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THE FUTURE OF OFFICES

AND WORKFLOW DESIGN AFTER THE 3RD WAVE



A Survey by

360 REALTORS
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Globally, the idea of office spaces can be broadly split into three parts. Office 1.0 which comprised a binary arrangement, wherein employees would either work at their workstations/cubicles or meeting rooms. This mode was popular during the 70s and 80s. With the advent of tech enterprises in the 90s, Office 2.0 emerged which incorporated more flexibility to operate. Traditional offices changed into open spaces where employees enjoyed more freedom of movement & instead of being stuck at their desks. During Office 2.0, working from sofas and bean bags started becoming popular. Then came the pandemic which probably changed the way offices functioned in ways that no one could have imagined. It ushered in a new era of remote working/ hybrid enterprises/ work from home or work from anywhere culture. When offices were first forced to shut down, there was a dilemma about whether they would be able to work efficiently. However, thanks to remote working & meeting tools such as Webex, Zoom, Google Meet, and MS Calendar, the transition was relatively smooth and hassle-free. The consecutive 2nd and 3rd wave has further reinforced the idea of

remote working and helped it gain further credibility. Meanwhile, in an emerging economy like India, it might still be far-fetched to believe in a completely 100% WFH-based system. Despite the successful implementation of such models, a remote working environment has its limitations. It can't recreate meaningful social interactions, curtails hands-on training, and falls short of the kind of collaborative social atmosphere offices are known for. Once the 3rd wave dissipates and cases become lower, the enterprise will soon plan its back-to-office programs. However, the offices of the future won't be like they were in the past. There will be a growing focus on collaborative design ideas and new workflow management mechanisms.



The concept of office spaces and workflow will continue to evolve with a strong focus on creating & sustaining the fine balance between safety, constructive collaboration, and overall work efficiency. Workspace designers will need to think to integrate forward-looking strategies that can maintain overall safety and security and at the same time enable collective productivity. Not just design features need to be changed, but the functional features should also be upgraded. Better ventilation, improved natural lighting, and enhanced HVAC mechanisms will be the need of the hour. In fact, we are going to see much more creativity in terms of spatial reorientation, layout optimization, and technology integration. To learn more about how the future of offices in India will evolve, we have surveyed 797 office goers

cutting across a diverse set of industries, seniority levels, and cities in India. The survey highlights some interesting trends on how the future of offices will look in India. The insightful data backed with an incisive analysis will offer valuable inputs to office planners, admin departments, leadership, architects, as well as normal office goers. Enjoy reading the research and feel free to share your valuable input.

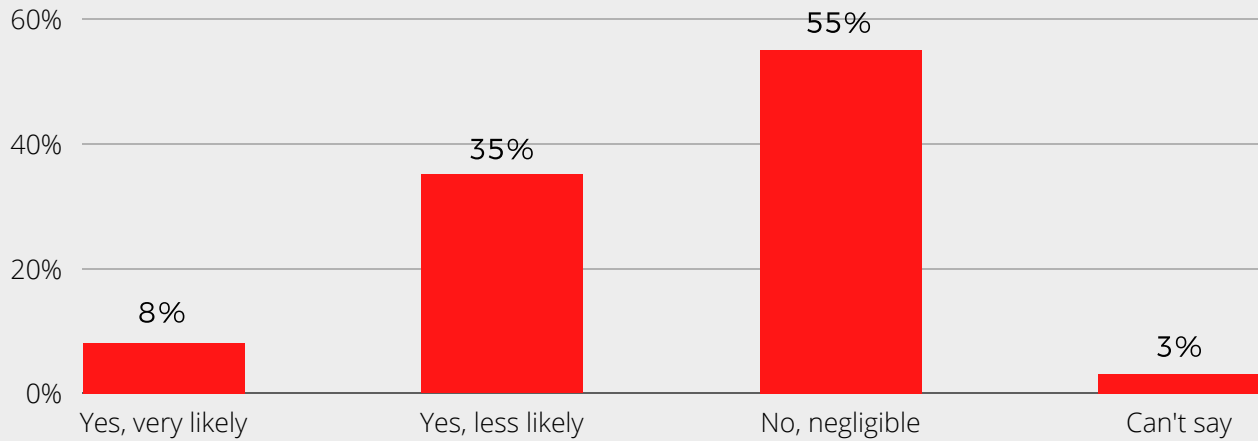


3RD WAVE, THE DILEMMA, AND THE REWRITING OF RULES

Towards the last quarter of the calendar year 2021, many enterprises started contemplating back-to-work initiatives. However, as cases spiralled and the 3rd wave set in, the plan has seemingly been delayed and there is some degree of contingency that is back. The spread of the virus has been rapid this time around, which created some alarming threats. However, the silver lining has been low death and hospitalization rates, which will eventually help in reaching normalization quicker. Organizations also have a playbook in place, probably based on the learnings from the last two waves and this will further help in a better coping strategy. Organizations, whether big or small, are

now avoiding any knee-jerk reaction or working through imaginary problems. Rather there is more focus on a framework-backed approach and companies will plan down to specific details for the next 6-9 months. The crisis has surely extended the back-to-office timelines, the initiative is surely in its place. Moreover, as the wave is waning, other activities are also resuming, which is a positive sign. In the national capital, the government has rolled back the weekend curfew. By the time the report was written, bars, restaurants, and multiplexes had also resumed operations. after the shutdown.

