

SCALE

Speaking to the Scale portfolio: Is remote work still the best route post-pandemic?

The pandemic forced adaptability from all walks of life and 'new normals' arose overnight as companies attempted to stay on track. Remote work became an overnight necessity in most companies as they muscled through unprecedented quarantines.

Now that restrictions have been lifted, the work-life benefits of remote work have many of us clinging to the approach that was originally a means of survival. At the same time, productivity and the value of in-person collaboration challenge remote-first strategies.

As the pandemic peak fades in the distance, the question remains as to whether remote work will become an evergreen part of our professional lives. What is its impact on employee productivity and satisfaction?

Naturally, we at Scale were curious to understand how companies within our portfolio are handling remote work moving into 2023. So, we asked Tessa Lau, the CEO of Dusty Robotics; David West, CEO of Proscia; and Shane McCauley, VP of Human Resources at Motive to share the approaches they're taking and the observations they've made regarding remote work to date.

While Dusty Robotics is a Series B company that grew up during the pandemic, its operations rely on physical assets and have always been in-office. Contrarily, Motive is a more mature company that moved from a distributed office with a few major centers to remote-first following the pandemic. At Proscia, operations began in-office but moved to a lightweight hybrid approach, with most employees fully remote.

By speaking to each of these companies, we gained insight into the varied approaches of growing companies surrounding remote work in 2023. It also sheds light on what is working, and where things may be going.

Dusty Robotics: 100 employees

CEO/Interviewee: Tessa Lau

Current operations: In-office

Dusty Robotics develops robot-powered tools for the modern construction workforce. Their flagship product, the FieldPrinter, turns digital BIM designs into fully-constructible layouts in the field quickly and accurately. The company was founded in 2018 and is based in Mountain View, California, United States.

Proscia: 100-250 employees

CEO/Interviewee: David West

Current operations: Remote with an office

Proscia is a software company that is accelerating pathology's digital transformation to change the way we understand diseases like cancer. Its Concentriq digital pathology platform and powerful AI applications are advancing the 150-year-old standard of research and diagnosis towards a data-driven discipline, unlocking new insights that accelerate discovery, improve patient outcomes, and fulfill the promise of precision care. Leading diagnostic laboratories and 10 of the top 20 pharmaceutical companies rely on Proscia's software each day.

Motive: 1001-5000

VP, Human Resources/Interviewee: Shane McCauley

Current operations: Remote

Motive is a company that serves more than one million drivers and over 100,000 businesses that power the physical economy by building technology to improve the safety, productivity, sustainability, and profitability of businesses that power the physical economy.

Pre-pandemic: How did we work?

Remote work was not a totally new concept when COVID-19 first erupted. 'Teleworking' had been around since the 1970s and mainly enabled telecom and call center workers to conduct their work over the phone from home. Before the pandemic, it was thought that about [20% of workers worked from home](#). That said, who could work from home heavily depended on industry. Contrarily, during the pandemic, most businesses had to enable workers from home.

"Before the pandemic, we were in-office five days a week. We tripled our headcount during the pandemic and today we are remote-first. In a sense, being remote-first happened organically, or accidentally, because we expanded so much at the height of the pandemic. We have an office and some employees come in three to five times a week, but it's a modest fraction of the company." — David West, CEO, Proscia

Tessa Lau of Dusty Robotics told us how they have always been "in-office, even pre-pandemic." Dusty Robotics develops robotics and relies on manual labor that needs to happen on-site. These types of businesses couldn't make the automatic leap to remote work, and their perseverance despite this is notable.

For some companies, the pandemic-based push to remote work marked a permanent change in how they work. Shane McCauley, VP of Human Resources at Motive, said that — despite being in-office pre-pandemic — Motive is now a fully remote-first company.

How has remote work affected real estate?

When the pandemic limited our ability to work in-office, first came remote work processes and then came the real estate exodus. Businesses started realizing remote work was working, and big businesses realized hefty savings could be made by selling vacant office properties.

In 2021, [69% of businesses in the U.S. had permanently closed some or all of their office spaces and 41% had downsized their existing office space since March 2020. 37% of](#)

[those businesses permanently closed all of their office space](#). That's a lot of real estate.

We asked our interviewees whether they planned to increase or decrease their office spaces over the next two years. While David of Proscia said they had enough space and no plans to expand, Shane from Motive said the remote-first shift convinced them to decrease real estate. On the other hand, in-office Dusty Robotics has ambitions to increase as they grow, Tessa shared.

Changing policies to encourage or discourage remote work.

A driving factor in whether remote work stands its ground post-pandemic is employee satisfaction. Because there are now so many remote-first companies, employees have the option to find a remote-work policy elsewhere if their employer won't provide it.

[Forbes found that not only do employees want remote work post-pandemic, 58% say they would look for a new job if they weren't allowed to continue working remotely in their current position](#). Plus, 65% want to work remotely full-time post-pandemic, and another 33% prefer a hybrid work arrangement.

This has had ripple effects for both employees and employers. But what do employers want? And how is it impacting their policies?

"We have gradually encouraged people to come into the office. Right now, it's hiring policy — all new U.S. hires must be in HQ geography (or relocate). If I had the leverage, we'd be more aggressive." — David West, CEO, Proscia. We suspect that this is a sentiment that many hesitate to express, but whisper in executive circles.

