CORAGGIO®
YOUR ADVISORY BOARD

THE RESTART

9 elements for business owners to consider as they plan to restart and rebuild.
Part 2 | May/June 2020

"The end of the lockdown will not spell a return to the old "normal," nor will it be universal"

coraggio.com.au

CONTENTS

01 COVID-19 DATA INFORMING CONSIDERATIONS

03 COVID-19 STATS

04 WORKPLACE SOCIAL DISTANCING

05 INCREASED CLEANING AND PPE

06 TRAVEL TO AND FROM WORK

06 WEEKLY TO BI MONTHLY REMOTE WORKING

07 MEETING ROOMS

07 WHAT IF SOMEONE HAS A COLD OR THE FLU?

08 CULTURE

08 THE CONTACT FREE ECONOMY

09 FLEXIBILITY AND INNOVATION

COVID-19 DATA INFORMING CONSIDERATIONS

The danger with writing any view or opinion is that within seconds it can prove irrelevant. Any posting about the future could potentially be wrong next week. However, in the face of that truism here is what we know today and insights and observations as to how to best manage 'The Restart' in such extraordinary times.

On February 12th was the day after the International Committee on Taxonomy Viruses and W.H.O. officially named Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV 2) as the virus responsible for the COVID-19 disease. It would be fair to say that the world outside of China was slow to recognise the potential severity of the virus, and the pandemic that has ensured, perhaps relying too heavily on previous experience with similar outbreaks of Coronaviruses SARS and MERS, where total deaths were limited to below 1000 worldwide.

Like SARS-CoV and MERS-CoV 2 (COVIS-19) is part of a collective of Coronaviruses that cause respiratory illness, from the common cold to more severe diseases. Like other Coronaviruses, SARS-CoV 2 is a zoonotic virus, meaning it is initially transmitted through human contact with, or consumption of animals. In the SARS Coronavirus outbreak of 2002-04, which killed 770 people, the transmitting animals were found to have been palm civet cats, raccoon dogs, and Chinese badger ferrets, of which were suspected to have by bitten by, or come into other contact with horseshoe bats, which are natural carriers of an increasing number of zoonotic viruses.

Middle East respiratory syndrome (MERS), which emerged in Saudi Arabia in 2012 killed 850 people, may also have originated in bats but was shown to have been transmitted to humans through direct or indirect contact with infected dromedary camels.

In the case of both SARS and MERS, mortality rates were higher and transmission rates much lower than with COVID-19, and because the symptoms were almost always severe, those viruses proved easier to identify and contain. The slow or inaccurate reporting of the severity of the current virus over January led many to believe it would also be well-contained and pose no significant threat to the world outside of China. Unfortunately, that has proved to be very wrong.

CRISIS RESPONSE

Central banks and governments around the world are now desperately trying to empty the monetary and fiscal stores in an effort to stave off a deep global recession.

Many companies with the ability to continue at least partially during confinement periods had to design and adopt a radically new “under strain” operating model within a few days. As part of this some have succeeded in pivoting a large part of their activities.

For some businesses such as agriculture and construction continued as business as usual if under a slightly restricted new norm. In some business segments, such as Cleaning and IT, the crisis drove dramatic productivity gains and agility. Other companies were forced to shut down completely due to Government regulations. Some companies, particularly professional services, have managed to increase their work from home rate from 5 percent to 90 percent in a matter of days.

NEW PHASE

In just a few short weeks, companies will have to plunge into a new phase of the restart with many unknowns that will remain nebulous for a long time. Moreover, business will have to live under the shadow of a resurgence of the epidemic with new confinement measures. The transition to a ‘next normal’ will require a reinvention of business models, even as they continue to respond effectively to the aftershocks of the crisis.

The virus still lurks and the ability to contain its spread will dictate what happens next. Especially if any resurgence brings renewed restrictions.

THE ‘LUCKY’ COUNTRY

However, we must remember the nation’s success in dealing with the health crisis. Australia has so far been able to control the spread of the coronavirus and ranks among the group of nations with the lowest infection and fatality rates worldwide.

