

Building back better: the future of work, industry and society in the UK

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Introduction: A chance to build back better

“We have an opportunity to build back stronger and better, an opportunity to evolve and not just do things the way they used to be done, but to do things better.”

Jo Bertram, Managing Director, O2 Business

There's no going back from here. COVID-19 has had a transformative impact on UK organisations, with 91% saying it will change the way they do business forever. But while the upheavals have been tough for many of us, the pandemic does have silver linings.

91%

of UK organisations say COVID-19 will change the way they do business forever¹

It's forced us to examine what we truly value, and what we'd rather leave behind. It's given us a chance to build back stronger and better, to imagine new ways of living and working. And it's brought rifts and inequalities in society into sharp focus, renewing our determination to tackle them.

Our world will never be quite the same again. But what will the future actually look like?

Mapping the future of work, industry and society

This paper offers snapshots of possible futures in three areas: work, industry and society. It's based on research from O2 and others, and on discussions between industry leaders and subject matter experts at our virtual Blue Door Expo in October 2020. We'd like to thank everyone who contributed.

Dive deeper into the future

Get the latest ideas and insights from industry leaders in these three O2 perspective papers:



1. <https://savanta.com/view/only-six-in-ten-small-businesses-confident-they-will-survive-the-covid-19-crisis>

The future of work

The traditional office, the 9–5 and the commute all look set to become things of the past. During the first lockdown, employees showed that they could work just as productively from home – even if, for many, it involved gruelling schedules of work, childcare and home schooling.

Employers who thought that ‘working from home’ actually meant ‘shirking from home’ were proved wrong. Many were astounded at the ease with which their teams adjusted to remote working, and delighted to find that productivity levels improved and goals were met faster.



Working models will go hybrid

With everyone in agreement about the benefits of flexible and remote working, these models look set to become the norm, rather than special dispensations. But flexible and remote working won't necessarily mean working permanently from home, which was a lonely experience for many.

45%

of workers predict a permanent change to their company's approach to flexible working²

Instead, it's likely we'll see hybrid models, perhaps with people working remotely when they need to get their head down, but travelling to the office for important meetings, creative brainstorming or team-building activities.

30%

of Brits said working from home during lockdown was a lonely experience³



A dispersed workforce means more competition for talent

That kind of model could have a major impact on where people choose to live, with more taking the opportunity to move to the countryside or even overseas. It will also have an impact on workspace design and planning – with more office space designed for creative collaboration, and hub-and-spoke models with smaller head offices and an increasing number of regional offices.

63%

of workers said they'd be willing to live up to an hour away from the office⁴

A geographically distributed workforce means more competition for talent, as physical location becomes less important. Employers will need to work harder to attract and keep top talent – and as more Gen Zs join the workforce, smart technology, flexible working, creatively stimulating jobs and socially or environmentally meaningful work will be the hallmarks of a strong employer brand.

Technology will transform jobs and work

Across industries, advances in technology will transform the nature of work. We're already reaching the limits of what we can achieve with the digital workplace technologies we installed just a few years ago. Now, AI is set to work hand in hand with people, augmenting decision-making and accelerating the pace of work by automating routine tasks. Activities that used to happen in physical spaces – like training, inspections and maintenance – will be done virtually, using technologies like VR, AR, drones, video analytics and haptic tele-operation systems, all enabled by 5G. These technologies are also shaping new jobs, and the types of work we do today may look very different in future.

59%

of Gen Zs don't think their job will exist in the same form 20 years from now⁵

As always, organisations that embrace change will be the ones that succeed. The good news is that COVID-19 has shown us to be more capable of adapting at speed than we may ever have thought.

2. <https://news.o2.co.uk/press-release/a-flexible-future-brits-expected-to-call-time-on-office-life-after-lockdown/>
3. Ibid.
4. Ibid.
5. <https://www.linkedin.com/business/learning/blog/learning-and-development/gen-z-is-shaping-a-new-era-of-learning-heres-what-you-should-know>

The future of industry

When COVID-19 struck, a leisurely stroll towards digital transformation turned into a sprint. Plans for automation and digitalisation were accelerated by years, as companies sought to minimise physical contact and equip remote workers with the right tech to keep working and serving customers.

The resulting transformations are likely to remain permanent. Retail businesses that went online-only during the pandemic may never return to the high street. Manufacturing companies that accelerated their automation plans may never bring people back to the factory floor. Audit and inspection companies may never send humans back into hazardous spaces that can be explored by drones or robots.



A raft of new technologies will transform the way work is done

Jobs will naturally change as a result. We're already seeing forklift drivers operating their vehicles remotely, and quality inspectors analysing real-time video feeds rather than going onsite to watch operations directly. Companies that embrace innovation and change will be well placed to succeed.

