



Workplace Transformation and Inherent Disconnects with the CIO

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Summary

Issue

On November 29th, Telstra held a CIO Executive Roundtable in Sydney to discuss workplace transformation from the perspective of IT leaders. Workplace transformation is the idea that employees no longer 'own' desks, have assigned seating or even work in a traditional office environment. Instead, work is set up around specific tasks or activities carried out through the day. It is also typically built around the notion that more employees will be remote-based, mobile-enabled and will need better tools for collaboration.

The delegates came from mostly banking, financial services, energy, education, government and infrastructure. This was accompanied by a team of Telstra executives from operations, product, IT and sales areas. There were also two external presenters in attendance, one a CIO from a leading property and infrastructure company in Sydney and the other a CTO from an asset and investment management company.

The evening was the final in a series of three roundtable events on workplace transformation. The first two sessions consisted of human resources (HR) and facilities management (FM). One of the underlying objectives was to get different perspectives around workplace transformation from the lines of business (LoB). These events were an opportunity for business leaders to speak directly with each other, under Chatham House Rules, to sharing thoughts, views and common experiences. Attendees were at different phases. Some have completed several successful projects;

others were in the middle of a project or even at the very early stages of evaluation. After a brief introduction, the meeting started with four sets of presentations followed by a Q&A session with three of the presenters moderated by GlobalData.

GlobalData kicked off and spoke on the survey results from IT, HR and FM across Australia. The session offered insights on the differing views of these LoBs. For example, the level of awareness for workplace transformation was much higher in IT, but LoBs are reporting a lot more deployments underway. GlobalData also discussed how different LoB personas have separate sets of objectives and business outcomes in mind on this topic. While a key message was that for a successful transformation HR, facilities and IT need to work together and converge people and culture, property and assets, and technology, this view was not universal in the room on the night.

A Telstra CIO presented on his experiences replicating the successful workplace transformations in Australia across the group's international footprints. He provided insights into the challenges faced aligning disparate business systems across international borders as well as lessons learned and business advantages gained from the transformations. Some central messages included the need for a strong business case and the importance of outlining benefits of transformative technologies. Getting C-level leadership on board is critical as they will drive success of the project. He highlighted increased productivity and time to market through integrated systems, better security through access and authentication control, and smoother acquisition periods as key benefits of technology transformation.

In the third presentation the external presenter from an asset management firm discussed the workplace transformation his company went through as a result of rapid growth. While the company grew in business and personnel there was not a concurrent growth in IT and facilities investment, causing the company to "creak at the seams." The company overcame low scalability, siloed business units, a geographically dispersed staff and a lack of employee engagement through refocusing the technology environments around end user (employee) experience by making it more intuitive, providing an easier IT support system and using technology to enable flexible working habits. Some key lessons learned from the transformation included the benefit of starting small and building up as well as allowing the transformation framework itself to be flexible by not being overly prescriptive.

The final presentation of the night was given by a CIO from a Sydney-based infrastructure and property company. He discussed his company's corporate headquarters transformation as well efforts to provide technology solutions as part of its property business. The speaker emphasised the in-depth planning and research that went into developing the transformation plan. Results of the planning and design focused on five key shifts: they built a workplace with focus on team and activity based working, flexible workspaces, integrated IT and technology, health of employees and engaging with the wider community. They were able to implement effective transformation through a pilot program to ensure workers were acclimated to new ways of working and bring best practices to the wider transformation, building IT into the core infrastructure of the building itself, and being disciplined and sticking to the process plan.

Perspective

Current Perspective

There is an inherent disconnect between IT and the LoBs around workplace transformation which suggests shadow IT is alive and well and business departments are going their own way. For example, 45% of CIOs in the surveys are in the 'No Camp' (i.e., have not considered or will not go through a workplace transformation project). However over 70% of respondents in HR and FM are reporting in trials, proof of concepts or implementations of workplace transformation. Shutting out IT on these types of projects brings with it a few consequences. LoBs are not effectively using the talent they have in their own company who could enable a successful transformation. While IT has been the most reluctant, they have the most advanced methodologies for delivering a successful project (e.g., where we work, how we work analysis) and setting KPIs (e.g., customer focus, employee productivity, employee satisfaction). IT can also play an advisory role on technology selection, an assessment of service provider capability through to the cost savings from the convergence of infrastructure and potential consolidation of suppliers. IT also typically plays a crucial role for setting up of security policy for different employee types (e.g., remote, flexible and mobile-only employees) and level of

seniority. There are other issues such as compliance, considerations around corporate or personal liability in cases of a data breach through to escalation procedures. Likewise, IT could also play a bigger role in raising its visibility to other parts of the organisation and making sure it has a rock solid relationship with HR and FM, in particular, on workspace transformation.

