

Economy Will Boom After This Pandemic. Will Your Company Boom, Too?



By Gary Bozza
CEO and
Managing Partner
WorldBridge Partners
Chicago NW

I was asked to write a sequel to the May *Graphics Journal* article called “Let’s Plan to Thrive, Not Just Survive,” which can be found at <https://tinyurl.com/yxtnlrvt>.

I felt it was best to research some pandemic history to learn from the past, which will give us some insight as we plan to boom in 2021.

Some Historical Pandemic Facts:

- Smallpox killed 500 million people in the world and is one of two infectious diseases that has been eradicated. The smallpox vaccine was invented in 1796, but smallpox was not eradicated worldwide until 1980 -almost two centuries later.
- The 1918 Spanish flu (H1N1) outbreak infected one-half-billion people (about 1/3 of the world population), killing 10 percent. Although a vaccine was never developed, the disease eventually dissipated.
- In the late 1940s, polio outbreaks in the US caused widespread panic and disabled more than 35,000 people annually. It wasn’t until a vaccine was introduced in the 1950s that the number of cases finally started to fall. The CDC reports that no cases of polio have originated in the US since 1979, but it is yet to be eradicated worldwide.
- When this article was written in mid-November 2020, COVID-19 had infected more than 57 million cases worldwide with nearly 1.4 million deaths, including almost 12 million cases and 255,000 deaths in the United States. The US Center for Disease Control’s national forecast was predicting up to 1.7 million new cases would likely be reported between mid-November and early December. By the time you read this article, we will know if that forecast was on target or if we are experiencing a larger number because of social distancing fatigue over the Thanksgiving holiday.

So, What Do We Surmise from These Facts?

Scientists say this virus will not slow down until an effective vaccine has been deployed to enough people, and they project the earliest the pandemic could end is third or fourth quarter 2021. In the meantime, we need to listen to the medical staff and be safe by practicing social distancing, washing our hands and wearing face masks while embracing the “new normal.” While vaccines are underway, based upon history eradication of the disease may take some time.

Meanwhile, we all need to run a business and earn a living.... a careful balance between personal health and economic health.

Trends That Will Impact 2021 Business Planning:

1. Economic Facts

- Once the FDA approves a vaccine and Congress passes an additional stimulus package, the money that people have saved and profits businesses have stored will trigger consumer spending and accelerated business investments. These will positively impact GDP, which grew at a record-breaking 33.1 percent third quarter.
- The stock market (DJIA), which peaked on February 12 at 29,400, dropped to an all-time 2020 low of 18,500 in March. However, recovery has been steady and on November 24 the market soared passed 30,000 for the first time, a miraculous recovery prior to a vaccine!
- With a Joe Biden win and announcements that trial vaccines are reporting high success rates, consumer confidence is rising.
- Unemployment dropped to a 50-year low of 5,787,000 or 3.5 percent in February, then spiked to more than 23,000,000 unemployed or 14.7 percent in April. Since then, by October 30, it dropped swiftly to 11,100,000 or 6.9 percent.
- With below 3 percent mortgage rates, a near historic record low, the housing market is booming. Many remote workers are leaving the city to the suburbs for greater value, more space and a safer neighborhood.
- By October 30 with 64 percent of the S&P 500 companies reporting earnings, 85 percent have performed above Wall Street estimates.
- Morgan Housel, behavior finance expert, told CNBC the U.S. economy may be primed for a COVID-19 2021 recovery that is most akin to the post WWII boom.

2. Business Travel

- Business travel will be scrutinized and significantly reduced with the popularity of telecommunicating. Experts predict that business trips of the past will be changed forever.
- Furthermore, social distancing and size restrictions will have a huge impact on trade shows, conferences and conventions.



- With customer face-to-face frequency reduced, companies need to rethink their sales process strategy.

3. Office Space

- In large offices and headquarter locations, desks will be spread out and hand sanitizer cleaning stations will be standard. Unassigned seating will be a thing of the past because employees want to be safe and secure in their own private desk, office or workspace.
- Decentralized regional hubs will be popular with companies that traditionally want most employees to work out of a headquarters.
- Headquarters may not be eliminated, because having a physical location still makes sense and can help attract new customers and employees. They will shrink in size and put downward pressure on office space leases.

4. Job Market

- Many jobs have been severely impacted, and as many as 15 percent may be permanently eliminated in these industries: airlines, theaters, gyms, tourism, and retail “brick and mortar” stores. Nearly one in six restaurants have closed permanently or long term in 2020, with more closures expected in 2021.
- Industries that are thriving include grocery, food producers and essential retailers (pet supply stores, veterinary clinics, hardware stores, gas stations and truck stops), medical and healthcare, cleaning services, laundry and waste disposal, auto and auto repair, IT services, packaging, warehouse and logistics, and financial services. If these verticals are not yours, they should be.
- Demand for good managers will remain high because you cannot maximize your workforce without good leaders.

5. Diversity in the Workplace

- Companies feel an obligation to create a more diverse workforce by hiring more women and minorities at more equal wages.
- According to a survey of 1000 parents with children younger than the age of 15, 73 percent say the lack of child care will cause them to make major changes to their professional lives. About 15 percent may leave the workforce altogether. Long-term flexibility in hours will allow more parents, especially women, to balance home and work life.

6. Remote Workers

- Remote workers are more productive than expected and are here to stay. Working remotely can save employers up to \$10,000 per employee, according to Global Workplace Analysis, a research-based consulting firm.

- For most businesses employees can productively work remotely, assuming they have updated technology. For companies that embrace a remote workforce, this opens the market for the best talent in the US vs. in just the cities of their physical offices.

- In October, 21.2 percent of employed people are still working remotely, down from 22.7 percent in September but still up substantially from pre-COVID-19 standards of 4 percent.

7. Technology

- Acceleration of video conference for large-scale meetings and one-to-one discussions will continue to gravitate to Microsoft Teams, Zoom or Skype.
- 5G technology is approaching 200 million global subscribers.
- The digital adoption for purchasing has accelerated by 3-5 years because of COVID-19.

In summary, the pandemic has accelerated our strong economy in many ways:

- E-commerce business is up 58 percent
- Ordering by phone is up 42 percent
- Per the recent PRINTING United Alliance Print Business Indicators Research Report, 78 percent of firms reported that they have pivoted to creating COVID-related PPE products during the pandemic. These revenues accounted for less than 10 percent for most respondents, but others have been anchored by these sales since March.
- Customization and new technology have “pulled the future forward” with more robots and equipment replacing people.
- Growth companies are accelerating their digital transformation to meet their customers' new habits and demands.
- Michael Dell, CEO of Dell Concepts, stated “what companies might have done in 2-3 years, they’re doing now in 2-3 months.”

With the election behind us, the stock market recovery to record levels, and vaccines close to approval, the economy is positioned to boom in 2021. Will your company boom too? What actions are you taking to assure your firm is positioned to thrive in 2021?

Gary Bozza, CEO & Managing Partner of WorldBridge Partners Chicago NW, has been winning industry awards and recognitions in talent acquisition for the last 24 years, following a highly successful 18-year career as Vice President of National Accounts and Director of Midwest Sales primarily at MOORE (now RR Donnelley). Gary is a Certified Value Builder Coach, and can be contacted at (847) 550-1300, garyb@worldbridgepartners.com.