the pandemic, have a lot of impact on individuals and organizations over the next few decades. In Table 1 we provide just a few examples of possible new routines that will change our lives. For executives and strategists, it is crucial to consider what these new routines will mean for the business model and strategy of their organization.

<p>Living 'smaller', swapping and bartering</p>	<p>With considerable restrictions placed upon our public and economic lives, we will look for alternatives for what we held as normal. We might organize less through market mechanisms but help each other in different ways. We will turn to new solutions in a smaller circle. We will organize our own childcare, provide care to our own nearest and dearest, attempt to grow our own food. 'Living smaller' means lower expenses and more resilience. At the moment we see organizations providing things for free, workspace, online tooling, even personnel. The sharing economy might receive a big boost.</p>
<p>Working (digitally) from home</p>	<p>The corona crisis has led to an explosion of online meetings, ranging from 1 on 1's to large scale virtual conferences. International organizations will save millions on travel expenses. Experts expect this to persist after the pandemic, online conferencing will remain dominant¹. Also, working from home has become the norm for many. When companies realize that employees are not less productive working from home, it is expected that working remotely will gain further traction. This will have far-reaching implications for the demand for office space but also for living preferences and commuting patterns.</p>
<p>Re-acceptation of government</p>	<p>Before the pandemic, governments did not enjoy a high degree of trust, especially in the west. During the pandemic, however, people were quick to turn to the government. A lot of us appeared willing to forego certain degrees of individual freedom of movement and privacy in exchange for collective health and security. We have come to expect that the government will provide economic and personal income support and guides and regulates vital sectors². In the past, it was from crises like these that new tasks and authorities were devised for governments; ranging from income tax, the welfare state to nationalization of industries. A reacceptance of governmental control can have a big impact on the development of companies and industries.</p>
<p>Growth of 'big techs'</p>	<p>The pandemic has led to an even bigger uptake of platforms, tools, and online services of the 'big techs' such as Facebook, Apple, Amazon, and Microsoft. Also, slightly smaller services, such as Slack and Zoom, have gained massive popularity. The pandemic has proven to be a massive wind in the sails of big tech while smaller service will suffer from the formers market dominance. The pandemic offers big tech opportunities for cheap acquisitions and consolidating the tech market. It also offers them the opportunity to connect even more strongly with consumers and deal with their privacy concerns once and for all³.</p>

¹ See, for example, Economist, 5 March 2020, *Covid-19 is foisting changes on business that could be beneficial*

² See, for example, Yuval Noah Harari: *the world after coronavirus*. Financial Times. 20 March 2020.

³ See, for example, Economist, 4 April 2020, *Big tech's covid-19 opportunity*.

Room to experiment	Desperate times call for desperate measures. Medical solutions are fast tracked; rules and regulations are being made more flexible and less strict. Online business models for traditionally physical activities are thriving (such as fitness, cooking, meditation, etc.). Organizations are forced to experiment, pioneer and take risks. Having a proper revenue and business model increasingly is of later concern. Experimentation and trust taking center stage over protocols, bureaucracies, and regulation will bring about tremendous innovation.
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Table 1: New routines and experiences resulting from the corona pandemic

Learning by reflecting

The second way through which we learn is that of reflecting. Governments and businesses will search for answers to the question of how we could have been more prepared for the pandemic and its social and economic aftermath. The longer this pandemic will last, and the deeper its impact on our daily lives, the more lessons it will teach. In Table 2 we give a short overview of lessons we might be taught in order to organize ourselves more resiliently. These insights are quite plausible and will directly or indirectly affect the business model and/or strategy of most organizations.

