
Which Way is Up? A Research Report on COVID-19 to Prepare Changemakers and Leaders

Critical Insights + Questions

April 21, 2020

Curvejumping

“We should ask ourselves not only how to overcome the immediate threat, but also what kind of world we will inhabit once the storm passes. Yes, the storm will pass, humankind will survive, most of us will still be alive — but we will inhabit a different world.”

Yuval Noah Harari
Financial Times
March 20, 2020

Introduction

For this research report, we conducted a series of 20 depth interviews with leaders in their field, across a spectrum of business sectors, policy experts, scientists, investors and entrepreneurs.

To protect their identities and offer them space to speak freely, we will not be publishing any names.

This report offers critical insight into the immense challenges and decisions facing leaders as we emerge into a world being actively reshaped by the COVID-19 pandemic.

Rather than recommendations, we've opted to end with a set of key questions that we believe are vital for preparing leaders, changemakers and anyone who wants to be ready for what comes next.

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01 Research Overview

Why this report? Why now?

While many countries and policymakers are still grappling with the initial shock waves set off by the COVID-19 pandemic, we believe there is much work to be done to prepare people for what comes next.

Let us be clear, we are not experts in medicine nor pandemics, and we do not profess to have a crystal ball for how the future will unfold.

What we do have, through our work as researchers and strategists, is a broad-based network of leaders in their fields who we count on for candid analysis, informed perspectives and a demonstrated ability to think outside the box and make decisions based on their own independent assessment of information.

Who is this report for?

While each of us is feeling the effects of the COVID-19 pandemic to one degree or another, we believe that **NOW** is a critical time to offer this report to leaders, changemakers and anyone seeking an informed perspective on:

1. The ways in which leaders are currently thinking about this pandemic and what will mean for their industries, organizations and communities over the next 18-36 months.
 2. How leaders are approaching key decisions with imperfect information and unclear direction about markets and societies in a post-COVID future.
 3. The big questions leaders are asking themselves and their communities so they're not just preparing for the future, but actively shaping it.
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Who did we interview?

Business leaders and experts in the following sectors:

- Telecommunications
- State and city government
- Blockchain finance
- Real estate investment
- eGaming
- Music & entertainment
- Cloud computing
- Machine learning
- Data science
- Media
- Venture investment
- Crisis communication
- National security
- Healthcare
- Pharmaceuticals
- Ride sharing
- Data security
- International affairs
- Offshore manufacturing
- Digital services

02 Key Insights

We're only at the beginning of a succession of shock waves that will play out over the next 36 months, fundamentally reshaping global economies and societies.

The initial wave of the COVID-19 pandemic was primarily **a shock to our underprepared healthcare and governance systems**. Leaders anticipate future waves will be:

- **Covid-19 related** - a second wave in the fall/winter and potential more until widespread testing, tracking, treatments and a vaccine are in place
 - **Economic** - a global recession that will continue to deepen until consumers get back to anything close to “normal” economic activity
 - **Social** - significant unemployment, increased dependency on food banks and public health systems, avoidance of mass transit and large gatherings and events that put people in close proximity to each other
 - **Political** - a referendum on the failure of governments to adequately prepare for and manage pandemics
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A stark shift in mindset is occurring as leaders consider how best to approach crossing the COVID-19 chasm.

In the near term, leaders have rapidly shifted from a future-oriented, growth mindset, to **a mindset grounded in resilience and risk mitigation**. Key aspects of this mindset shift are a recognition that:

- Considerations for employee and customer health and safety are paramount
 - Market volatility isn't going end anytime soon
 - Most employees are going to be working from home for the foreseeable future and work cultures need to adapt to this as a long-term outcome
 - Prevailing assumptions about customers, products and markets may no longer be valid
 - Big decisions regarding new products, investments and acquisitions have been put on hold until leaders have clarity on a recovery timeline
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The pandemic is a forcing function that's hyper-accelerating many trends that were already in motion.

The pace of change has caught many businesses off guard. Those that had a plan were forced to implement them overnight. Those without are scrambling to **shift entire business models in days rather than months or years**. Trends:

- Digital automation
 - Remote work
 - Cashless payments
 - eCommerce
 - eGaming & eSports
 - Live streaming events & coaching
 - Subscription services
 - Online learning
 - Telemedicine
 - Grocery & meal delivery
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The road to recovery will be long and uneven, and it will force businesses and societies to ask tough questions about what we want the future to look like.

Most leaders anticipate a recovery starting in June, however they stressed that **it will not be quick, and certain sectors may never fully recover.**

- Digital-oriented businesses, such as Instacart, Amazon and streaming media services will fare well if employee health can be adequately protected
 - Hotels and travel-related industries like airlines and cruises will need entirely new safety procedures in order to get back up and running
 - Large entertainment venues, such as theaters, stadiums and concert halls will have a hard time adapting to the new reality and many will fail
 - People working in service sectors like restaurants, hospitality and gig economy jobs will be especially hard hit and put pressure on public programs for food, shelter and healthcare, including mental health
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“New normal” will be not be the same for everyone, especially for older people, unemployed and low income people and those with underlying health concerns.

