

THE THREE MEs

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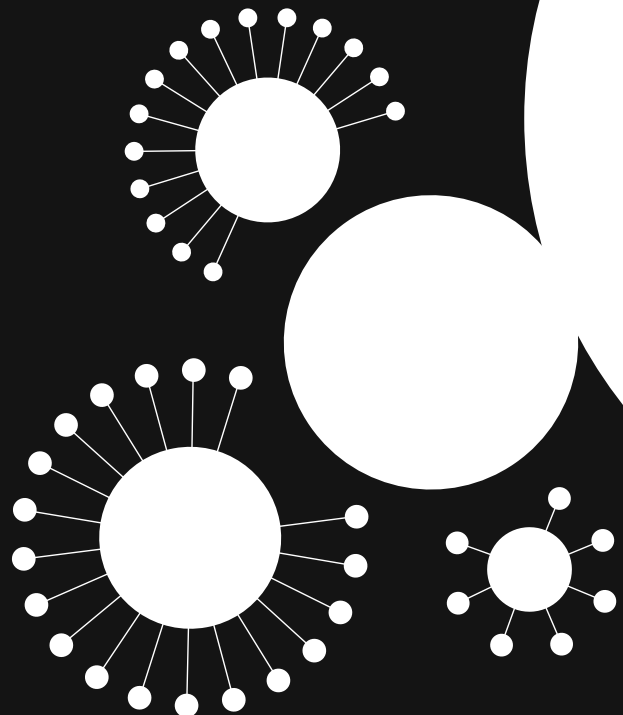
Just as it is important to understand some of the macro changes and horizon shifts, it is also important to think about how some of these changes will impact and change individuals' behaviors, their propensities to spend and how they will likely interact with organisations in the future.

Here we think about 'the three personas of me' – me the citizen, me the consumer and me the employee.

ME THE CITIZEN

ME THE CONSUMER

ME THE EMPLOYEE



ME THE CITIZEN



The digital divide has been accelerated:

With 4.1 billion people or 53.6% of the world's population currently using the internet, the future citizen will be more connected than ever before. Some commentators argue that access to WIFI should be considered a basic human right. But post-COVID-19, the digital divide may become a chasm, a real challenge that governments across the world will have to confront and effectively deal with if its citizens are not to fall behind.

More generally, enabling technologies provide governments with a range of opportunities, such as integrating technology and data strategy to help all parts of the public sector. These include the ability to better serve citizens and agencies. This may include services through data sharing between organisations and allowing big data techniques to help improve decision-making.

Where markets fail to bridge the digital divide, governments need to continue to intervene by delivering broadband connectivity, governance, security and related tools and infrastructure

Government services will be integrated and data shared between departments: COVID-19 will force governments to review their delivery models and transform towards citizen-centric architectures. 'Citizen-centricity' is not a new concept. In the future however, a government's services may be highly (read near-perfectly) integrated. Data will be shared between agencies and systems while still upholding high standards of data privacy, with service to the citizen as its primary focus.

Paperless documentation and touchless processing will be the norm: For the citizen, the future will be more paperless and virtually 'touch free'. More than ever before, governments the world over will have to carefully consider the risk profile of each of its interactions with its citizens.

Interfaces such as service desks and touch screen kiosks may soon be a thing of the past. And, for example, legal process and other administrative processes that require individuals to be present at a specified location will have to be de-risked.

Expect new approaches such as virtual courtrooms to become the norm. This creates the opportunity to reinvent (optimise) operating models and business rules.

The risk of future pandemics will expedite the move to near cashless societies.

Teleconferencing is here to stay: The bombing of Pan Am flight 103 over Lockerbie in Scotland in 1988 can be classified as a typical black swan event. In its aftermath the event led to the proliferation of video conferencing facilities across the USA and Europe. That was pre the internet era. COVID-19, another black swan, will be credited as the next big wave in the adoption of office productivity technology. In the future teleconferencing will be the norm rather than gathering around the board table.

Travellers will need to accept a higher level of scrutiny and tracking: Soon, people's experience with their own government when travelling may be very different. Building on existing systems and processes, governments may require its citizens to maintain an active register (e.g. through an app or website) of their whereabouts while travelling overseas. This may in some cases be a condition for travel (i.e. visas) or for travel insurance cover. People may have to trade off their personal safety against privacy considerations.

