

How The Future of Work Will Impact Business Travel



With the rise in remote working, the motivations to travel for business are set to radically change. Distributed teams will need to come together for in-person connections to build relationships, innovate and maintain

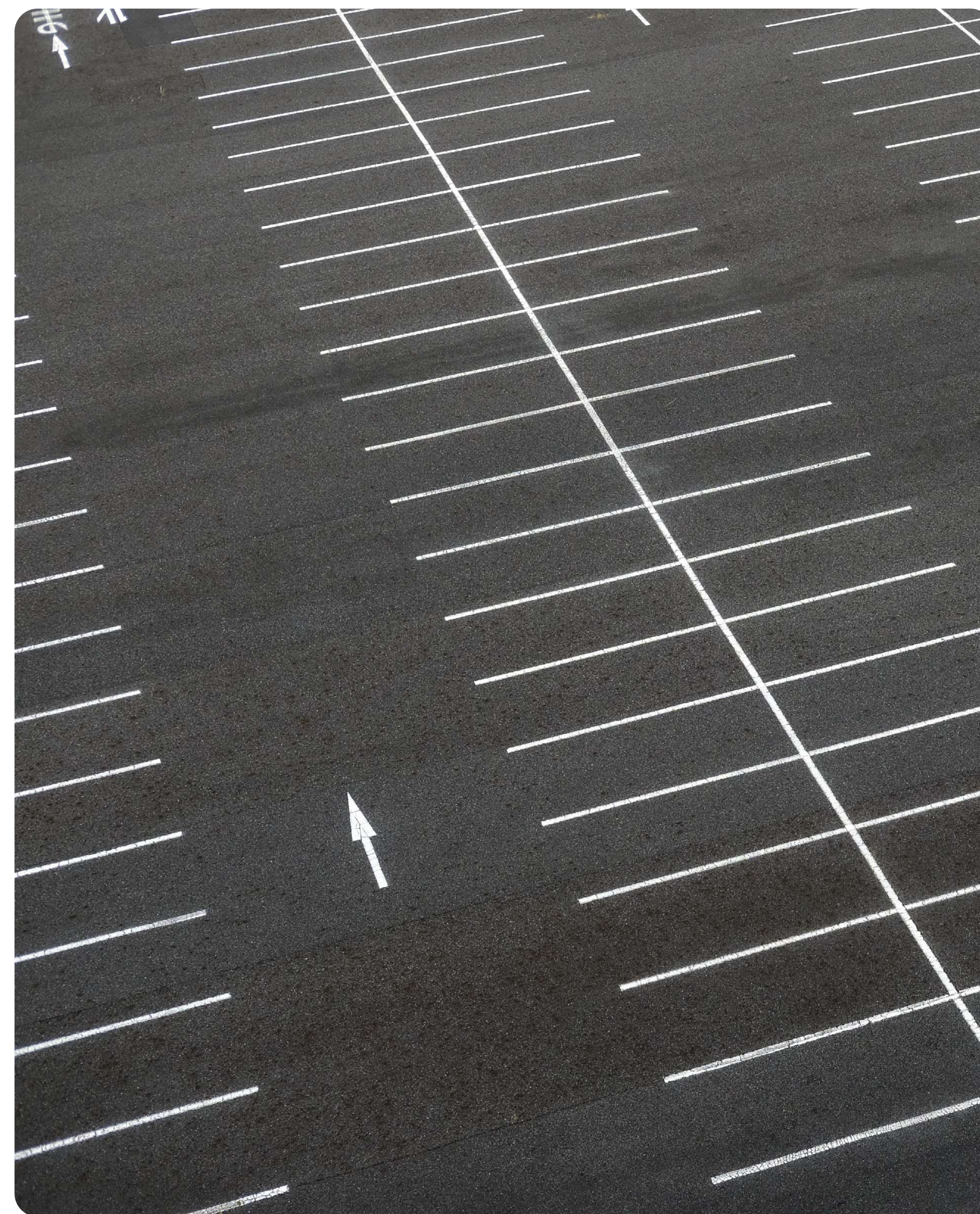
How we work has changed, forever

Many commentators have highlighted how the pandemic has acted as an accelerant for changes that have been bubbling under in our work lives for years. Remote working, aka **#WFH**, is a case in point. It's been gathering pace as a new way of working in certain industries pre-pandemic, but it took the devastating tsunami of Covid for it to become the new way we work now.