Factors such as **the digital divide and income inequality, along with debt and access to health insurance, will be exacerbated** in a post-COVID-19 reality. Leaders envision new normal as being:

- Some form of social distancing measures for at least 12-24 months, longer for older people and those with health issues
 - Extensive COVID-19 antibody testing and widespread surveillance
 - Much less travel, especially air and int'l travel for business and pleasure
 - Increased interest in outdoor recreation like camping, hiking and biking
 - A focus on home entertainment and small social gatherings
 - A normalization of working from home
 - Increased reliance on virtual communities and online gaming platforms
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Consumer demand will be significantly impacted overall, however items that enhance digital experiences and time spent at home and outdoors will likely see demand increase.

These include products such as:

- Digital home entertainment and gaming systems
 - Mobile devices and PCs
 - Smart home products
 - BBQs and outdoor furniture
 - Camping, hunting and fishing equipment
 - Bicycles and ebikes
 - Culinary and kitchen products
 - Tools
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Our concept of what we do at home is going to expand, both personally and professionally, and accelerate home-based trends and activities.

Even after stay-at-home orders have been relaxed, most leaders expect that we'll be spending a lot more time in our homes, and that **"home" will become far more central to our lives than it was before**. These include:

- Working from home
 - Telemedicine
 - Grocery and meal delivery
 - Home schooling and online education
 - Home entertainment
 - eGaming and eSports consumption
 - Home-based exercise
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We're having a collective moment of realization that everything and everyone on the planet are intertwined and interdependent.

Everything from business supply chains to family, travel, healthcare, education, entertainment, transportation, government, environment and food are **deeply interconnected**. This realization is only just sinking in for many people. Leaders are looking at this as an opportunity to:

- Forge new and deeper ties between nations, states, businesses and communities
 - Reframe the core purpose of their organizations
 - Respond to critical gaps in PPE by re-tooling manufacturing and donating supplies
 - Collaborate with traditional competitors for the greater good
 - Reinforce the idea that we're all in this together
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03 Insights by Sector

Education Sector

The education sector is seen as particularly vulnerable to disruption by leaders we interviewed, primarily because it has been so **slow to evolve with changes in society** over the last few decades. Insights include:

- The stigma around home schooling will largely disappear
 - Teachers and students have had to adapt to remote learning much faster than they were prepared for
 - Parents have been brought inside the “education bubble”
 - Remote learning doesn’t replace the need for good teachers
 - Universities and private schools are facing a major financial crisis if students can’t or opt not to return to school in the fall
 - Online learning increases the digital divide and puts underserved communities even further behind the curve
 - For students from underserved communities, schools provide a safe space and food security in addition to education
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Transportation Sector

Experts we interviewed in the transportation sector described **major challenges for two modes of transportation:** mass transit and ride sharing services. Insights include:

- Airlines, trains, subways and other forms of mass transit will need to develop entirely new processes for ensuring public safety, including cleaning procedures and surveillance, before ridership increases
- Publicly funded mass transit, which includes many municipal subway, light rail and bus systems, will face major funding deficits as tax revenue dries up along with ridership. This will especially impact low income service workers who rely heavily on public transportation
- Ride sharing services like Uber/Lyft/Lime have also been deeply impacted as ridership has dropped and effective cleaning procedures are still in development

Healthcare Sector

Looking beyond the immediate COVID-19 crisis, the healthcare sector is experiencing **a rapid transition to telemedicine** for all but the most critical cases. Insights include:

- A significant rise in stress related to COVID-19 is amplifying mental health issues
 - Telemedicine is giving doctors insight into the home lives of patients in ways they didn't have previously
 - Structural changes to our healthcare system are unlikely until there's a major change in our political system
 - Public and community based healthcare systems will see a large increase in users as unemployment rises
 - Employment-based healthcare is going to be re-evaluated
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Consumer Products Sector

Beyond toilet paper and grocery items, leaders we interviewed believe the consumer products sector will begin to rebound over the summer, however **consumer preferences will be significantly affected** by factors such as ongoing social distancing, reduced income and consumer confidence and a shift towards outdoor, home and family oriented experiences. Insights include:

- Durable goods will fare better than most, especially home appliances and consumer electronics
 - Sporting goods for outdoor activities like camping, hiking and biking will see moderate demand
 - Products such as RVs and 5th wheel trailers may see increased demand
 - Luxury good sales will likely fare relatively well, however consumers will be much more conscious of outward displays of wealth and status
 - Secondary marketplaces like eBay, Craigslist and Etsy may see increased activity
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The Arts and Entertainment Sector