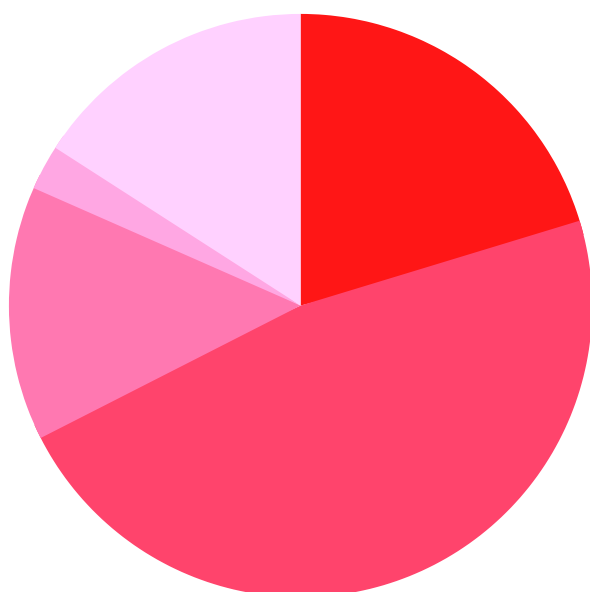
HOW OMICRON WILL IMPACT INDIAN ECONOMY



Source: 360 Realtors' Survey

The economic impact of Omicron will be relatively less and is mostly restricted to high-contact services such as gyms, clubs, restaurants & FnBs, event companies, etc. The sharp rise in cases in January led to an inevitable partial lockdown situation in the states of Delhi, UP, Maharashtra, etc. Offices, clubs, gyms, etc. were asked to operate at 50% capacity. Weekend curfews were also introduced. This has been a little debilitating to the sentiments of India Inc. which after a series of setbacks was looking forward to a healthy

economic outlook. However, the silver lining has been the cases were soon brought under control. Moreover, death rates and the rate of hospitalization have been low, which further gave a sigh of relief and helped in realizing quicker normalcy. By the time this report was compiled, partial curfews had been rolled back and growth momentum has now been restored. GOI has also projected GDP growth rates of 9.2% in FY 22, which further points towards an economic revival.



HOW OMICRON WILL IMPACT INDIAN ECONOMY



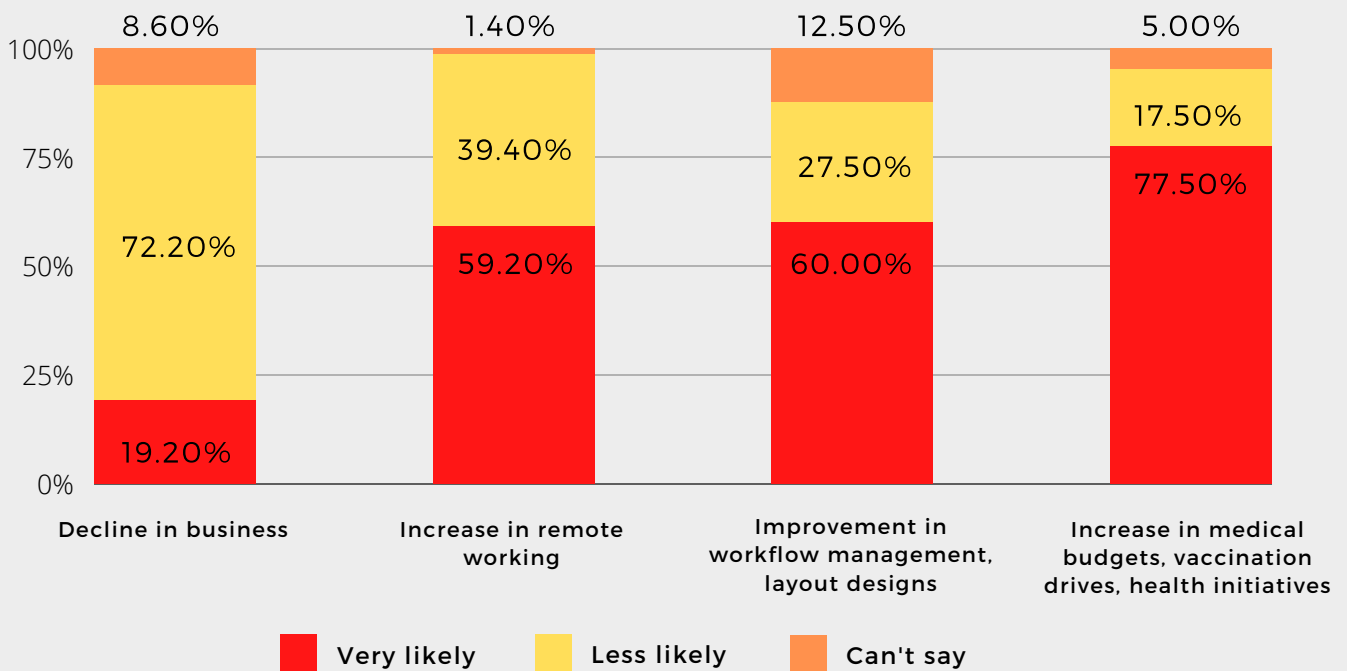
Source: 360 Realtors' Survey

BUSINESS IMPACT

The remote work culture further benefits in the wake of the 3rd wave, which manifested in the form of the Omicron variant. Though the impact of the wave has been milder, it will once again compel organizations and enterprises to think and reprioritize the idea of employee safety. In the USA, it has been stipulated that organizations have to ensure employees coming are fully vaccinated. Similar measures will be taken in India as well. Remote working culture will increase