Four years ago, a news item on BBC featuring Dr Robert Kellie talking pompously about North Korea on a video link went viral when Kellie's young children staged a spontaneous invasion of his office at precisely the wrong time.

Since March 2020, such interruptions have been an hourly occurrence on Zoom and Teams calls, as we all tried to take care of important company business from the dubious privacy of our kitchen tables, or the relative seclusion of the edge of our beds.

How we work has dramatically forever, the traditional 9-5 work week is now considered an antiquated relic from the past.





"When you limit hiring to people who live in a small number of big cities, or who are willing to move there, that cuts out a lot of people who live in different communities, have different backgrounds, have different perspectives,"

Mark Zuckerberg
CEO, Facebook



The future of work

According to Global Workplace Analytics, just 3.6% of the US workforce worked from home in 2018. Now, "Our best estimate is that 25-30% of the workforce will be working-from-home multiple days a week by the end of 2021."

A recent **Microsoft** "2021 Work Trend Index" outlined findings from a study of more than 30,000 people and an analysis of trillions of productivity and work signals across Microsoft 365 and LinkedIn.

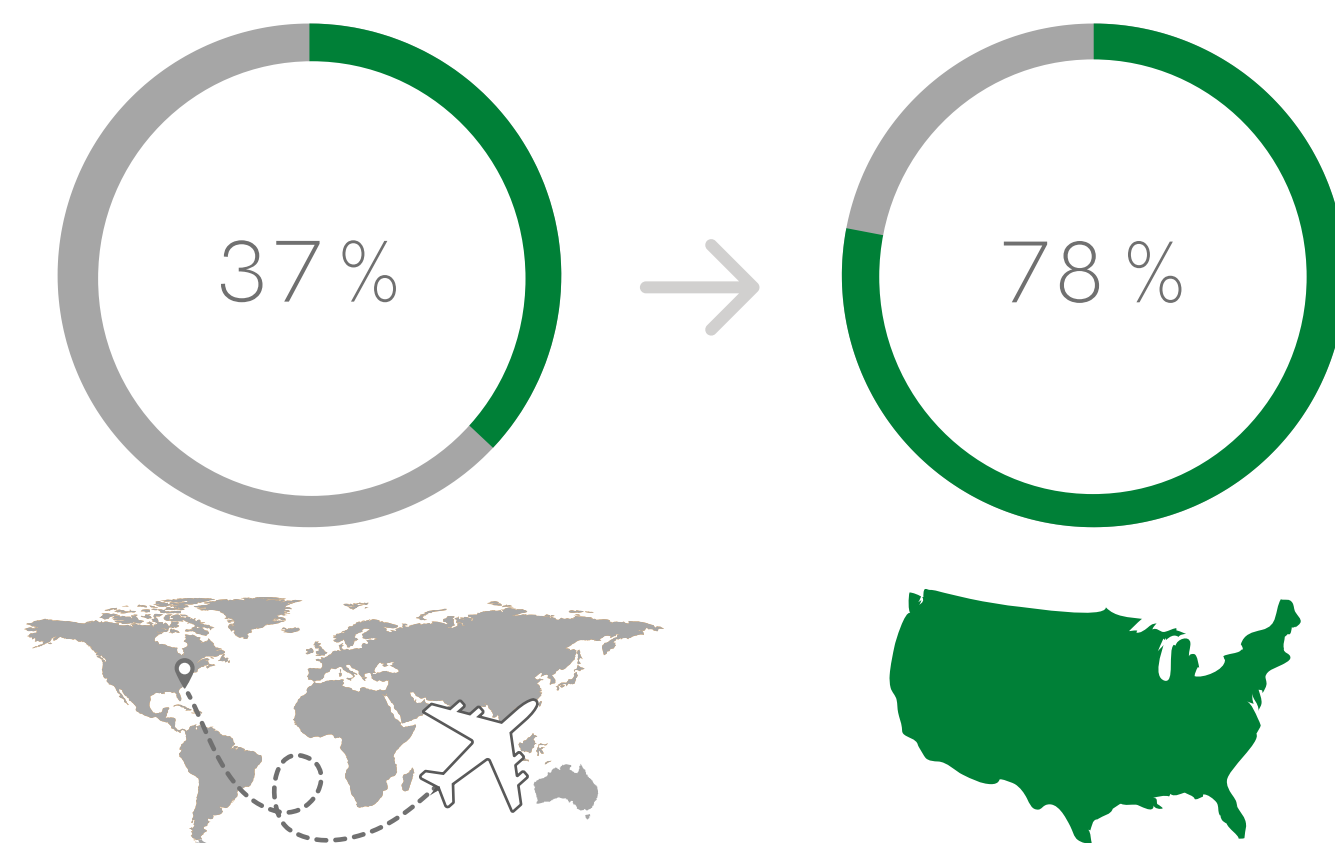
According to their data, over **70% of employees** want flexible remote work options to continue, while 66% of business decision makers are considering redesigning where teams work and physical workspaces. Employees want the freedom to work from home but also want to connect in-person and have the best of both worlds.

