

# How to adapt now and for the future

By [Iain Parker](#) 3 June 2020

**Business are tackling urgent problems but they also need to think further ahead about long-term trends emerging from this crisis, says Alinea's Iain Parker**

Governments all over the world have been forced to make significant interventions in response to tackling coronavirus, and industry is adjusting to the human and business impacts of these interventions. Most companies are, understandably, putting their immediate energy into shorter-term issues (items under the microscope) and perhaps some are starting to speculate on longer-term matters (gazing through the telescope). Thinking about both together is somewhat daunting, although equally important.



## Under the microscope

Health, safety and wellbeing: looking after employees has to be first on the list, and after perhaps an initial period of confusion it is encouraging to see most businesses quickly get to grips with this issue. For office-based people this is somewhat easier than for site-based teams and workers, although most construction companies have now adjusted site set-ups to comply with legislation and guidance and are achieving some level of productivity. However, there is a

long way to go and the eventual effect on price and programme is a current hot topic for conversation.

Financial strength: all good functioning businesses are reliant upon being well-capitalised and a strong performing cashflow. Understandably, all industry organisations would have spent many hours reviewing financial positions and taking advantage of government support schemes, such as furloughing. Scrutinising business costs, collecting cash and bidding for new work would have all received much attention in the boardroom over the past few weeks, in addition to a thorough review of contractual liabilities. It is a real concern for the industry that many businesses will, sadly, fail over coming months and years which adds to the longer-term challenge of skills shortages and lack of competition and choice in an environment that desperately needs continued new players and fresh thinking.

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Working remotely: while many companies have enjoyed a level of remote working for some time, we have all now had to adapt to the whole workforce doing this together where there is no necessity to leave home. This has resulted in a new approach which has taken some adjustment and an immediate focus on IT systems, resilience and security. Clients have also sought reassurance that this arrangement is both possible and comes without a dip in productivity, both of which appear possible.

Communications: the ability to communicate well and maintain engagement and a positive business culture is an area that needs a heightened level of short-term attention. Sharing plans and showing transparency through clear and cohesive communication (internal and external) will greatly assist in building trust and showing that strong leadership which is needed more than ever at the moment. Clients will be looking for clear communication of business strategy from consultants and contractors as they try to work out who they want to be partnering with in a prolonged period of uncertainty, and the same applies the other way around.

Forecasts and pipeline: scenario-planning around where your business is likely to be in 12 months and 'right-sizing' for the future is a difficult contemplation. Reviewing order books and making predictions receives a lot of short-term attention, but it is generally done in a manner that assumes everything will, at some point, get back to 'normal' – but what will the future 'normal' actually look like? Time to bring out the telescope ...

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## Under the telescope

IT and security: the reliance on technology has never been more tested than in recent times, and consequently cyber security has also moved into the spotlight once again. Limitations on people movements and social distancing will cause companies to carefully consider future IT strategies and budgets, as issues such as business continuity, sudden changes in volume, real-time decision making and workforce productivity represent challenges. Longer-term resilience and applying lessons-learned will need to be taken into account to prepare for any future disruptions.

Supply chains: a topic in its own right, there is likely to be a considerable re-think around how best to make complex supply-chains more simple and reliant. We work in an industry where there are often situations from material source to installed component that contain so many processes and layers it is impossible to fathom, let alone be confident of delivery. Consideration may have to be given to finite and agile 'mini-operating models', with flexible supply contracts and manufacturing closer to the point of purchase: a 'buy where you make, and make where you sell' approach, which will also greatly assist in the embodied carbon challenge.

Skilled workers: in an industry where we already have a shortage of skilled workers, with those retiring and leaving construction at a faster rate than those being attracted to join it, the current situation is going to add an even greater pressure on retaining a skilled workforce capable of seeing the industry's longer-term health. Following the inevitable shrinking, contracting organisations will need to consider how this might look in five years' time and start to plan for alternative strategies. The current situation may be the catalyst for a proper embracing of modern methods of construction, placing a greater reliance on automation and technology.

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Data analytics: there is no doubt that the design and construction process creates, and relies upon, a huge amount of data. The same can be said for running businesses, with just about every organisation on the planet currently being tested around decision-making. The extent to which organisations embrace the future power of data will be interesting to see, as data has the

potential to improve productivity, reduce risk, reduce cost and enhance safety. Moving from data analytics to predictive analytics (models to predict the future) with the use of machine learning and artificial intelligence is an exciting opportunity to contemplate.

Sector opportunities: how will society work, live and play in the future, and how will this affect real estate? What will be the future areas of growth, and what should we start planning for now? Difficult questions to answer but spending time to think about them is at least a start. Re-purposing existing assets, distribution centres, life sciences and data centres all chime with current noises, but how the built environment and infrastructure evolve within cities is a fascinating topic.

There are many challenges that lay ahead but the industry will rise to the challenge, both in the short and longer term. We will emerge with a renewed focus on sustainability and resilience. Cities will need to serve more residents who work from home for some of the time, leading to investments in telecommunications and smart city initiatives.

In a period of prolonged uncertainty (don't forget Brexit) it remains difficult to see exactly how things will be different in the future. However, companies who emerge with solid finances, a resilient supply chain, skilled workers and the capacity to gather and analyse data that aid good-decisions, will be well-placed to lead the market.

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