further and many organizations thinking about back-to-work initiatives will delay it for some time. The concept of remote working is becoming popular worldwide and the new variant will further add to the idea of remote work benefits. Undoubtedly, remote working has added explicit benefits such as the option to shift to a relatively affordable city/village, the flexibility of working hours, and leaving more time to spend with family and dear ones.

IMPACT OF OMICRON ON OVERALL BUSINESS



Source: 360 Realtors' Survey

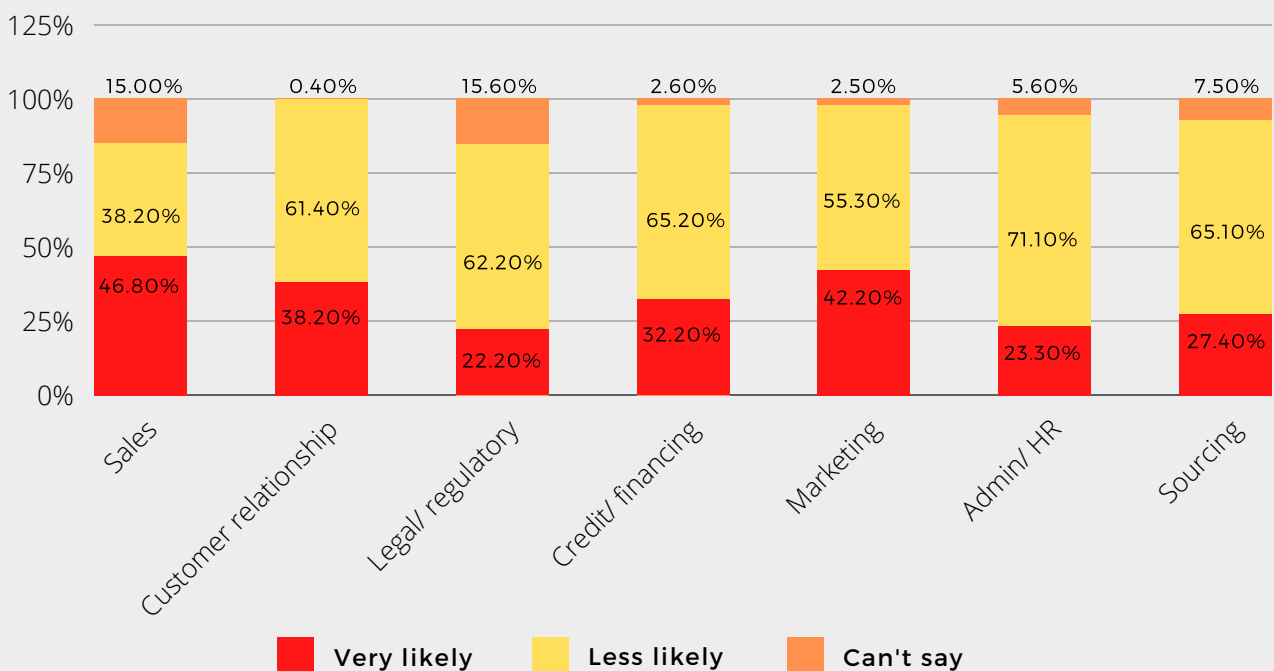


IMPACT ON INDIVIDUAL FUNCTIONS

The impact of the Omicron wave on the sales function will vary. The hotel, travel and hospitality business will be affected. Other high contact services such as F&B, gyms, clubs, events, etc. will feel the heat. IT & technology, BFSI, and professional services will go on as usual. There will be negligible impact on the essential retail, while retail sales of other categories such as pharma, wellness, etc, should improve. Likewise, credit and banking, which are correlated to the state of the economy will be largely unaffected. The banking sector has been affected in the 1st wave, as banks feared a structural rise in bad debts. However, this time banks are well prepared to cope with the crisis. Moreover, the loans moratorium window given by RBI in the past has also helped in greatly

placating any possible crisis and relieved both borrowers and financial institutions. The sourcing will also largely remain unaffected by the 3rd wave. Lockdowns in the past have weighed on the Indian logistic sectors, thereby adversely impacting sourcing activities. However, over the past 2 years, logistics have stepped up and are better equipped to systematically manage challenges. Meanwhile, the rapid surge in e-commerce and the introduction of new digital platforms with a key focus on better customer experience, last-mile delivery, and just-in-time supply have greatly improved the sourcing capabilities of India INC. In 2021, the GMV of e-commerce was sized at USD 46 billion and is set to reach USD 110 billion by 2026.