The opening will take different shapes, with different business actors opening in different ways and at different speeds. Companies need to take a holistic approach to restarting. This document is based on research and conversations covering three main areas.

- Employee safety
- Company culture
- Technology and innovation

COVID-19 STATS

14 Days
How long it can take for symptoms to appear if infected

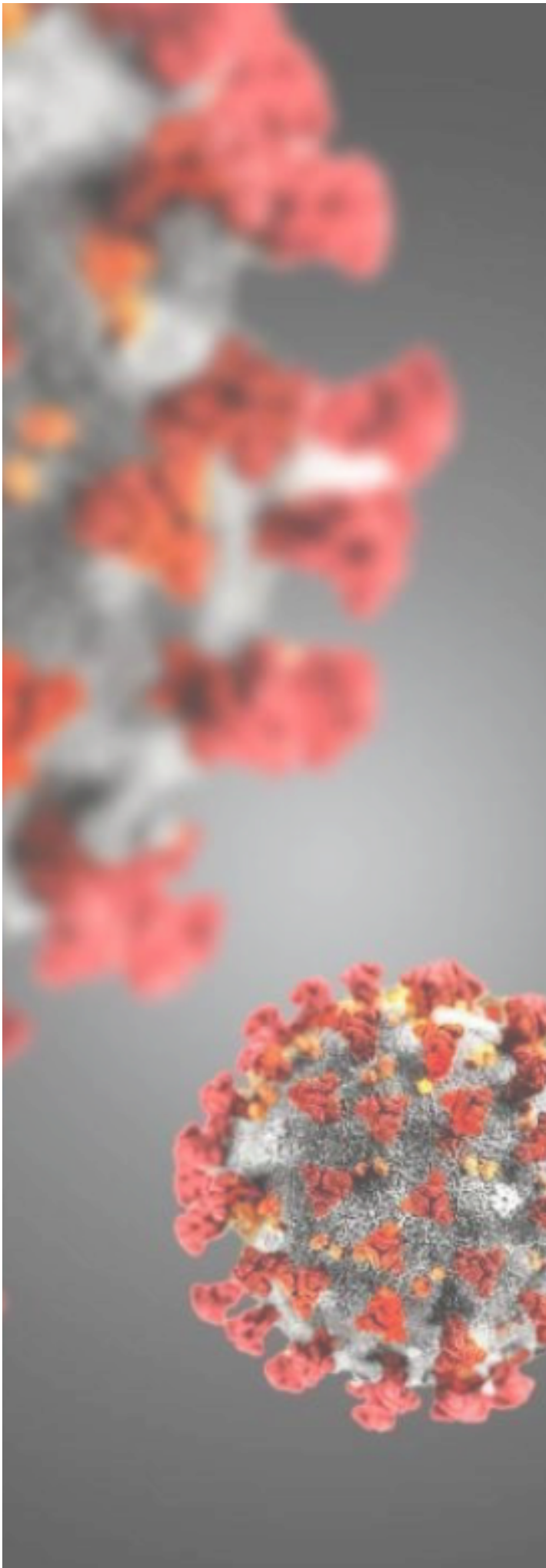
24 Hours
How long a person can be infected for with no signs of symptoms

3-9 Days
How long COVID-19 can survive on surfaces i.e cardboard, plastic, glass, metal

2 Metres
How far a 'heavy' cough particle can travel. Lighter particles can reach up to 6m

3 Metres
How far a 'heavy' sneeze particle can travel. Lighter particles can reach up to 8m

10 Minutes
How long 'heavy' particles can remain in the air before descending on surfaces



1. WORK PLACE PHYSICAL DISTANCING

Companies will need to face questions that confront every business founder: What are the customer needs that I serve? Where is the demand and how will we configure the business model to meet it?

Evaluating the demand side of the equation can offer a starting point to gauge workforce needs and the urgency of returning different groups of workers to their locations of work.

From there, setting up agile teams is the most effective and scalable way to adjust and build resiliency in what could likely be a fast-changing operating environment.