The building blocks of this new world of industry will be ultra-fast 5G connectivity, AI, analytics, data by the petabyte, and vast amounts of processing power – which will increasingly be located at the network edge in addition to central cloud data centres. Keeping data secure, compliant and private in this environment will require new thinking around cybersecurity, assurance and customer trust.



Evolving concerns will drive changes in buyer behaviour

Just as industry is transforming, so are customer needs. People who started shopping online during the pandemic are likely to continue, with the highly uncertain economic outlook meaning essentials are taking priority over luxury items.

44% of customers feel that the pandemic will have a permanent impact on the way they shop⁶

Concern for the environment will continue to drive buying behaviour, with consumers and business buyers increasingly looking for clean, ethical products, and products that can be reused, recycled, refilled and repaired. Sustainability is such a critical driver that companies who address these needs will thrive, while those causing waste and pollution risk losing customers, employees and investors.

80% of CEOs believe the business world is not doing enough with its sustainability agenda⁷

Customer data will be even more valuable – and businesses must repay trust

The changing nature of the customer means businesses will have to work harder than ever to understand customer needs, desires and concerns. Creating personalised offers, experiences and digital journeys will be key to success, and will see businesses make ever more intelligent use of customer data.

With customers fast wising up to the financial value of their data, it will also mean demonstrating that customer data is being used in ethical, responsible and transparent ways – or risk undermining customer trust and loyalty.

Right now, most companies are focused on surviving the pandemic, rather than planning for the future. The good news is that the technology foundations they're putting in place to do that will also help them to rebuild for a more resilient and more sustainable future.



6. <https://news.o2.co.uk/press-release/covid-19-accelerates-demands-for-a-digitised-shopping-experience/>
7. <https://www.accenture.com/us-en/insights/strategy/ungcceostudy>

The future of society

When we talk about building back better, we're not talking about short-term fixes. The pandemic has created an opportunity to think about how we can drive sustainable change for future generations, addressing critical issues of climate change, social equality, and diversity and inclusion.



Remote working and new technologies will reduce CO₂ emissions

The shift to more remote work is one trend that could have a major beneficial impact on the environment. Research we've conducted with IC&CO and Cenex shows that up to 43 megatons of carbon could be removed from the economy as people become less reliant on transport, and as 5G-powered autonomous vehicles and more efficient systems make our transport system greener.

**43
megatons**

of carbon could be removed as people become less reliant on transport⁸

Meanwhile, in just four industry sectors – utilities, transport, manufacturing and healthcare – the application of 5G and connected solutions could remove up to 269 megatons of CO₂ by 2035. That's almost the equivalent of England's total emissions for 2018, which came in at 280 megatons.⁹

Technology should support initiatives that deliver societal benefits

As we rebuild post-COVID-19, there are huge opportunities to improve the lives, wellbeing and life chances of some of the most disadvantaged people in society.

We can ensure every child has equal access to the devices and connectivity they need to learn and develop. We can provide remote access to healthcare, and create assistive solutions that allow vulnerable people to live safe and fulfilling lives at home. We can design smart cities, towns and villages that benefit all of their residents and visitors.

Technology will play a vital role, but it must be built around people, not profits. Technology providers must redouble their efforts to listen to society and support its needs at a local, national and global level.

As AI makes more decisions, diversity and inclusion will be even more critical

Our efforts to 'build back better' must also tackle the endemic issues of diversity and exclusion. Our boards and leadership teams are still failing to represent the true make-up of society in terms of age, gender, ethnicity, sexual orientation, religion, socio-economic background and many other factors.

We already know that diverse teams make better, more thoughtful decisions. As more decision-making is done by AI, we have a grave responsibility to ensure we don't bake traditional biases and prejudices into algorithms that affect people's lives. Diversity and inclusion will continue to be key issues for HR, product development and marketing, but they will increasingly be tech issues as well.



8. <https://news.o2.co.uk/press-release/o2-reveals-vision-for-a-greener-connected-future-5g-to-play-key-role-in-building-a-greener-economy/>
9. Ibid.

Conclusion: A once in a lifetime opportunity

COVID-19 has given the UK a once in a lifetime opportunity to pause and rethink how we go forward from here. Many of the initiatives and technologies we put in place to cope with the pandemic can now serve as foundations for a better, cleaner, more equitable, more compassionate and more sustainable world. At O₂, we're more than ready to play our part in making that new world a reality.



Talk to us about your future journey

We're here to help your business build back better in any way we can.

If you'd like to discuss any of the ideas raised in this paper, we'd love to hear from you.

You can **contact** our team or call us on **0800 955 5590**

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