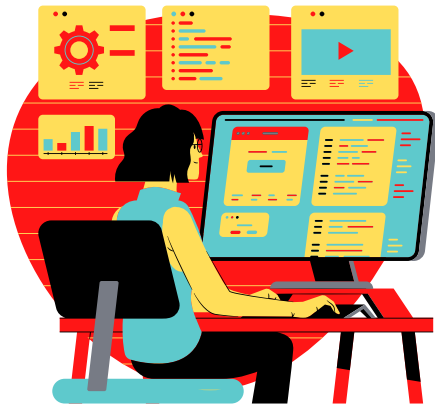
IMPACT OF OMICRON ON INDIVIDUAL FUNCTIONS



Source: 360 Realtors' Survey

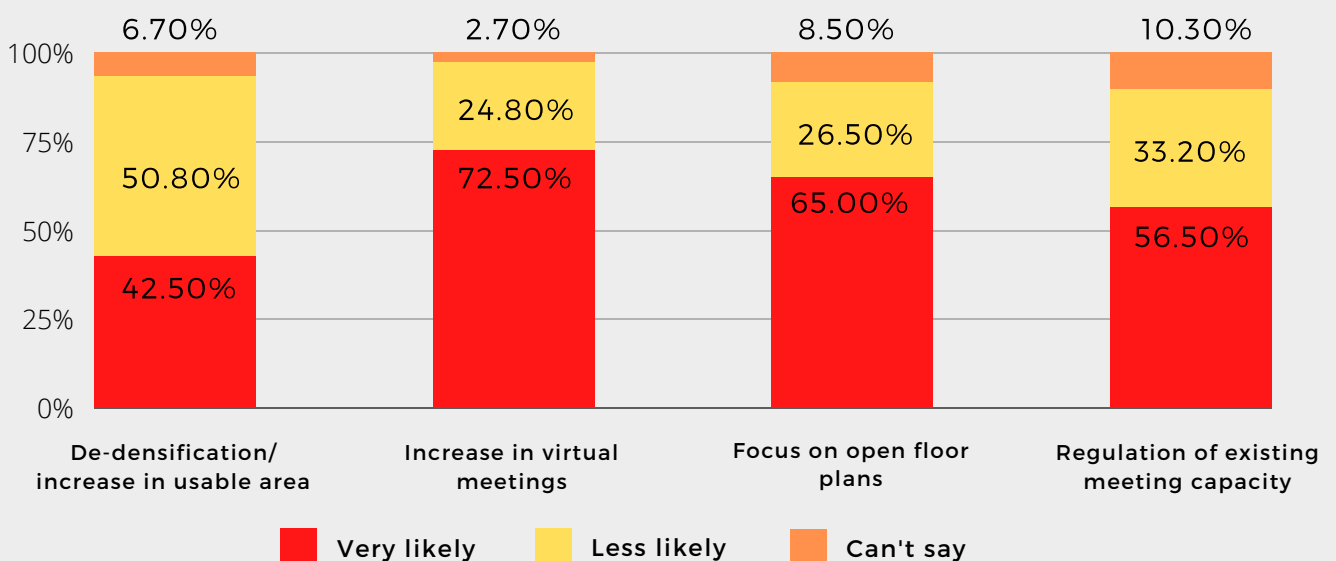
WORKFLOW MANAGEMENT AFTER THE 3RD WAVE

In the current backdrop, it is likely that businesses will increasingly take more precautions after the 3rd wave. The wave has further pushed virtual meetings and even shareholder and investor meets are conducted online, with the help of technology. Similarly, during in-person meetings, the numbers will be regulated to maintain social distancing and take care of employee safety.



Even, when offices are resuming many are adopting the hybrid model. Likewise, staggered workflow and shifts will be the norm, meaning increased space per employee. There will be a greater focus on the hotelization of the office, wherein it offers greater home-like comforts to the employees. Offices would not just be seen as a workstation but also spaces that nurture human productivity, foster better meaningful engagements, and take care of employee safety. In today's knowledge economy, the employee is the single most critical factor to ensure long-term growth and profitability. In this regard, the offices will have a larger role to play to attract, nurture, develop, and retain good talents. The future of offices will be more about high-end services. The added services won't always mean more luxury or comfort but will translate into better utility.