Autarchy	The corona crisis has made it painfully apparent how dependent many are of international suppliers. Some products have ceased to be available, some are in limited supply, while others are confiscated on their way by governments. In some cases, we will discover that local alternatives serve just as well. In the post-corona world, a renewed drive towards autarchy is far from unthinkable. Countries and companies will invest in energy and resource independence but also on protecting vital industries ⁴ .
Regionalization	Driven, amongst others, by fiscal optimization, major companies' supply chains have become more complex over the past 40 years. They are dependent on sometimes hundreds of suppliers from a multitude of locations across the globe to deliver their resources or intermediate goods 'just in time'. The pandemic will force companies to contract more suppliers in their region and to build up stocks ⁵ . Companies that before the crisis have made much use of migrant labor will perhaps reconsider now that more and more local employees will be available for those activities (especially governments will continue to close borders or restrict migration). ⁶
Basic income	Our economies and labor markets are not fully equipped to deal with shocks. Governments will find it necessary to create larger buffers and reserves. A social and political discussion will flare up regarding income security and income/wealth (re)distribution; especially regarding deregulation/flexibilization of labor markets, the income security of the (forcibly) self-employed, or professions that are particularly hit hard during the pandemic (personal services, hospitality, events, retail, etc.). A basic income might be taken more seriously across the political aisle as it might serve a valuable role in protecting the economy during a crisis. Many countries now take emergency measures in which the government implicitly accepts that everybody – either in employment or not- has a right to some sort of basic income.
Recognition of vital professions	The pandemic has made it quite apparent that many jobs that have been made more flexible and insecure during and after the 2008 financial crisis are now the vital professions that society cannot function without. Be they nurses or grocery stockers

⁴ See, for instance, the articles by Richard Haas (voorz. Council on Foreign Relations), Robin Niblett (CEO Chatham House) and Laurie Garrett (former global health specialist Council on Foreign Relations) in Allen, J. et al. *How the World Will Look after the Coronavirus Pandemic*. Foreign Policy. 20 March 2020. <https://foreignpolicy.com/2020/03/20/world-order-after-coronavirus-pandemic/>

⁵ Ibid.

⁶ See for instance. Economist, 4 April 2020, *When borders close, who will pick the crops?*

	at supermarkets. We now see those professions in a different light. This can cause a new dynamic on the relevant job markets.
Healthcare infrastructure improvements	In many countries, investments will be made in the healthcare infrastructure. This can apply to both the 'cure' part of it (more structural ICU capacity) or the 'care'. In elderly care this can mean that the trend of ageing in place might be reconsidered. (Government) investments into medical research (f.i. towards vaccines) will increase.
A shorter working week	In many western countries a roughly 40-hour work week is standard. Now that we have to thoroughly readjust our lives, we have become aware of how dependent we are on others for education, care, etc. It is not unthinkable that we will strive towards a shorter working week in order to enhance our societal resilience. In doing so, we increase more time for ourselves and for others who depend on us.

Table 2: New insights resulting from reflecting on the corona pandemic

Learning by imagining

The third way through which we learn is imagination. Organizations, governments but also individuals will reflect on their future considering our new reality. In doing so, it is important that we do justice by the high degree of uncertainty that accompanies the pandemic and its aftermath. The pandemic has turned developments we deemed certain uncertain and vice versa. Developing future scenarios is a powerful method to explore the possible consequences of such uncertainties. Scenarios are now predictions of the future. Rather, they are imaginations, outlines, explorations. They describe multiple possible futures that might unfold based on today's uncertainties. In order to lay the foundation for future scenarios one can combine two 'key uncertainties' in a 2x2 matrix. Doing this results into four quadrants, four possible future scenarios. By exploring those multiple futures organizations can learn from and anticipate situations that might arise in the post-corona era. It enables them to (stress)test whether existing business models, strategies, and plans are still relevant or can be relegated to the rubbish bin. Future scenarios can also be helpful in brainstorming about new ways to offer value in the post-corona era.

We love to provide some helpful starting points for executives and strategists by listing some possible key uncertainties and outlines of future scenarios for companies, cities, elderly care, and education.

The future of companies

Company executives will have to deal with new uncertainties because of the pandemic. Table 5 provides an overview of uncertainties that executives need to respond to effectively.