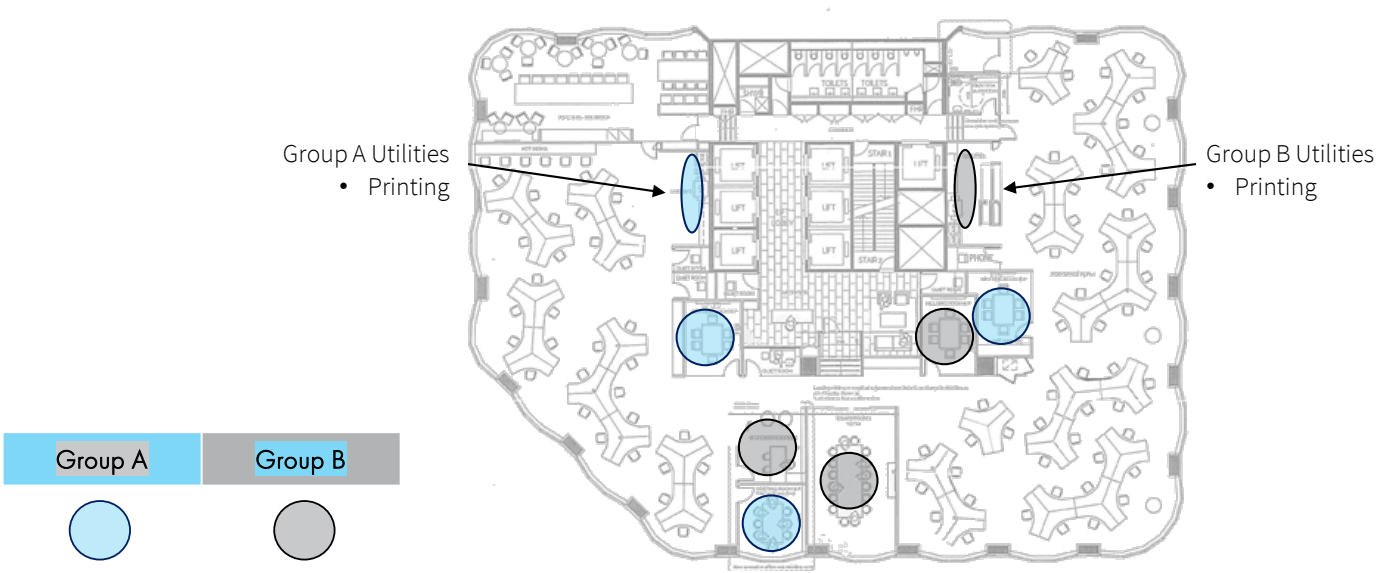
Safeguarding the health of our employees is paramount. Those employees that are returning into the office need to be reassured that it is safe to do so.

Depending on the set up of the workplace – for example customer-facing stores, offices, factories, warehouses, or at customers' homes – the degree of risk will vary greatly. Mitigating risk to workers as they return requires new policies, infrastructure and personal behavioral changes tailored to each type of work site.

This can be done by delineating safe areas to prevent contagion and reconfiguring teams to ensure there are no skills shortages.

Examples of how to do this in an office includes:

- Seperate your staff into different groups that come in different days/weeks and use different parts of the office.
- Printing and office supplies/equipment to be separated out to each group.
- Teams to only use meeting rooms allocated to their specific groups.
- Staff should maintain a clean desk and paper lite policy to reduce the volume of surface area unable to be cleaned and reduce contact with printers and other surface area's while in the office.
- Staff should conduct a full antibacterial wipe down of their workstation every morning and every evening.
- Staff should not use other staffs stationary or space. If required, then to clean prior to and after every use.
- Limit external 3rd party meeting or visitation.



2. INCREASED CLEANING AND PPE

You must implement a range of control measures to limit the spread of COVID-19, including good hygiene measures, PPE, physical distancing (keeping everyone at the workplace at least 1.5 metres physically apart), cleaning and disinfecting and providing workers with information and training.