Remote education has received a massive boost in investment and acceptance: Expect remote learning models to become the norm, rather than the exception. Tertiary education is currently the fourth largest contributor to New Zealand's GDP, but this position is under threat unless the industry can move with agility to remote learning models.

The rise of digital and continuous democracy:

In a post-COVID-19 world with its social distancing requirements, governments may want to rethink how they engage with their citizens when it conducting a census, or how they facilitate general or local elections. This creates an exciting opportunity for governments to innovate its machinery of government. Electronic voting holds the added promise of facilitating the concept of 'continuous democracy'. In the future, instead of voting for Councillors once in a three-year cycle, a local or regional council may ask its constituents to 'vote' on proposals and motions in real time.



RESET



ME THE CONSUMER



Reduced household income will force changes in spending: A reduction in real wages, household incomes due to recession and/or changes to taxation will affect personal balance sheets. Consumers will consume less but grocery will increase as people stay home.

Slow return to group events: There will be a long-term reluctance to go to busy places such as sporting events, concerts, nightclubs, restaurants and fairs. Sports bodies and concert venues will need to transform business models to take into account consumers shying away from large scale, densely populated events.

Brands built on integrity and trust will flourish: Consumer loyalty will be driven by brands that demonstrate the ability to help, do good and support. Consumer interactions and purchases will be far more considered. There will be more consumer scrutiny for businesses, more demand to see businesses supporting employees, communities, and dealing ethically with suppliers in addition to shareholder value, especially those that take government bailouts.

The great indoors: Consumers will shift from consumables to experiences and activities, hobbies and spending time with families and friends. Being in lockdown has created a mindset of needing to be more self-reliant and an increase of a 'grow your own at home'.

Acceleration of e-commerce: New methods of purchasing, in particular the short-term interest in online shopping and delivery to home may continue post-COVID, putting more pressure put on bricks-and-mortar operations.

Countryside experiences will be sought out: With a corresponding drop in urban activities.

Content is even more the king: Real time content and streaming will be the new norm. Consumers will want to consume content on demand leading to challenges for traditional media business models.

Increase in social media and personalisation of experiences: A convergence of physical and online to offer virtual experiences will be combined with a rise in blogging and influencers. This has had a profound consumer impact in China during the current crisis.

More births and more divorces: An extended period of lockdown has seen many consider their personal positions. Post-COVID, in a struggling economy, further soul searching may see additional consideration of people's personal circumstances.

Business travel will not return: Cost will no longer be the major question in relation to business travel. Health and safety concerns whilst travelling for business, and the increased use of technology is likely to see a marked reduction in business travel.



Rise in 'New Zealand Made': Less purchasing of imported goods and clear sentiment shift towards buying locally will drive up local support – but may reduce exports.

Staycations are cool again: Domestic tourism uptake requires a shift in product and service offering to a domestic-only customer base.

Data sharing and privacy: Consumers will be happier to share data as a trade-off for improved safety and health.

Increased demand for health services: Huge sentiment uptick to health and wellbeing will also drive expectations of government to improve and invest in healthcare.

Electric vehicle increase: Consumers will shift to electric vehicles at a faster pace. Ride sharing and mobility solutions will need to innovate to prove safety is a key focus.

Shifts to sustainable values: Rise in veganism and alternative diets, less international travel, increase in electric cars, walking and cycling.

Winners: Anything to do with home-based activities, convenience and health, grocery, sportswear, payments, broadband, 5G, utilities, software firms, IT hardware and home delivery.

Losers: Airlines, travel, luxury goods, fashion and beauty, foodservice, restaurants and hospitality, sports codes and non-digital entertainment.

Price and convenience: Will drive consumer behaviours. The ease of doing business and purchasing will be a key driver of customer loyalty in the future. Consumers will be more price sensitive and use multiple channels to source the best prices in the market.

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ME THE EMPLOYEE



In the pages that follow we will discuss what these could look like in a post-COVID-19 world.

Health and safety: Employees will demand safety, they will demand that employers go above and beyond to demonstrate that employee's welfare comes first. We have seen loyalty tested through COVID-19 by organisations who have not had a focus on their people's health and wellbeing. With a more agile workforce working from a variety of locations employees will also look to employers to ensure that their occupational health is looked after.