Higher taxes	The investments into healthcare and paying back the national debts that will no doubt skyrocket the next months/years can lead to higher taxes. Raising corporate tax or introducing a tax on labor substituting technologies will be more likely than income tax. Fiscal optimization versus 'fair share' will be an important corporate theme the coming years.
Deglobalization	Even before the corona crisis trade conflicts, protectionism, and nationalism were on the rise. Carbon footprints have worked their way into public awareness. Will the pandemic accelerate a reappraisal of globalization, international trade and global supply chains? Will countries 'close their doors' and companies regionalize their supply chains little by little? Or... will the world band together in the battle against the virus and its aftermath; will new partnerships and institutions form in a new wave of globalization?
Platforms and digitization	1.5-2 meters distance. Human contact is now off-limits, a taboo. Stores are closed, production lines have come to a halt, complete countries have gone into quarantine. We work together virtually, we shop online for food, groceries and other products, we take to the net for entertainment and sports. Will we grow so accustomed to this that 'online' will become the new normal or standard? Or, as

	soon as the 'all clear' is given, will we rush outside to physical stores, restaurants, and sports clubs that we have found a new appreciation for?
New competition	Every company has been affected by the pandemic. It is expected that during its aftermath bankruptcies will continue to increase. However, there are companies that flourish during these times. For instance, think of companies in the primary sectors, the 'big techs', or the companies that have successfully shifted towards a new online business model. Even when we will start to go back to normal 'traditional' companies will experience new competition from online alternatives, platforms, and companies that have expanded their offerings. The question is, how will industries such as retail, hospitality, sports, higher education and others develop in a post-corona world?
New alliances	The past few years the number of strategic partnerships and joint ventures was on the rise. One of the most important reasons for this was the increasing complexity and uncertainty of our world. Alliances are powerful because they connect the expertise of different companies and combine it into something new that can produce innovative products and services. Good partnership models also foster the capability to quickly adjust to a period of uncertainty. This flexibility is more crucial than ever in the post-corona era both in organizing effective supply chains as offering the client new products and services that transcend industry lines ⁷ .

Table 5: Key uncertainties for companies resulting from the corona pandemic

Every company has its own key uncertainties. Figure 1 illustrates a possible scenario framework that can be used to develop and test strategic plans.

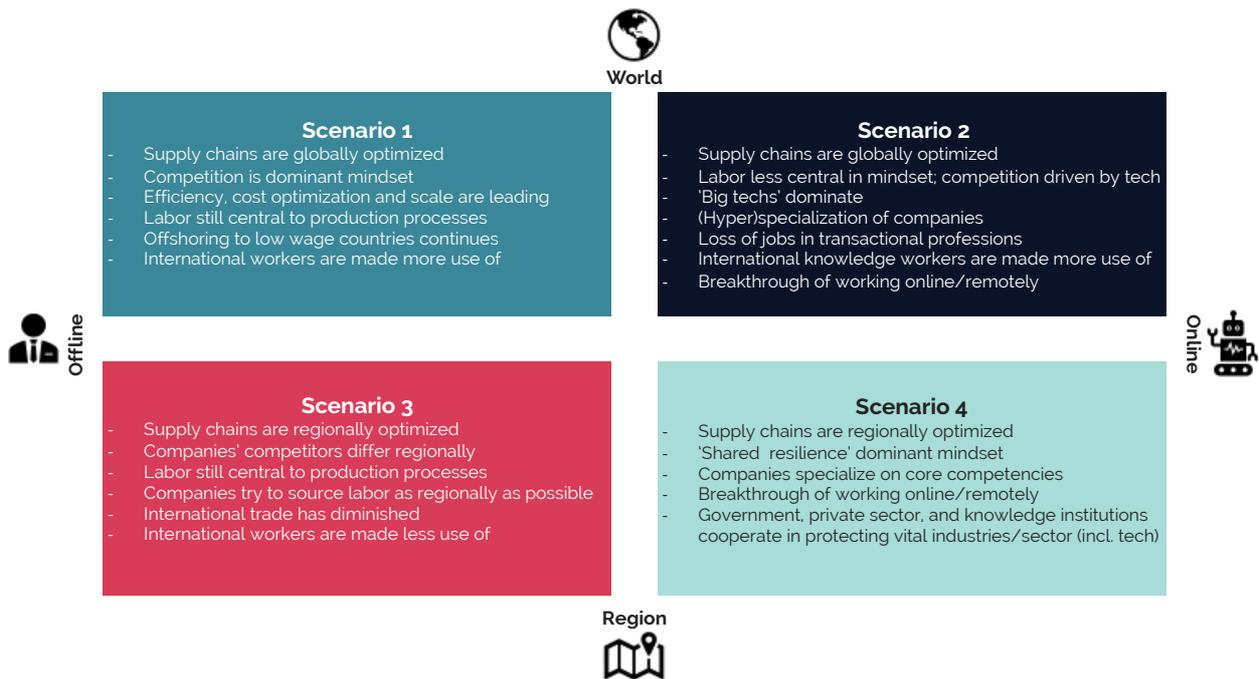


Figure 1: example: 4 possible scenarios for companies

The future of elderly care

With the 'silver wave' about to hit many western countries, elderly care and how it will be financed will rank high on the social and political agenda. Elderly (but also mental or disability) care executives will