It is essential to keep a clean workplace to prevent the spread of COVID 19 and there are a few simple solutions that can be implemented to keep everyone safe:

Hand sanitizer dispensers should be set up in locations easily accessible to staff and visitors. Foyers and reception areas are a must, especially if there are lifts, waiting areas and mail drop off points.

Your cleaning company should be engaged to carry out regular cleans of your workplace, while maintaining a constant supply of hand soap and sanitiser.

Perspex screens (also known as sneeze guards) can be considered at workplaces where workers are in close proximity to each other for long periods. For example, a Perspex screen could be considered where two workers work side by side or back to back for a shift.

The current Australian Government advice is that it is not necessary to install a screen between workers and the public (customers) as the interaction time between them is shorter. However, many businesses have chosen to protect workers by installing these screens including retail stores, pharmacies, and doctor's surgeries. You must consult with workers about installing Perspex screens and must provide appropriate training and instruction to workers who will use them if you decide to install them.

3. TRAVEL TO AND FROM WORK

Where possible remote working has become the new norm. While taking into account the need to bring people together and obviously different business requirements. In order to safeguard your workers remote working should still be encouraged and planned for.

For your staff who need to commute via public transit, encourage them to wear gloves to help avoid getting the virus on their hands, do not touch their eyes, nose, or mouth, and leave their phone in their pocket throughout your commute to avoid transferring germs onto its surface.

Can you staff ride a bike or car to work instead. Does your office space cater for parking for your employees and/or safe bike racks to reduce their reliance on public transportation?

Consider changing office working hours, allowing your staff to avoid rush hour commutes. And to take into account lift times for office workers returning to high rise buildings. We are waiting for Safe Work Australia to advise the best way to manage these scenarios.

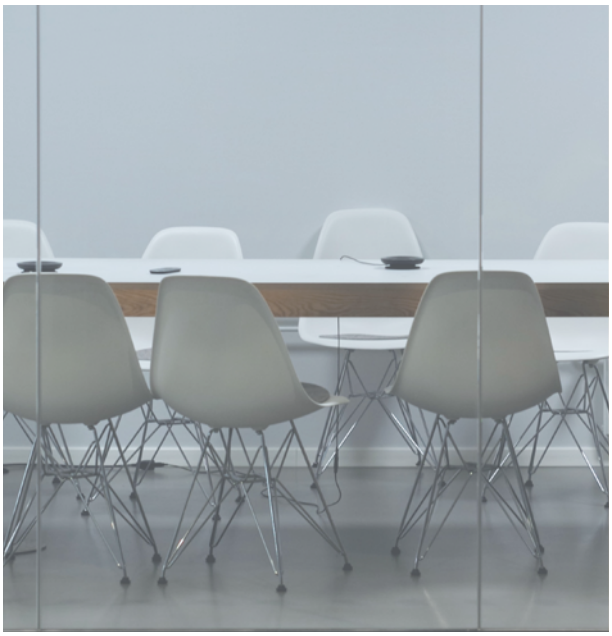
4. REMOTE WORKING SHIFTS

By altering working hours through shifts and daily rotations will also safeguard having too many employees in the office at any one time.

This will also reduce the risk of the whole organisation requiring full lockdown quarantine should an individual become infected while allowing maximum time for symptoms to appear whilst not in the workplace.

An option is to split your organisation into Group A teams and Group B teams. With a group working weekly or bi monthly remotely: 1-2 weeks in the office and 1-2 weeks working remotely from home.

By allocating teams into 2 specific groups and each group to work alternate fortnights from the office will de-densify the workstations and help staff to feel safe, healthy, and valued in their workplace.