POSSIBLE CHANGES IN WORKFLOW MANAGEMENT AFTER 3RD WAVE



Source: 360 Realtors' Survey

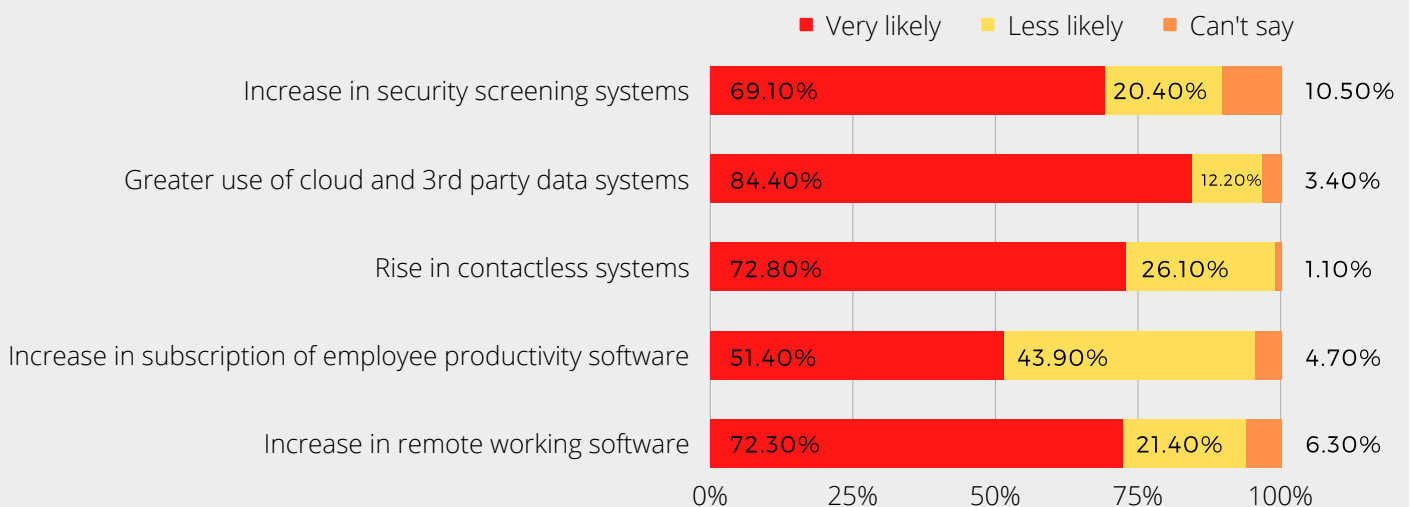
EVOLUTION IN TECHNOLOGIES

As highlighted earlier, the 3rd wave will further make remote working/ virtual office culture more mainstream. This will however also mean using technologies to systematically integrate the contribution of a geographically diversified remote workforce. Managing a distributed workforce has its challenges. No doubt, remote working promotes flexibility and freedom, but there is also ample scope for diversion and distraction, which necessitates the need for a remote working system and productivity mapping mechanism. In the future, the demand for remote software systems will increase and the focus would not be limited to hourly compliances and elementary productivity mapping. Such software will increasingly explore new dimensions such as real-time

mapping, control of cybercrimes, and granular insights on individual productivity. As once again the spotlight will be on employee health and safety, the demand for contactless systems will be on a rise. Organizations will focus more on Bluetooth-connected devices, mobile payments, digital wallets, etc.