Mental health and wellbeing: The legacy of COVID-19 is likely to leave significant mental health issues across our societies and the globe. As employees take a more flexible approach to work, mental health and wellbeing will be of paramount importance. Employers will have an obligation to support, identify and intervene where necessary to ensure employees mental wellbeing is considered and supported. This needs to be paramount across our organisations and at all levels within them. Kiwi organisations have been particularly poor at dealing with these issues in the past and we must address this as a matter of urgency.

Purpose and employees: Employees will be attracted to organisations that are aligned to their personal values and aspirations, or aligned to general social good. Employees who feel aligned to the purpose of an organisation will likely be more satisfied in their roles, less likely to demand the highest salaries and will remain fiercely loyal.

Sustainability and climate change: Organisations with clear strategies around carbon emissions reduction and sustainability will have a competitive advantage when they are looking for talent. This will be especially prevalent in younger generations from millennials down.



Agile working: Employees will demand that the flexible working that has been proven to work during the pandemic will continue where appropriate and become the norm. The ability to 'work from anywhere' will be high on individuals agendas and will have material impacts across societies and economies. Demand for office space could change significantly as a consequence.

Physical working environments: Employees in office environments will still want some form of physical interactions, whether to reconnect with colleagues, to socialise, to collaborate or because they fundamentally cannot work from home. Offices spaces will need to be redesigned to and reimagined to maximise the productivity of these interactions, to drive creativity and to allow for more intense social interaction.

Work-life balance: Employees who have spent time at home, with families and in their communities will look to improve the work/life balances of their employment. Employers will need to be more flexible around working hours where individuals may look to diversify away from the traditional 9-5 and look to build their days around times that fit into their lifestyles and commitments.

Benefits and perks: Above and beyond the traditional salary will become more prevalent. As employees become more cost conscious and more focused on health and wellbeing employment perks such as health insurance, gym memberships, lifestyle discounts, bicycle loans and general insurance discounts will be a way of employers differentiating themselves in the market to attract talent. Employers who do not offer incentive around these, especially health, will struggle to compete for top talent.

Skills and training: Workforces will change as we see the increase of automation. Employees will look to employers and governments to improve the range and focus of on the job training to diversify their skillsets and allow them to pivot into new roles that compliment new technologies and automation.





Elastic workforces: With shifts in power from employee to employer due to the oversupply of labor, and a continued focus on costs, employers are likely to look for more variable cost models in the workforce. We saw the rise of the Gig Economy post GFC and this is likely to be a trend going forward. Societal and legal implications will need to be considered as a result.

Diversity: Employees will continue to demand more diversity in the workforce and employers should actively encourage it. We will need to think more broadly about how we define diversity, but a modern workforce will need diversity of sex, ethnicity, cultures, ages, experiences and societal backgrounds. Traditional entry routes to certain professions will need to be examined and potentially changed to allow for more social mobility through the workforce. The UK has advocated the route of professional apprenticeships, which has seen less privileged employees gain degree level qualifications in the workplace in traditional white-collar careers such as accounting, law and engineering. The diversity of thought that these individuals have brought has been game changing for innovation and culture.

New income models: The traditional models will need to change to recognise workforce demands for greater flexibility, and to complement the enhanced use of automation in the workforce.

Propensity to travel: We could see a shift in employees' preference to work from central business districts to working from more out of town locations. A reluctance to use public transport and pressures on income in the near term could see a reduction in employee's willingness to commute and travel. Employee's attitudes to business travel, especially overseas travel may be tested and may change. Employers will need to think through the health and safety implications of any overseas travel.

Demand for best in breed technology: Connectivity and technologies that enable seamless collaboration, increased productivity and speed will be seen as a requirement by employees. Employers who are able to provide it will be viewed as more desirable places to work, as well as organisations that enable remote working.

Leadership/culture and management: The traditional organisational structure, performance management frameworks and general managerial styles will all need to be reconsidered. Employees who are more agile and flexible may not be able to be measured in the same ways as they were previously. New managerial styles and organisational structures will emerge that will be less hierarchical and more agile to facilitate collaborative working. Organisational leaders will need to rethink how they engage with employees and how they create and communicate a sense of culture, purpose and vision within their organisation.

RESET



Seek
new
paths