A recent WSJ article highlighted that remote work is becoming the new signing bonus. Creating the right work life balance is now a key requirement to attract and retain talent.

The Future of Work is still evolving, however, it's clear flexibility and hybrid work is here to stay and will play a key role in the post-pandemic workplace.

How will this impact business travel?

International v Regional



1. Shift to smaller regional meetings

Pre-Covid companies vaunted volume, scale, size by staging massive international in-person gatherings of 5,000, 10,000, 20,000 attendees. The more, the merrier. The bigger, the better.

As Covid restrictions gradually ease in Asia, Europe and North America, small and simple meetings held locally or nationally are **expected** to be the most common type of meeting held in 2021 and 2022.

"In-person events have already started to resume. Not surprisingly, health and safety are the primary considerations when planning in-person meetings and events. Initial face-to-face meetings are expected to be small, regionally focused, and in a hybrid format." Gerardo Tejado, **AMEX GBT**, Senior Vice President, Global Value Development and General Manager, Meetings & Events.

"We have seen a significant shift in booking behaviour away from international to regional meetings which now account for 78% of our bookings. The average number of attendees has also dropped from 83 to 18 attendees with 41% of meetings including virtual technology facilitating hybrid participation" Commented Ciaran Delaney, Hubli CEO & Founder.

2. Off-sites on the rise

We have worked from home with no contact with colleagues or clients for nearly two years. The **Microsoft 2021 Work Trend Index** revealed what most of us already feel, we need in-person connections. Over **65 percent** of employees are "craving more in-person time with their teams".