⁷ See, for instance, Forbes, 28 march 2020: The Increasing Need For Strategic Alliances

have to deal with new uncertainties because of the pandemic. Table 5 provides an overview of uncertainties that executives need to respond to effectively.

Increased privatization	During the pandemic we saw many care recipients waiting very long for (lesser quality and quantities of) care at home as well as people feeling trapped in elderly care centers. This might give food for thought to a lot of people regarding what kind of care they wish to receive and how and where they want to reach old age. They will want more choice and customized services. Will current health care systems be able to provide this? Or will people increasingly turn to new private options?
Reconsidering ageing in place	During the pandemic we saw how the trend towards home care, 'ageing in place', has increased the vulnerability and loneliness of many elderly people. It is not unthinkable that policy makers will reconsider this trend/strategy. Will we deem it to be better or more efficient to centralize many elderly people into a bigger location or facility, where more efficient and intensive care can be provided more quickly in case of a new pandemic? Or will 'extramuralization' continue, as government healthcare budgets dwindle and individuals become more financially responsible for it themselves?
Scaling up	The pandemic places a heavy toll on all elderly care organizations, both big and small. Will the pandemic lead to a 'shake out' of smaller parties? Will the call for continuity of care make autonomy of lesser concern, hence removing the taboo of talking about scale and possible mergers? Or will there still be room for smaller elderly care providers?
Adoption of health care tech	Healthcare workers are in the frontline of the pandemic. They face tremendous pressure. Not just because of the sheer volume of work but also because of the risk of being infected themselves (or transmitting it to others). Will this prove to be a catalyst for substituting labor with technology in the healthcare sector? Or will employment in this sector be a tenet of many governments' economic recovery plans?
More personnel	In a lot of countries at 8pm, people took to their balconies to applaud the brave and dutiful healthcare workers. Appreciation has never been higher. Will this translate into higher salaries or higher attractiveness of their professions? Will this solve scarcity of labor in healthcare? Or will health and elderly care professions be regarded as dangerous as they were more exposed to people carrying the virus?

Table 3: Key uncertainties elderly care resulting from the corona pandemic

We invite executives and strategists in elderly care to combine two for their organization most relevant key uncertainties into a scenario framework. This way you can devise four scenarios that are all plausible. The scenario quadrants can then be detailed and can serve as a framework for testing strategic choices and options. Figure 2 illustrates a possible scenario framework that can be used to develop and test strategic plans for elderly care organizations.