EVOLUTION OF TECHNOLOGY AFTER OMICRON



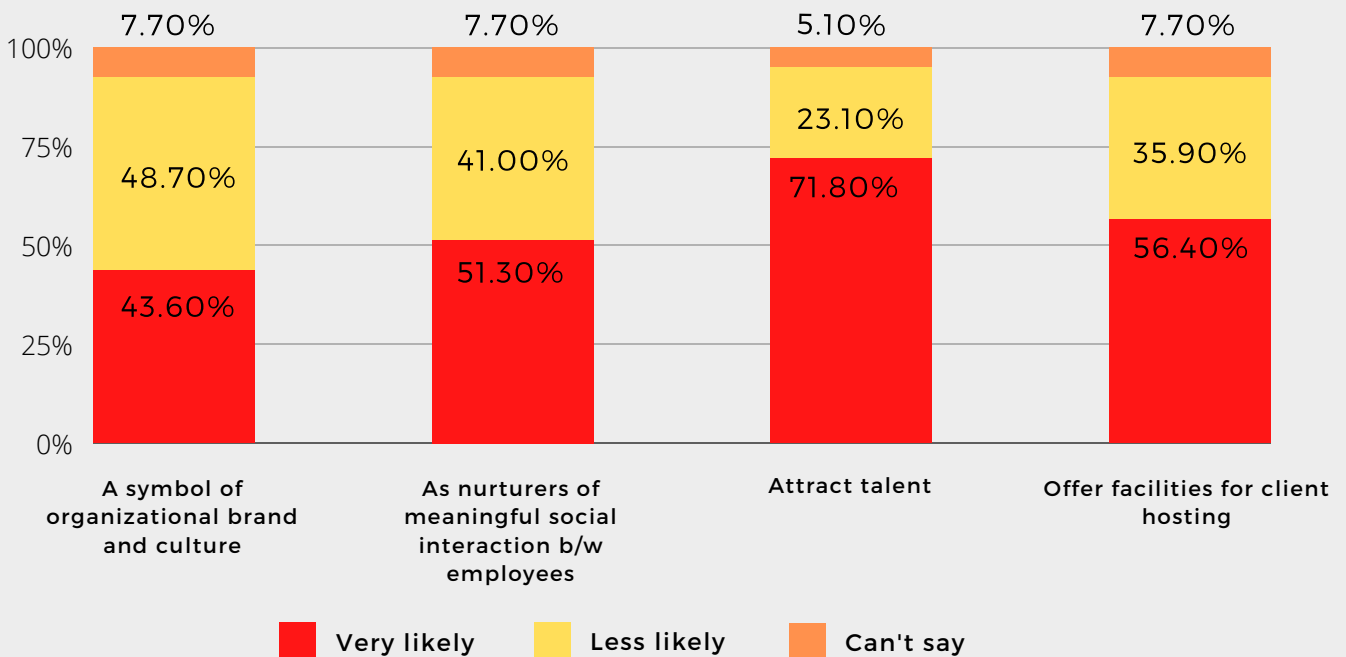
Source: 360 Realtors' Survey

THE EVOLVING DEFINITION OF OFFICE

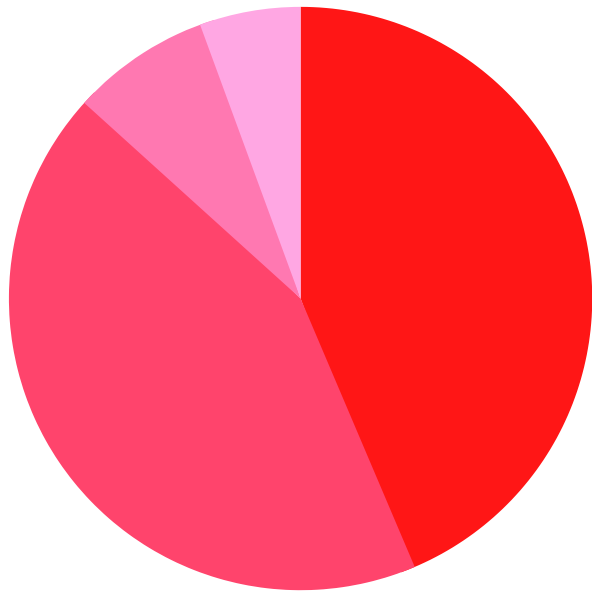
Though remote working will continue to climb, it will never completely outflank regular offices. No matter how trivial it might sound, the casual chitchats and serendipitous coffee machine conversations many times give rise to some breakthrough ideas. Offices are harbingers of growth and learning and the same can't be recreated in a WFH system. In fact, with around 2 years of WFH in many organizations, there is natural boredom now setting in and so is the tacit clamouring for the reopening of offices. Meanwhile, the definition of offices will also transform and it won't be the same as usual. The new office arrangement will be a mix of leased and owned spaces alongside flexible workstations, temporary workstations, co-working spaces, etc.

In the last 10 years, there has been a rush to get prime office spaces in the CBDs. The trend has surely reversed in the wake of the crisis, as now increasingly enterprises will move away from CBDs. Enterprises will also look to reduce the overall footprint by letting functions execute in a WFH manner, wherever it can be done effortlessly. Another important trend will be the gradual rise in co-working spaces. The popularity of co-working has risen sharply in the past two lockdowns and the uptrend will continue to unravel in the times to come. The low-cost shared resource model fits in very well in the current situation. Apart from freelancers, smaller enterprises, startups, MNCs and larger enterprises will also continue to gravitate towards shared spaces, at least for some of its functions.

THE CHANGE IN DEFINITION OF OFFICE



Source: 360 Realtors' Survey



RISE IN POPULARITY OF COWORKING SPACE AFTER OMICRON

- Yes, very likely - 43.60%
- Yes, but moderately - 43.10%
- No, negligible impact
- Can't say