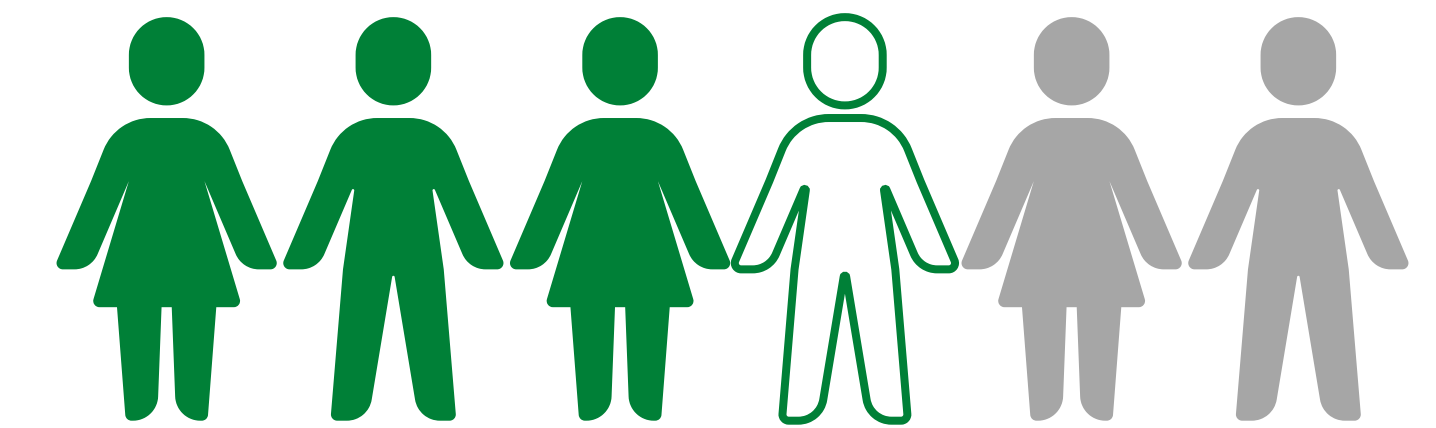
Team and client off-sites will play a vital role in company performance in terms of productivity, innovation and maintaining culture and relationships.

As Nina Herold, Chief Product and Operations Officer at **Trip-Actions**, speaking at the SKIFT Business Travel and Future of Work Summit 2021 said: "A third element of business travel is geared towards getting a distributed workforce together on a more regular cadence. The pandemic has proven that human connection is really important."

Many of these off-sites won't take place in the office. The goal will be to find a unique setting to bring a social and bonding aspect which is lacking from virtual solutions.

65% of Employees

Seeking more in-person connections with their colleagues



McKinsey Global Institute

"72 percent of executives report that their companies have started to adopt permanent remote-working arrangements for a subset of their employees. Nearly 40 percent of the workforce in the United States has the potential to work from anywhere."

McKinsey Research
McKinsey & Company



3. Workspace demand emerging

According to Jeff Revoy, Chief Operations Officer at SpacelQ, more than 5.1 million people in the US will have a coworking membership by 2022, the number of coworking facilities will reach **36,000** by 2025 (from 18,000 in 2019).