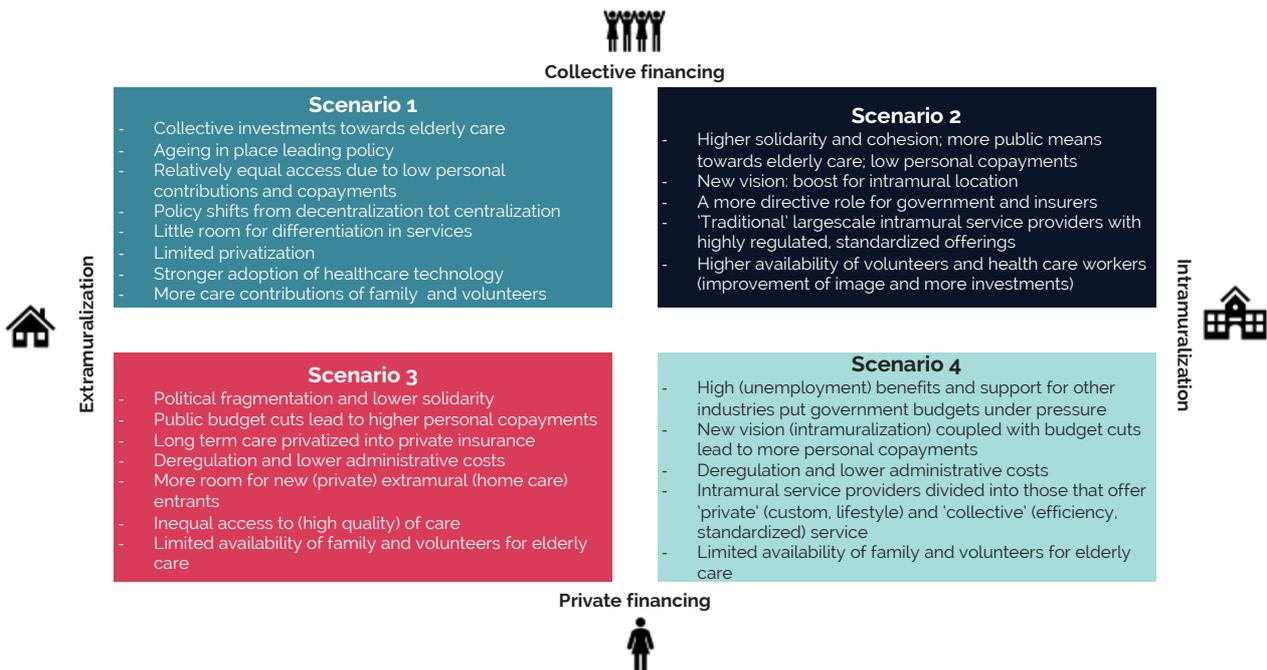


Figure 2: example: 4 possible scenarios for elderly care

The future of cities

Executives of local governments will also be faced with new uncertainties after the pandemic. Table 4 proves an overview of uncertainties that executives will need to find effective answers to.

Suburbanization	The corona crisis can lead to a reorientation on residential preferences. Do we still want to live in a packed city? What are the benefits of a city if restaurants, theaters, etc. are closed? If we are working from home more often, will we not want to have a more spacious house with a home office in a nice green and quiet place? Or will urbanization accelerate, for cities offer the most amenities in case of new crises as well as more jobs in times of economic downturn?
Change in economic profiles	The pandemic can give rise to a new economy. An economy in which, for instance, global trade no longer takes center stage. This could prove to be problematic for international/global trade and financial hubs. High volume, low value export-oriented industries will have to perhaps painfully transition into more locally oriented ones. On the other hand, reshoring and a growing IT and creative industry might give rise to new opportunities. For cities it is crucial to consider how robust their economic profile is in light of the post-corona era.
Increasing social polarization	Rich versus poor, highly versus practically educated, autochthonous versus immigrant, flexible versus fixed contracts, pro- versus anti-EU, etc. Groups in society appear to live more and more in their own 'bubbles', all with their own socioeconomic perspectives. The pandemic will not impact each group equally and neither will its (economic) aftermath. When inflation becomes a weapon to diminish the new pile of debt, people with (state) pensions and subsidies can be hard hit. When the pandemic will cause a recession, many groups will find themselves in hard times. On the other hand, crises can bring people together. Perhaps such socioeconomic divisions will make society consider redistribution that decreases income or wealth gaps, such as a basic income.
More 'bottom-up' organization	Crises can have a unifying effect and at the grassroots level we see initiatives flourishing. Will the pandemic lead to a reappraisal of collectives, for 'the other'? Will civil society be stronger? Or will it be every man for himself, will we further

	individualize, fragment and splinter into subgroups when the economic going gets tough?
Bigger public sector	Many people rightfully sing praise of people in vital professions. Perhaps this will lead to considerable investments in the public sector, such as healthcare and education. Perhaps it will lead to nationalization of certain industries, such as energy or private healthcare. On the other hand, it is equally plausible that the pandemic will usher in an era of new austerity, of public budget cuts and lower ability to invest in such vital sectors.

Table 4: Key uncertainties for cities resulting from the corona pandemic

By combining two of the most impactful and uncertain developments into a framework, one can develop four possible future scenarios for cities. Figure 3 illustrates such a framework, which decisionmakers can use to develop and test strategic options.