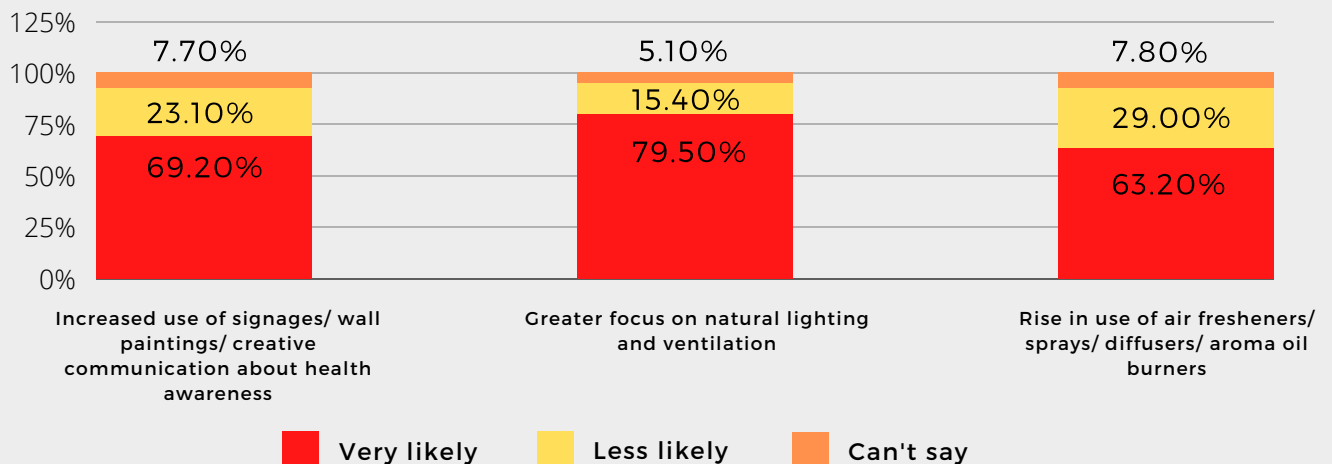
Source: 360 Realtors' Survey

CREATIVITY WILL TRICKLE IN

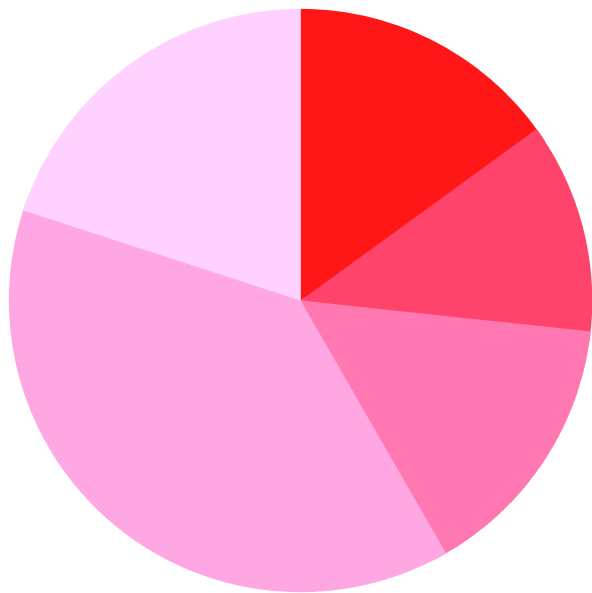
There will be an increase in creativity to integrate the workflow into the new normal. As mentioned above, the new design concepts would not just be limited to improving the air quality, deidentification, health screenings, etc. It will also involve heightened creativity such as the usage of creative designs to elucidate office goers about health and precautionary steps. Likewise, there will be a surge in usage of air freshening

products such as diffusers, scented sacks, and air fresheners, as they can provide the first line of defence against airborne diseases. In the new normal, the old ways will be challenged and a new approach will be integrated. Though IT & Technology will be at the forefront of the change; it will mostly be a collective effort with key functions such as professional layout design companies and contractors, and top leadership playing a crucial role.

OTHER CHANGES EXPECTED AFTER OMICRON



Source: 360 Realtors' Survey



THE CHANGE CHAMPIONS

- HR & Admin - 23.10%
- Property management company - 18%
- Top leadership - 23.10%
- IT & Technology - 59%
- Collective efforts/ cross functional synergy - 30.80%

Source: 360 Realtors' Survey

CREATIVITY WILL TRICKLE IN

In tandem with the global markets, the offices of the future in India will continue to evolve at a staggering pace. Though the popularity of WFH or remote working has risen sharply, it will never completely replace the office culture. To meet and be part of a social tribe is intrinsic human behaviour and the flexible WFH environment can't satiate it. Office spaces and physical workstations are associated with a certain degree of collaborative energy which helps in working together, generating better ideas, and solving complex problems. It is an integral part of the social economy in the new-age capitalist structure. In the absence of office spaces, the very meaning of a social-economic structure loses its steam. Without a real office, organizations will be nothing but loosely connected entities with geographically diversified employees

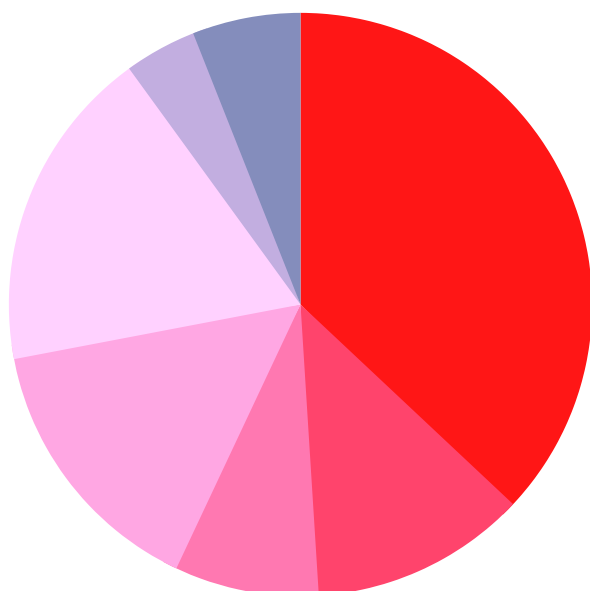
communicating with the help of technology. Therefore, tangible offices will continue to be there. However, the repetitive onslaughts of the virus are going to make a substantive change in how offices will be conceptualized, designed, and put in operation. The new offices will offer more personalization and hotelization with added features to the workforce. It will creatively channel the collaborative energy of the employees to achieve higher growth and simultaneously ensure employee safety. The time will see the emergence of mixed models, wherein organizations will rely on different asset types from owned spaces to leased units to co-working places. Since the entire workforce is not coming back to the office and WFH will persist to a certain degree, the new arrangement will also give enterprises ample opportunity to optimize their costs.