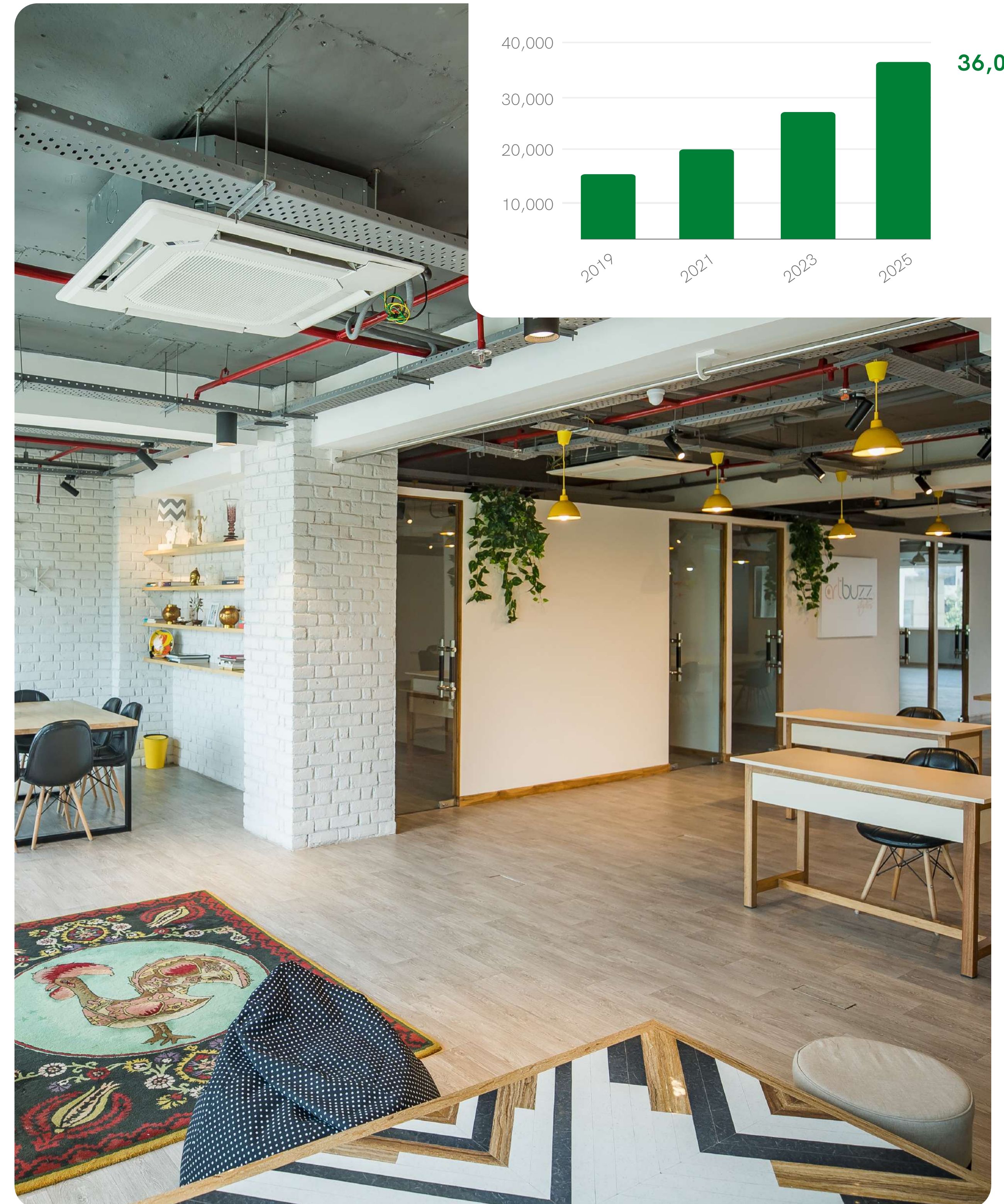
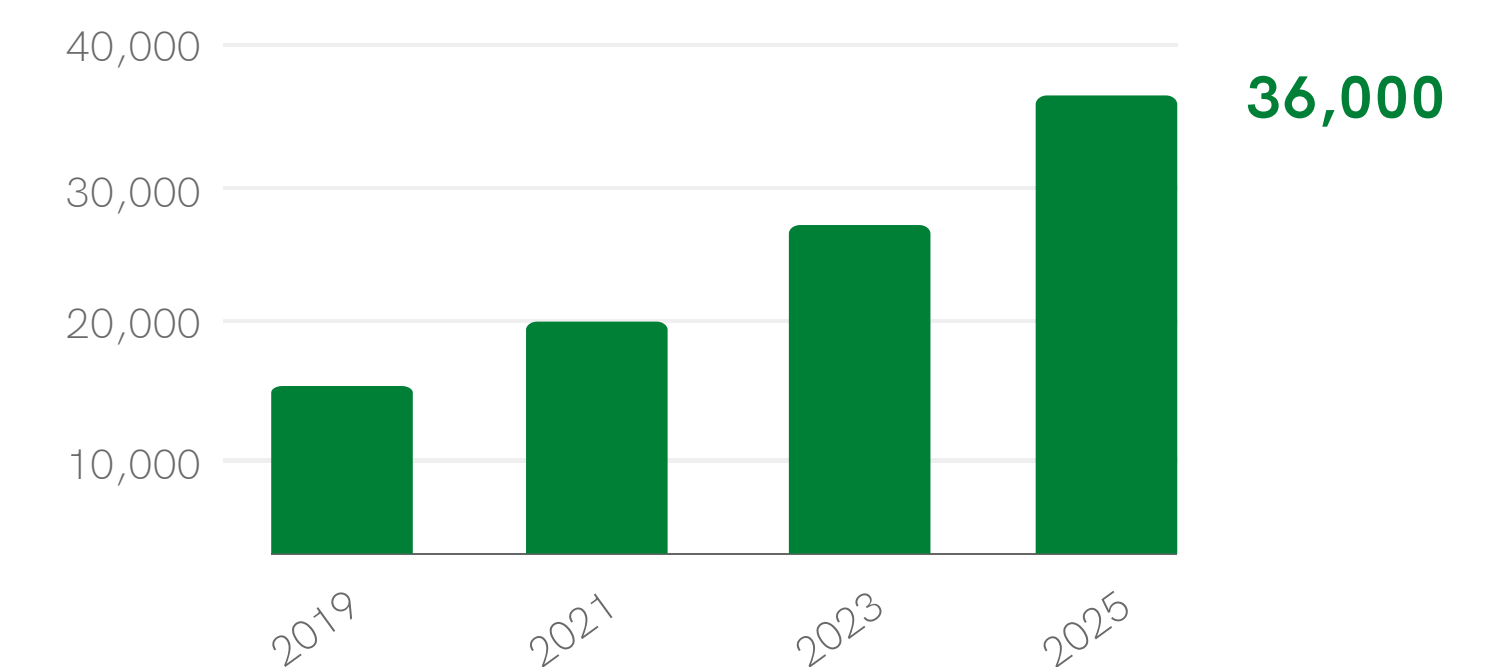
The business travel community has been quick to react with many experts predicting less frequent but longer duration trips, the ability to provide access to local workspaces is an appealing proposition.