5. MEETING ROOMS

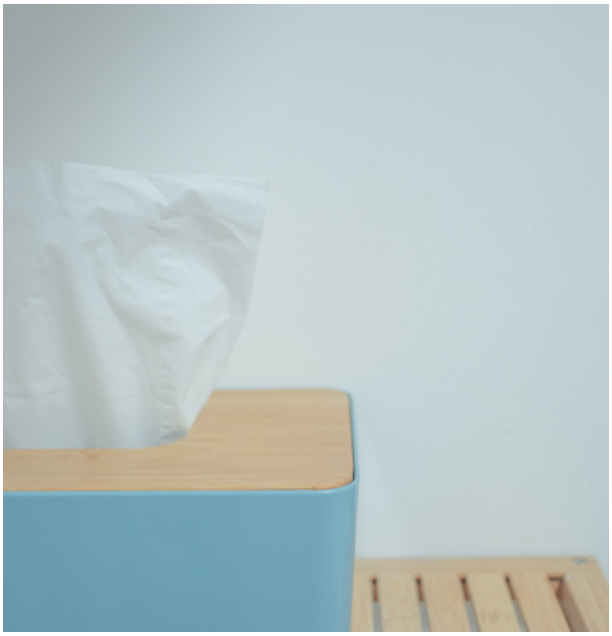
With the aim of keeping people 1.5 metres apart there needs to be a review of your meeting rooms.

All excess chairs from meeting rooms should be placed into storage to reduce the temptation to have too many people in a room.

Meeting room doors to remain open unless necessary.

For any meeting over 12-15 persons it should be considered that they are conducted via Video Conference.

Keep a digital record of all meetings, times, and participants in the event the data is needed.



6. WHAT IF SOMEONE HAS A COLD OR THE FLU?

Some of your staff may think that they have to work, or they will get into trouble. Or that they are too busy to get checked out and tested. The priority is to establish protocols.

Symptoms of COVID-19 can range from mild illness to pneumonia. Some people will recover easily, and others may get very sick very quickly. People with coronavirus may experience symptoms such as: fever and/or respiratory symptoms such as coughing, sore throat and/or shortness of breath.

Other symptoms can include runny nose, headache, muscle or joint pains, nausea, diarrhoea, vomiting, loss of sense of smell, altered sense of taste, loss of appetite and fatigue.

To stop the spread of COVID-19 people with even mild symptoms of respiratory infection are encouraged to get tested.

Companies must have policies around when to ask a staff member to get tested. Especially if they come into contact with staff, clients or customers as part of their role.

7. CULTURE

How do we build workplace culture in a workplace isolated by social distancing and fractured by video conferencing?

Simple actions to support your employees workplace culture:

- Create a round robin scenario to encourage staff to interact with different staff (members of their team and others).
- Introduce a buddy system across teams to encourage staff to reach out for help, collaborate, or simply unpack a situation or idea. Both face-to-face and virtually.
- Encourage teams to have a 'socially distant' sprint meeting each morning to discuss their activity, opportunities and challenges. Carry this on when working remotely by video conference.
- Appreciate each individual circumstances and preferred way of working. When people are working from home or in the office.
- Be more human in conversation and email.

Some employees are pining to get back to normalcy, might be screaming for specific processes to return. But what they say they want isn't always what they need.

For example "My sales people are saying they're really suffering from a lack of face-to-face meetings with their clients. But I think what's really going on is they are missing informal relationships. They just need to shoot the breeze for a while with people they like and respect."

Or a yearning for travel was actually a yearning for solitude. "Now I know why I go to Japan so often to visit our team! I need that nine-hour flight. It gets me away from the hourly disruptions and lets me focus on what really needs to get done. I use travel to escape the day-to-day and focus on the long-term."

Leading CEOs will listen and respond carefully when addressing desires to get back to pre-pandemic norms.

8. THE CONTACT FREE ECONOMY

In three areas in particular—digital commerce, telemedicine, and automation—the COVID-19 pandemic could prove to be a decisive turning point.

E-commerce was already meaningfully and visibly eating into the sales of brick-and-mortar stores. What the coronavirus has done is to accelerate a change in shopping habits that was already well established.

Greater automation was already occurring before COVID-19. In late 2017, the McKinsey Global Institute estimated that 60 percent of all jobs could see more than 30 percent of their key tasks automated, affecting 400 million to 800 million jobs around the world by 2030. According to the Brookings Institution, over the three recessions that have occurred over the past 30 years, the pace of automation increased during each.