RESEARCH METHODOLOGY

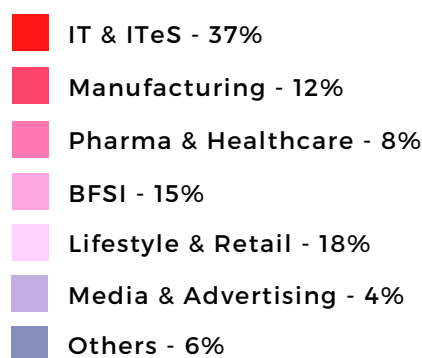


The research has been conducted with the help of 797 participants, spread across numerous Indian cities and markets. It is a primary research survey which has been conducted online. A questionnaire was prepared and mailed directly to respondents. Besides, we have aggressively used social media and Google Search ads to solicit more responses. The profile of the respondents primarily includes working professionals coming from senior leadership, mid-senior and mid-level profiles. They come from various industries such as IT/ ITeS, manufacturing, BFSI, lifestyle & retail, media & advertising. The research offers

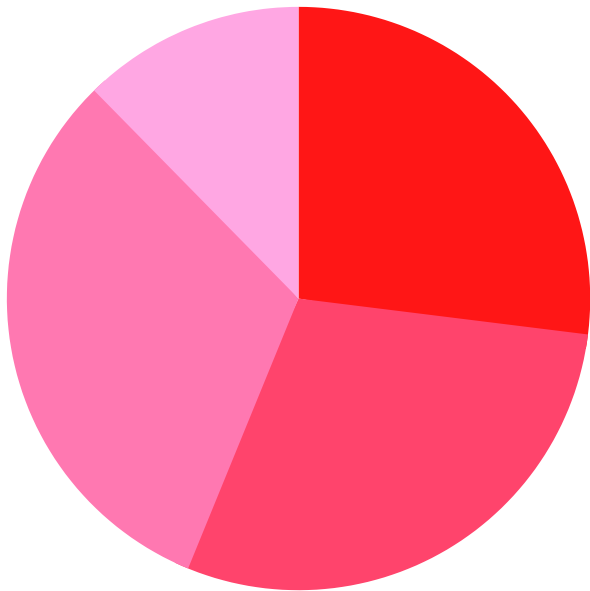
valuable insights in terms of how the future of office will evolve. It covers some of the critical aspects such as spatial design, workflow management, efficiency mapping, touchpoint optimization, etc. Mentioned below are the graphical representations of respondent profiles.



INDUSTRIES OF RESPONDENTS



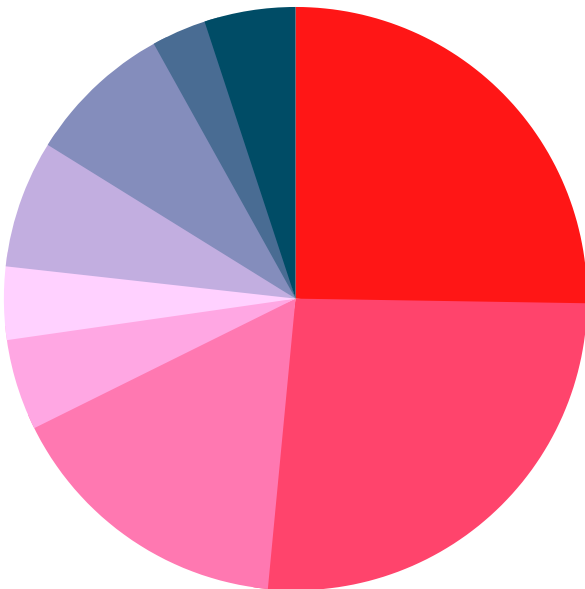
Source: 360 Realtors' Survey



LEVEL WISE PARTICIPANTS

- Leadership - 24%
- Mid-senior - 26%
- Mid - 28%
- Others - 11%

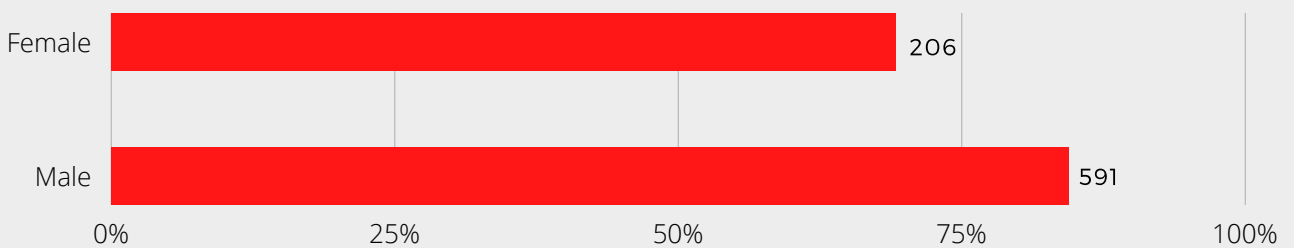
Source: 360 Realtors' Survey



CITYWISE BREAKDOWN OF RESPONDENTS

- Bangalore - 25%
- MMR - 26%
- Delhi NCR - 16%
- Hyderabad - 5%
- Kolkata - 4%
- Chennai - 7%
- Pune - 8%
- Chandigarh - 3%
- Others - 5%

GENDERWISE PROFILE OF RESPONDENTS



Source: 360 Realtors' Survey



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