"We emphasize policies that encourage in-office participation. Examples include catered lunches (twice a week), increasing the height of our partition walls to cut down on noise and interruptions, and instituting a strict COVID policy (go home immediately if you have any symptoms)." — Tessa Lau, CEO at Dusty Robotics

"To promote in-office participation moving forward, we will revisit the budget for in-office perks. We'll also look at increasing events and community building in-person." — Shane McCauley, VP of Human Resources at Motive. We found this response

particularly interesting, because on one-hand Motive has shifted to remote-first, but is also still weighing the benefits of in-person interaction.

Productivity and collaboration post-pandemic: Have they been maintained?

"I worry less about day-to-day employee productivity and more about collaboration, creativity, culture, and engagement. We're a mission-driven company and don't want a team of mercenaries!" — David West, CEO of Proscia

"Productivity and collaboration have not been notably impacted and employees report reasonable satisfaction in both areas. That said, a reasonable percentage of employees wish they had more opportunities to connect with their co-workers in person to improve collaboration." — Shane McCauley, VP of Human Resources at Motive

What are employees looking for?

As mentioned above, employees have some leverage if they wish to work remotely. Plenty of companies offer perks, incentives, and promote remote working. If you don't offer it to the talent you want, chances are somebody else will.

So, will employees' demands for remote work persist? Or, as the economy slows, will the leverage shift back to the employer and their preference? Here's what David, Tessa, and Shane said about their recent experiences as the pandemic yields but remote work remains.

"Narrowing our scope back to HQ has made things more challenging. Managers had gotten used to being able to get talent from anywhere, and talent had become used to working remotely. Currently, we are screening for employees that value a culture where they can be with colleagues frequently. To be clear, we are not yet mandating being in office...not even a few days a week." — David West, CEO of Proscia

"Hiring in-person-only means we can't attract employees who want remote or hybrid work. However, the people we do manage to attract actually love the in-person vibe." — Tessa Lau, CEO of Dusty Robotics

“Being remote-first is helping our hiring process. We can access a broader pool of talent and, given the lower salaries outside of the Bay Area, have been able to find more seasoned talent for the previous Bay Area price points.” — Shane McCauley, VP of Human Resources at Motive

What do existing employees have to say?

You can find a mix of responses regarding remote work. On the whole, most employees note significant increases in satisfaction thanks to remote work. [68% of employees reported improved work-life balance and satisfaction for employees almost doubled thanks to remote work.](#)

Though working remotely has enabled employees to spend more energy on relationships and personal interests, it has limited social interaction at work. For most, work takes up the majority of their week, and some feel isolated when that chunk of time is spent working alone.

Weighing the pros and the cons, we asked our interviewees how their employees really felt regarding post-pandemic operations.

“Most want to be remote. This has been challenging for us. The ones that are sick of remote working have a beautiful office to come to! When people do come together, they find it refreshing.” — David West, CEO of Proscia

“We accommodate people who are not required to be in the office daily by offering a hybrid work schedule. Our sales team commutes 1.5 hours each way from Walnut Creek and has small kids, so we allow them to work from home three to four days a week.” — Tessa Lau, CEO of Dusty Robotics

“While the majority are happy with remote work, some are not. We have over 100 employees in San Francisco where we have an office, but average less than 10 people in the office a day.” — Shane McCauley, VP of Human Resources at Remote

The impact of remote work on leadership.

In a way, the pandemic was the true test for leadership. Totally unprecedented, leaders had to acclimatize to newly remote operations at the same time as they led them. Foundational components of leadership — communication, collaboration, training, etc. — were tested as operations were distributed and totally new processes were built. At the same time, new leadership tools, processes, and approaches arose in a tide that lifted all leadership. Increased automation and new efficiencies helped leaders to lead in ways they hadn't before and enabled their teams too.

We asked our David, Tessa, and Shane how often they, as leaders, find themselves in the office. Unsurprisingly, their answers show that leadership still requires feet on the ground and in-person participation in events.

"I am in the office five days a week when not traveling." — David West, CEO of Proscia

"I and my leadership team are in the office five days a week, barring Covid exposure."
— Tessa Lau, Dusty Robotics

"I'm rarely in-office. Other leaders are usually only in-office for specific events." —
Shane McCauley, VP of Human Resources at Motive

If you have shifted toward remote-first or hybrid work, what shifts in your OpEx have you noticed? Will more shifts happen in 2023 and, if so, where?

We asked David West of Proscia and Shane McCauley of Motive – whose companies are hybrid and remote respectively – for their predictions regarding operations in 2023.

"We've kept our real estate costs lower than we otherwise would have. But those expenses – and potential increase if we were fully in-person -- are negligible from a cost perspective relative to the impact of remote work on travel and expenses. I'm surprised more CEOs don't talk about this.

For example, to fly in 100 employees for a week of collaboration in-office could cost at least \$100,000. This alone is more than we spend on real estate annually. Meet four times a year, and we'd accrue \$500,000 in added T&E costs being remote. That's *just* one week per quarter.

While we did that in 2022, given our focus on cost efficiency, we're not doing it this year. We want T&E to go *down* in 2023. On the basis of cost alone, having new hires be within driving distance of the office — even if they worked from home 80-90% of the time — would have a favorable impact on costs, assuming we want to get teams together a few times per quarter." — David West, CEO of Proscia

"We have been able to reduce the expense of running offices and will slowly reduce the cost of real estate. This was somewhat offset by work-from-home stipends, but these are less expensive than housing all our employees in-office. We expect this reduction to continue and, over time, be used to offset travel budgets to get people together more often." — Shane McCauley, VP of Human Resources at Motive