In effect, it is becoming possible to imagine a world of business—from the factory floor to the individual consumer —in which human contact is minimized. But not eliminated: for many people, getting back to normal will include popping into stores again and many kinds of jobs are not automatable. But the trends are unmistakable—and probably irreversible.

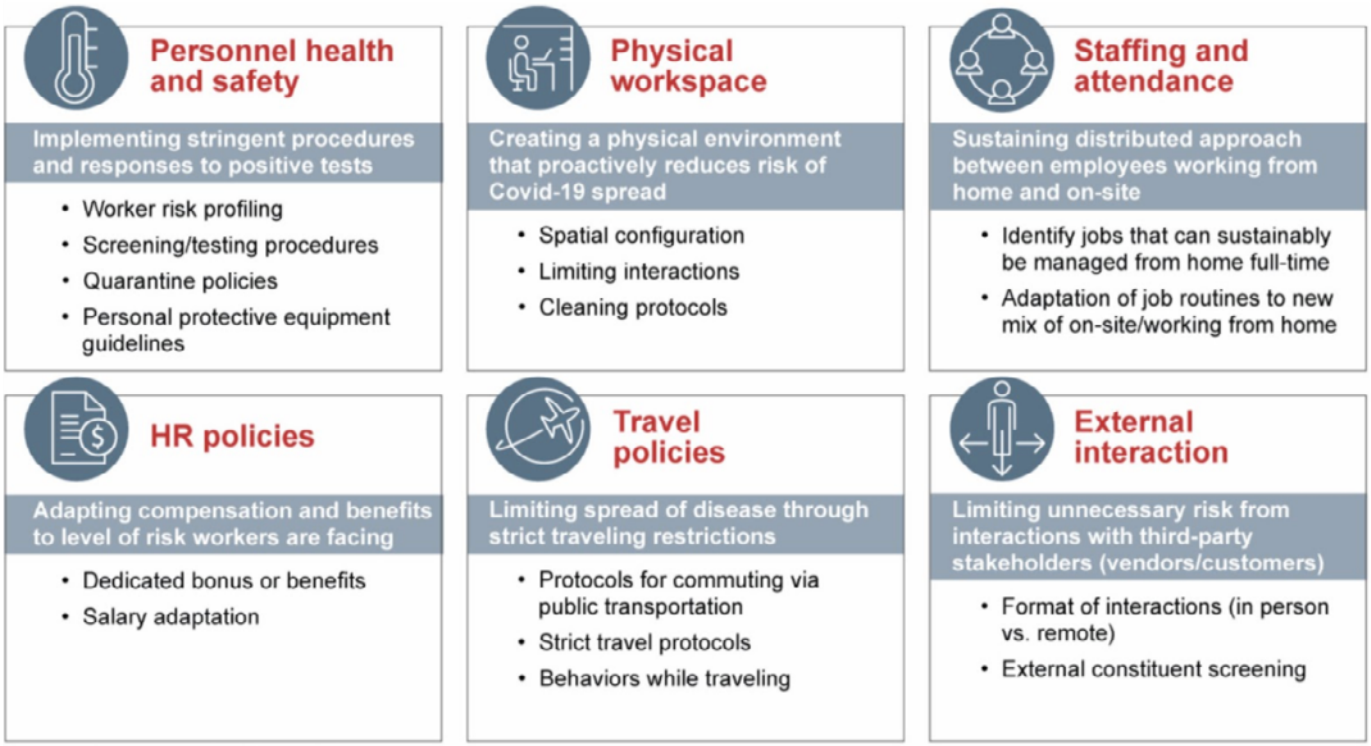
9. FLEXIBILITY AND INNOVATION

For businesses, the consequences have been profound. Many have learned how to operate remotely—at a high level and at far greater speed. These practices could well stick, making for better management and more flexible workforces.

Business leaders now have a better sense of what can, and cannot, be done outside their companies' traditional processes. Many are beginning to appreciate the speed with which their organizations can move once they change how they do things.