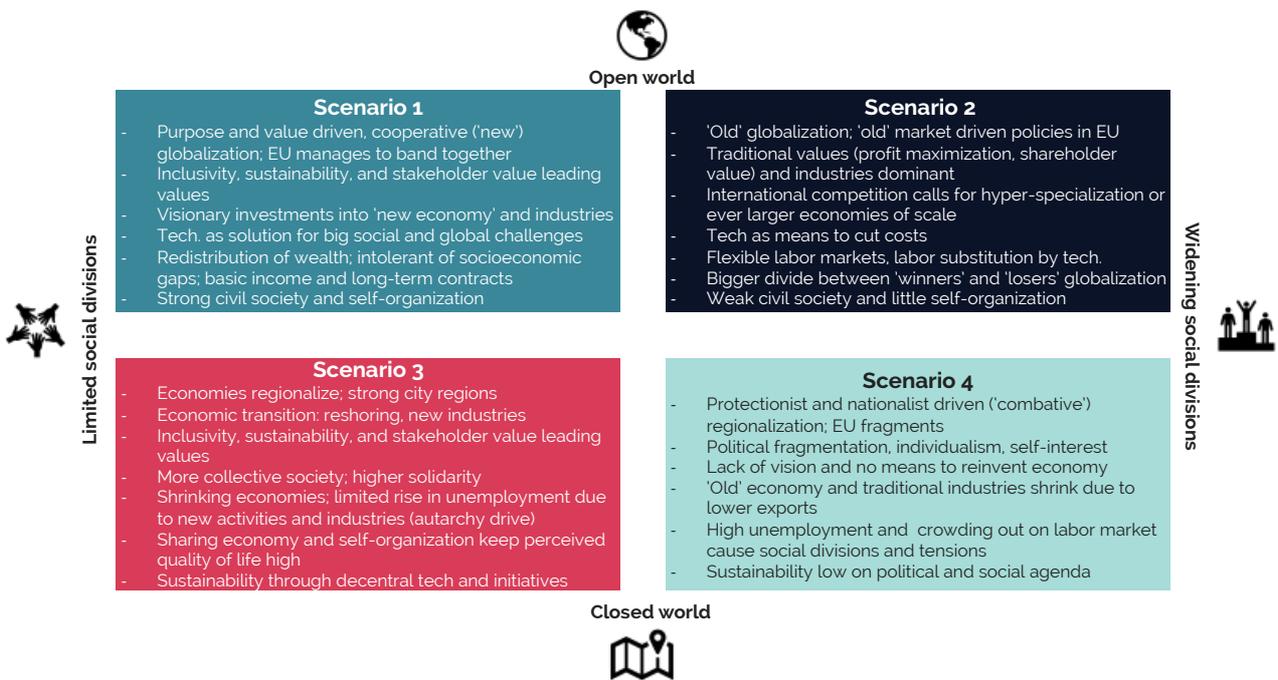


Figure 3: example: 4 possible scenarios for the economy and society of cities

The future of education

Executives and strategists in education industries will also have to deal with new uncertainties due to the pandemic. Table 6 outlines some uncertainties that they will have to formulate an effective answer to.

Digitization and remote education	Many educational institutions, from elementary to higher education have had to 'go digital' due to the pandemic. Remote education has been the norm during the pandemic. If this proves to be successful, it might become the new normal. Or will practical concerns (remote education is not a good solution for every child) still make the classroom the default?
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Private education	Many parents have come to new realizations regarding their children's education during the pandemic. Perhaps their school results have improved at home. Perhaps they miss the right expertise to fully nurture their children's talent. They might therefore feel the need for more customization and tailor-made education. Will many parents be willing to draw out their check book for this and turn to private education providers? Or will they, perhaps driven by a recession or lack of faith in private alternatives, settle for the classic institutions, to 'how it was'?
Increasing differentiation and custom diplomas	If traditional classroom-based education gives way to digital alternatives, more differentiation and customization will be possible in education. Will certain levels of education be hybridized, a sort of 'mix and match' to suit the interests and level of the student? Will there be microcredentials in high school? Or will the 'good old' diplomas still be preferred?
Internationalization of education	If digital/online based education becomes more accepted, that could open the door towards far-reaching internationalization of education. As MOOCs have made their foray into higher and part-time education, so too can international providers of online secondary or elementary education (modules). If we accept to break the associated language barriers (English will be the likely standard for such services), will societies accept such internationalization?
More attention for socialization	Digitization of learning materials is one thing but substituting another aspect of education, socialization is another. Especially at younger age, schools play a vital part in socialization. If digitization of knowledge gathering, or learning at home, becomes the norm then actually going to school will serve a more specialized purpose, a social one.
Increase inequalities	Not every student will receive the support they need at home. Not every parent is capable to provide the right educational guidance, no matter their good intentions. Where well-off parents have the option of hiring help for this, this is not possible for lesser-off families. The economic fallout of this pandemic could therefore increase inequalities in regard to access to educational opportunities.