In March 2021, American Express Global Business Travel (GBT) launched a new **Workspaces** booking platform powered by **Hubli**. "We all understand the value of face-to-face interactions, and that remote workers need to meet with colleagues, partners and customers, when and where they can do so safely. And we recognize that remote workers sometimes need quiet space away from home, where they can work undisturbed." Wesley Bergstrom, Vice President, Global Supplier Partnerships at GBT.

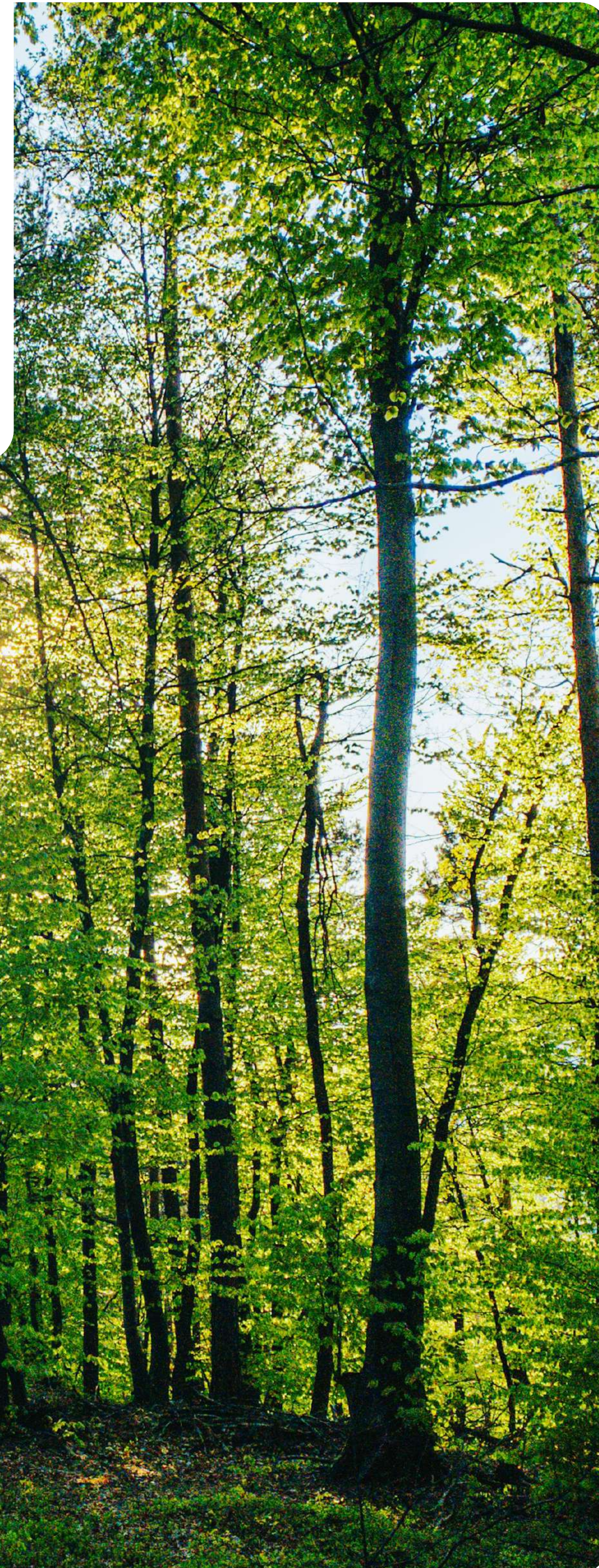
Many hotel groups are already responding to this new segment by either repurposing sleeping rooms as workspaces such as the "Workspaces by Hilton" platform or investing in adding dedicated coworking floors such as "Hoxton Working From".

Growth in Co-Working Spaces

36,000 Co-Working Spaces in US by 2025



Hubli bookings with
Sustainability requests



4. Sustainability, is here to stay

As the world worked from home our regular business travel trips ground to a halt. For many the early morning red-eye flight is now a distant memory. This significant reduction in air travel coincided with a new-found sense of corporate responsibility for sustainability.

The 2021 Deloitte Corporate Travel Survey revealed **31 percent** of corporations now have set definite sustainability commitments. Half of companies are now actively optimizing their business travel policy to decrease their environmental impact. **67 percent** of respondents also identified an opportunity to optimize meeting agendas to reduce the need to fly.

Meetings will now increasingly incorporate virtual attendees as well as in-person and where you meet will no longer be based on price but also the lowest carbon emissions.

"Our sustainability tool which allows users to remove paper, plastic and meats from meetings is extremely popular with over 71 per cent usage. We are now expanding the system to allow planners to rank potential meeting cities based on carbon emissions. Picking the lowest carbon location will help companies drive significant emission savings." commented David Hendrick, Hubli CTO