Finding the Strategic Buy in

While workplace transformation projects could be happening under the noses of the IT department, getting buy in from senior management, particularly the CXOs and board members have also proven for some to be just as difficult – even in cases where the right departments are working together. A successful workplace transformation requires investment, both (financial and operational) from the highest levels of an organisation. For a successful transformation, CIO/CTOs and other IT managers need to communicate with other LoBs to present the right business case to upper management. This could mean working with facilities to measure improvable KPIs like workspace utilisation and building access and security, or

working with HR to understand how end users interact with the company IT environment and ways technology can be used to improve not only employee experience but also productivity. When IT, facilities and HR agree on clear, demonstrable goals, getting the C-level on board is much easier and enables success. Delegates agreed that planning, research and building the right business case is an essential first step. However the lack of guidance or investments from senior leadership will often not only derail workplace transformation projects, but will impede overall company agility and growth potential. This has much more serious implications for a company and a risk that needs to be mitigated.

Think big, but stay simple and start small

Delegates agreed that workplace transformation was generally a desirable goal, but all acknowledge the considerable risks to the bottom line that are involved. A key feature of the presentations was the importance of pre-planning, keeping initial changes simple, and testing and experimenting in controlled environments. Telstra, for example, sought transformation of its international footprints only after success back home in Australia. It also focused its efforts on workplace transformation to two buildings in Sydney and Melbourne before considering any further expansion. There seemed to be a big effort on collecting, reporting and analysing data before finding ways to drive continual improvements. Similarly, the external presenter from a major property and

infrastructure company stressed the importance of trials – or work labs – to test the efficacy of new ways of working and before expanding. Other delegates shared experiences with trial and error (and even openly admitting to some failures) in moving to such an activity-based working environment. Some brought up struggles with all virtual desktops or a soft-phone implementation. In further analysis, failures were often down to the lack of end user training or tendency to treat the underlying network more as an afterthought. In general, the IT group seemed to agree that it is important to focus on the end-user experience, ensure the technology works, keeping systems simple over the newest and flashiest equipment.

Implement, Train, Support, Repeat

Transforming a large organisation is a complex process, and ensuring newly implemented technologies have a positive impact requires active involvement from IT before and after a transformation occurs. Delegates talked about the importance of simplifying IT environments to make them more intuitive, providing training for new technology and systems and bringing together facilities, IT and HR support systems for an easier “concierge” experience. Transforming IT budgets from discretionary to strategic

was also discussed, building continuous improvements into the business plan allows for continued agility, but this needs to be underpinned by an active training and IT support with each new technology update or iteration to ensure effective adoption by the end users.

As was pointed out across all three surveys, siloed IT budgets and procurement process are common, but further these silos are detrimental business outcomes.

GlobalData Essential Guidance

Communicate IT and business goals early.

It is important that the business objectives are understood, agreed and communicated with other departments as well as upper management early on in the process. It is important to demonstrate the benefits new technology can bring to a workplace transformation with trials and proofs of concepts. Implement tracking of KPIs that demonstrate costs savings, such as capital avoidance, as well as those that demonstrate increased productivity, like speed of response times to customers.

Simplify the IT experience.

Find a solution that works for what your employees need to accomplish no matter where or how they work. Increasing mobility, providing access to the same systems across different devices, and a similar user experience for employees while ensuring effective security and policy management on the back end will drive transformation success. Whether this is achieved in a single or multi-vendor environment depends on each specific business and its needs, but the advantage of simple and seamless is universal.

Build collaboration into the workspace.

Technology can enable and encourage team-based working; by providing tools like immersive video conferencing, unified communications across all device environments, and support a variety of hardware tools that fit the needs of each team within an organisation (e.g., desktops, laptop, tablet smartphone), employees can work together more effortlessly and more often driving increased engagement and productivity.

Manage for end user experience.

Once a transformation is complete, companies need to ensure the employees continue to engage new workspaces, work process and work technology in the desired way. There should be continuous IT training and more active support to tackle challenges of ongoing tech management after the transformation is complete. End user acceptance is everything, especially when introducing new capabilities like soft clients into the company.

Next Steps for IT

The need to work more closely with HR and facilities to build the workplace of tomorrow is clear. However each group has specific goals, concerns and challenges. Based on our survey and the roundtable, HR's main concerns are addressing employee engagement and accountability. IT and technology can create more engaging and flexible work process through with technology (e.g., mobility, unified communications and collaboration), but needs to play a more active role in creating new workflows and automating business processes. This, for example, can be achieved by embedding IT resources into individual departments (sales, marketing, operations and customer care) to initially understand current workflows before identifying ways of improvement.

Workplace transformation is about bringing together people and culture with the support of HR with property and assets from the FM department. Cultural objectives of the organisation will need to be embedded into the layout and design of the office. Technology will not just be about making choices through different product sets, but technology will also need to be in the fabric of the building, especially as systems converge. As many buildings are on long-term leases, it is important that this is negotiated into the contracts.

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