Table 6: Key uncertainties for education resulting from the corona pandemic

By combining two impactful and uncertain developments into a scenario framework, four distinct post-corona futures for education can be explored. Figure 4 illustrates an example of such a framework.

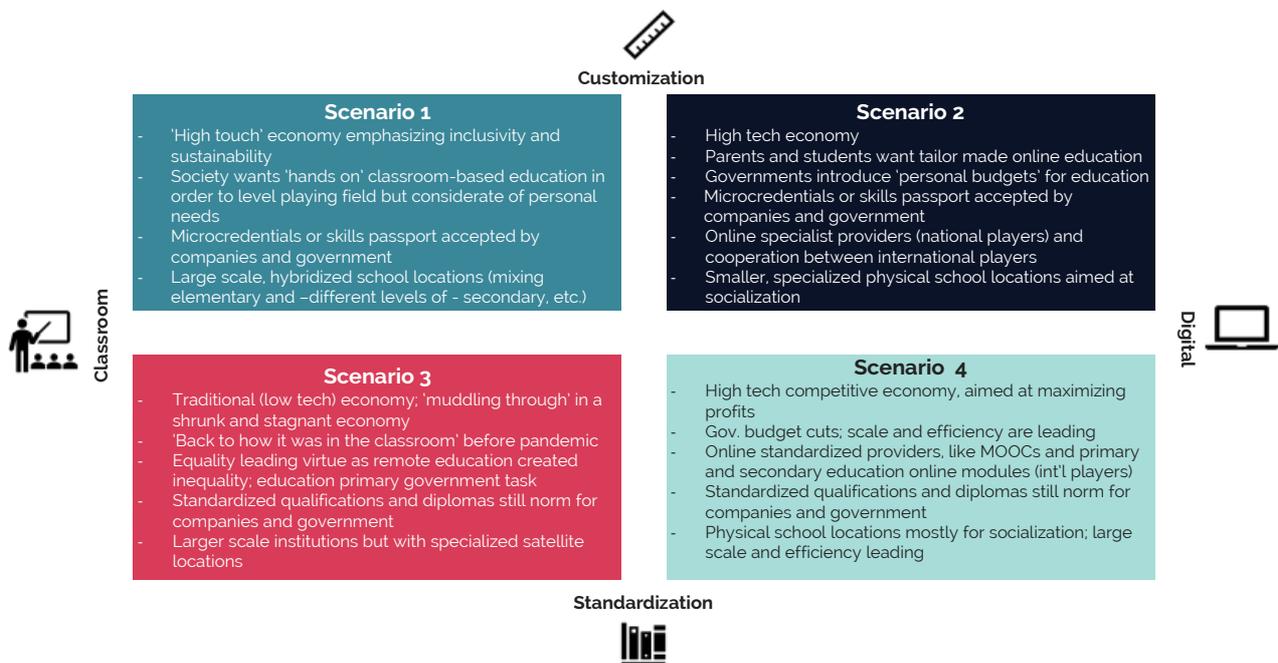


Figure 4: example: 4 possible scenarios for education

Now is the time to prepare

We are living in historic times of episodic change. We do not know how long this pandemic will last. We do know that the rules will be fundamentally rewritten for the post-corona era. By learning from new routines, reflecting on the crisis, and imagining possible futures organizations can prepare for a new future. Now is the time for strategy. We challenge organizations to explore the future and prepare plans for a world that is slowly emerging from lockdowns and operational issues dominating the agenda. Planning that more and more will take place online. With our brainpower, online collaboration tools, analysis tools, and strategic approach, we love to contribute to creating future proof plans.

Contact

For more information, do not hesitate to reach out to Jester Strategy.

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