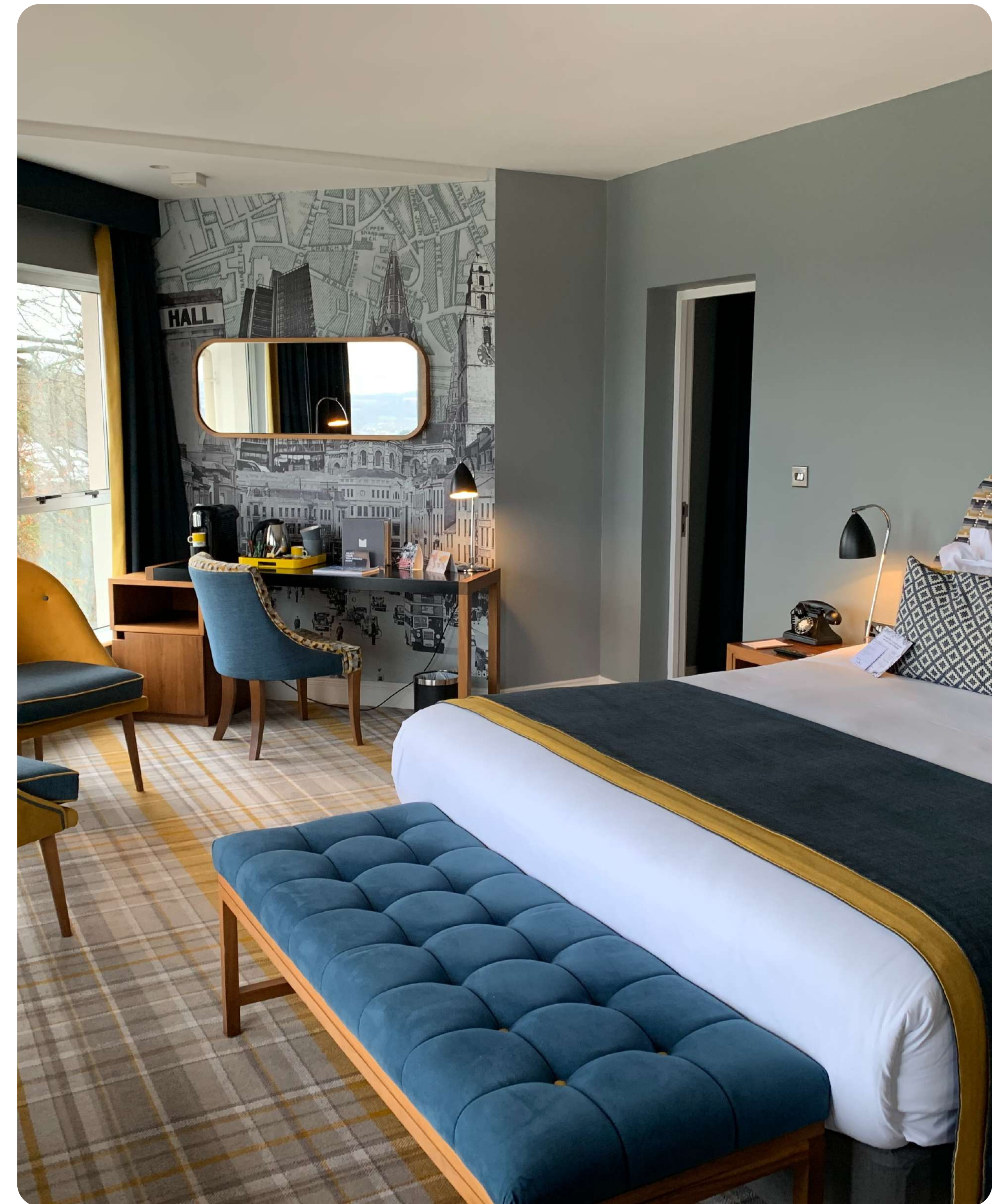
5. Group stays, near the office

During the peak of the pandemic many employees who were forced to work from home in their expensive apartments in cities like San Francisco, London and New York decided to pack their bags and move to more affordable locations. Residential rents in San Francisco reduced by **27 percent** over twelve months with locations like Austin, Texas becoming popular more affordable alternatives.

As companies start to re-open their offices with many embracing hybrid work, they will need to facilitate distributed teams returning to the office. Bringing teams back to the office will now become a new significant driver for business travel.

Many organisations have hired new team members during the pandemic who have never met their colleagues in person. Microsoft hired a staggering **25,000 people** during Covid. "We may see more travel on a personal level, one of those could be going back to the office, which could be the place your friends and family also live." Commented Eric Bailey, Global Director Travel, VenueSource and Payment at Microsoft during a recent Festive Road interview.

With distributed teams returning to their office locations a new group stay requirement will emerge. Finding room blocks, negotiating rates and managing rooming lists for hotels close to the office is predicted to become a new business travel use case.





Read our **bp case study** here:
<https://resources.hubli.com/read-case-study>