Artists, musicians and the entertainment sector in general have been deeply affected by social distancing measures and the closure of virtually all art, music and theater venues. Likewise, production of creative content, from advertising to film and video has **temporarily ground to a halt**. Insights include:

- Musicians have transitioned to live streaming platforms, however most lack a cohesive plan for replacing lost income from touring and performing
 - Most large scale festivals and sporting events have been postponed until 2021 and only top acts are getting booked for anything
 - eGaming and eSports are seeing high growth in new users, new sponsors and gameplay time is way up
 - Film and video production is in limbo until travel and social distancing restrictions are loosened
 - Branded content is being reconceptualized so as not to seem tone deaf
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04 Key Questions

What do we want the future of society to look like?

This is the fundamental question on the minds of leaders around the world. The pandemic has created an opening for imagining a future that's not simply a straight line from where we've been.

On the one hand, it's going to take a massive collective effort on the part of nations, businesses, communities and citizens to rebuild society from the elements that remain intact and functioning once the crisis subsides.

On the other hand, as futurist Mark Bonchek observed, people tend to “look at the new through the lens of the old.” **There’s a strong temptation to simply want to get things back on track, and rather than asking ourselves what our vision is for the future, we reflexively set our sights on re-creating a new version of the past, warts and all.**

How do we shift our mindset so we don't end up rebuilding a new version of the past?

As we consider how we want the future to look, it's worth asking how we could think about it differently, so we don't simply default to recreating the past.

Right now, many leaders are in ‘triage mode’ making difficult trade-offs about what to keep and what to cut in order to retain as much of the pie as possible, without knowing how big the pie will be when the dust settles.

This kind of linear, zero sum thinking makes sense during a crisis, however objects in motion tend to stay in motion, and so without a plan for shifting mindsets, a linear trajectory toward a new version of the old is all but assured.

An alternative is a transformational, or exponential, mindset that accepts the uncertainty of the day while setting a more audacious vision for the future.

Shifting mindsets, continued.

The challenges of shifting to a transformational mindset are immense, not the least of which that it's often less gratifying in the short term than taking a more straight line approach. It also requires a leap of faith toward something new, versus holding onto the comforts of the familiar.

However, if our vision for the future of society looks different than the path we were on, the transformational mindset opens up the possibility that we might just be able to jump the curve to a new path.

It isn't easy, but the best leaders are giving themselves and their organizations permission to compartmentalize and do both, implementing a short-term crisis management process and a long-term, strategic planning process at the same time that positions them for growth in a post-pandemic world.

How do we depoliticize and rebuild trust in institutions?

Leading up to this pandemic, we saw a tremendous decline in trust in public institutions like Congress, governmental agencies, media, law enforcement and national intelligence. We have politicized many things that shouldn't be political - public health, science, research & development and more.

COVID-19 has laid bare the impacts of these trends as we struggle to mount a unified national response.

A renewed sense of purpose, grounded in American ingenuity, technological innovation and societal cooperation would go a long way toward unifying the country toward a common goal. This will require selecting leaders from across the political spectrum willing to hold themselves and our national institutions accountable to the public while appealing to the better angels of our nature.

How do we preserve individual privacy and freedom while also addressing public health issues like testing and contact tracing that will enable our economies to come back online?

Here is a clear-cut example where a linear, zero sum mindset will see this as an either-or scenario: either we have privacy or we have surveillance, but we have to decide which one to trade off against the other because it's not possible to have both.

Playing this mindset out beyond COVID-19 gets us into troubling territory. History shows us that large scale infrastructure projects, once built, are very difficult to dismantle. They're also convenient in case of the next pandemic, the next 9/11, and so on.

Achieving anything other than this kind of trade off will require a fundamentally different approach toward our future economy and society.

What can anyone do as an individual to affect something as big as the direction of society?

In his brilliant [1972 interview](#), inventor, designer and futurist R. Buckminster Fuller described his theory of the trimtab:

“Something hit me very hard once, thinking about what one little man could do. Think of the Queen Elizabeth — the whole ship goes by and then comes the rudder. And there’s a tiny thing at the edge of the rudder called a trimtab. It’s a miniature rudder. Just moving the little trimtab builds a low pressure that pulls the rudder around. Takes almost no effort at all. So I said that the little individual can be a trimtab. Society thinks it’s going right by you, that it’s left you altogether. But if you’re doing dynamic things mentally, the fact is that you can just put your foot out like that and the whole big ship of state is going to go. So I said, “Call me Trimtab.”

The real question is, who will be the trimtabs post COVID-19, if not us?

05 What now?

1. Join us on April 28th for a live discussion
2. Forward this report to anyone who needs to see it
3. Take initiative and act