In short, the coronavirus is forcing both the pace and scale of workplace innovation. Indeed, as businesses are forced to do more with less, many are finding better, simpler, less expensive, and faster ways to operate.

In Summary: Mitigating risk to workers as they return requires new policies, infrastructure and personal behavioral changes tailored to work sites.



Sources: Company reports; Bain analysis

Office fit-out & design companies specialising in COVID-19 return-to-work (Members of Coraggio)

Andrew Scanlan, Director

Client Based Solutions believes 'space planning' starts with an in depth analysis of how office space is to be used. It defines the zones of the space and the activities that will take place in those zones. Each site is assessed separately and site specific COVID-19 plans are created.

E: andrew@clientbased.com.au
M: 0416 280 339
W: clientbased.com.au

Ben Lloyd, Director

Trinity Quality Interiors is a family business, established in 1995 with annual revenue of $30m. They are a principal building contractor specialising in commercial workplace and education projects valued between $500,000 and $5,000,000 in value.

E: benjamin.lloyd@tqi.com.au
M: 0419 128 886
W: trinityqualityinteriors.com.au

Daniel Smith, Director

Leaf Architecture has developed a significant portfolio of public and education projects completed over the past fifteen years. Passionate about education trends and a natural affinity to build relationships the team remain on the pulse of Teaching and Learning.

E: daniel.smith@leafarch.com.au
M: 0408 285 070
W: leafarch.com.au

Efim Elski, Managing Director

Grafton Projects are a family-run commercial interiors business with building in our blood and DNA. It's a rich family heritage, supported by both passion and academic knowledge, as evidenced by the construction and engineering degrees on the office walls of the senior team members.

E: efim.elski@graftonprojects.com.au
M: 0401 76 75 74
W: graftonprojects.com.au

Keith Sheppard, Managing Director

SOFC Projects specialises in providing design and construct, project management, maintenance and fitout and refurbishment services to the Corporate, Education, Medical and Hospitality Industries. Our mission is to create efficient, practical and cost effective solutions.

E: keith@sofc.com.au
M: 0450 040 945
W: sofc.com.au

Richard De Vries, Director

DCI Partnership are a group of highly experienced Commercial Interior Designers and Architects specialising in the Design, Documentation and Project Management of brilliant work-spaces. A multi-disciplined group who effectively cover projects in Australia, New Zealand and Asia.

E: Richard@dcipartnership.com
M: 0403 249 675
W: dcipartnership.com

References:
McKinsey & Company - https://www.mckinsey.com/au
Bain & COmpany - https://www.bain.com/
Koda Capital Investment Outlook - https://www.kodacapital.com/
Safe Work Australia - https://www.safeworkaustralia.gov.au/covid-19-information-workplaces/industry-information/office/duties-under-whs-laws
Safe Work Australia, COVID-19 Workplace Checklist - https://www.safeworkaustralia.gov.au/sites/default/files/2020-05/COVID-19_Workplace-Checklist.pdf
Client Based Solutions Accomodation Solutions - http://clientbased.com.au/

This communication may contain information or advice relating to grants, taxation and superannuation issues and does not constitute financial product advice. Coraggio is not required to hold an Australian Financial Services License to provide you with this information or advice. You should consider seeking advice from a licensed financial adviser and/or accountant before making any decision in relation to your business

CoraggioLeadershipCommunity @coraggioleaders /company/coraggio-pty-ltd

CORAGGIO®
YOUR ADVISORY BOARD

AUSTRALIAN HEAD OFFICE
Level 1, 24 Young Street, Neutral Bay NSW 2089

T 1300 899 006. **ABN** 27 130 780 488

Board Meetings held at:
Level 31, 1 Eagle Street, Brisbane QLD 4000
Level 14, 385 Bourke Street, Melbourne VIC 3000
Level 15, 1 Farrer Place, Sydney NSW 2000
Level 5, 1 Margaret Street, Sydney NSW 2000

CORAGGIO.COM.AU

BRISBANE | MELBOURNE | SYDNEY