

Workplace Transformation: What is Next?

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Executive Summary

Despite the continued shift toward mobile working environments, offices continue to play a pivotal role in day-to-day business tasks to drive productivity.

Offices are still huge business enablers providing key platforms for collaboration and communication.

- ✓ So what is changing and what is staying the same?
- ✓ Why do we still go to the office?
- ✓ Why should we invest in workplace transformation?

This InfoBrief analyzes fundamental aspects that drive office work and the specific benefits of transforming the workplace to adapt to social and technological shifts currently taking place.



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Once workers communicate with their colleagues through instant messages and video chat, there will be little coherent purpose to trudge long distances to work side by side in centrally located office spaces. As companies recognize how much cheaper remote employees will be, the computer will, in effect, kill the office — and with that our whole way of living will change.

Norman Macrae, 1975



Norman Macrae, one of the most influential journalists of the 20th century, famous for anticipating the fundamental technological shifts of the 21st century, such as widespread consumer use of PCs and mobile devices, instant messaging, and video chat, was wrong when he predicted that the computer would “kill” the office.

Forty years on, the office is still at the center of organizations’ day-to-day life.

”

Office Work is Often Thought to Have Disadvantages ... **But Really?**

Four Myths About Office Work



Commuting time:

Switching to flexible working times dramatically reduces commuting time. Many home-based workers have even adopted a commute-mimicking routine before starting work to get themselves into the right mindset.



Cost:

New flexible solutions such as hot desking and office hoteling are changing the way companies look at cost.



Unproductive meetings:

New technology — voice-enabled meeting assistants, automatic debriefs, etc. — are set to make meetings more productive.



Formal corporate environments:

Fortune 500 companies now realize the benefits of open and informal workplaces, with the likes of IBM, Google, Bosch, HSBC, Land Rover, and Shell using co-working spaces.

So Why Are We Still Going to the Office?

What science says:



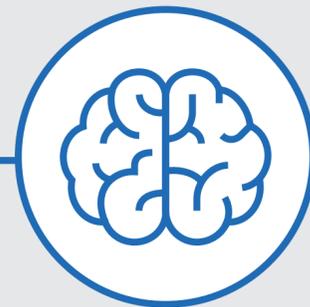
Speech science:

93% of communication is non-verbal.(*). Although this percentage has been questioned, experts in speech science agree on how critical non-verbal communication is.



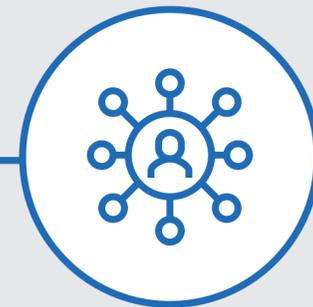
Biology:

Experts agree that we still mainly carry the DNA of hunter-gatherers, with life in groups seen as the only way to survive and isolation as abandonment.



Psychology:

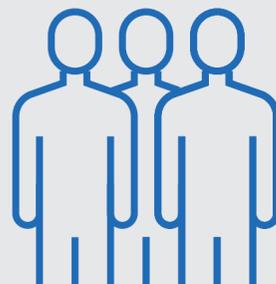
Interactional synchrony is a unique, intimate experience comprising conversation, eye contact, and gestures that is only achievable through physical meetings. (**)



Social sciences:

Researchers agree that being physically close helps us bond, show emotions, problem solve, and spontaneously come up with ideas.

What employees typically say:



To be an integral part of our team



To maximize recognition

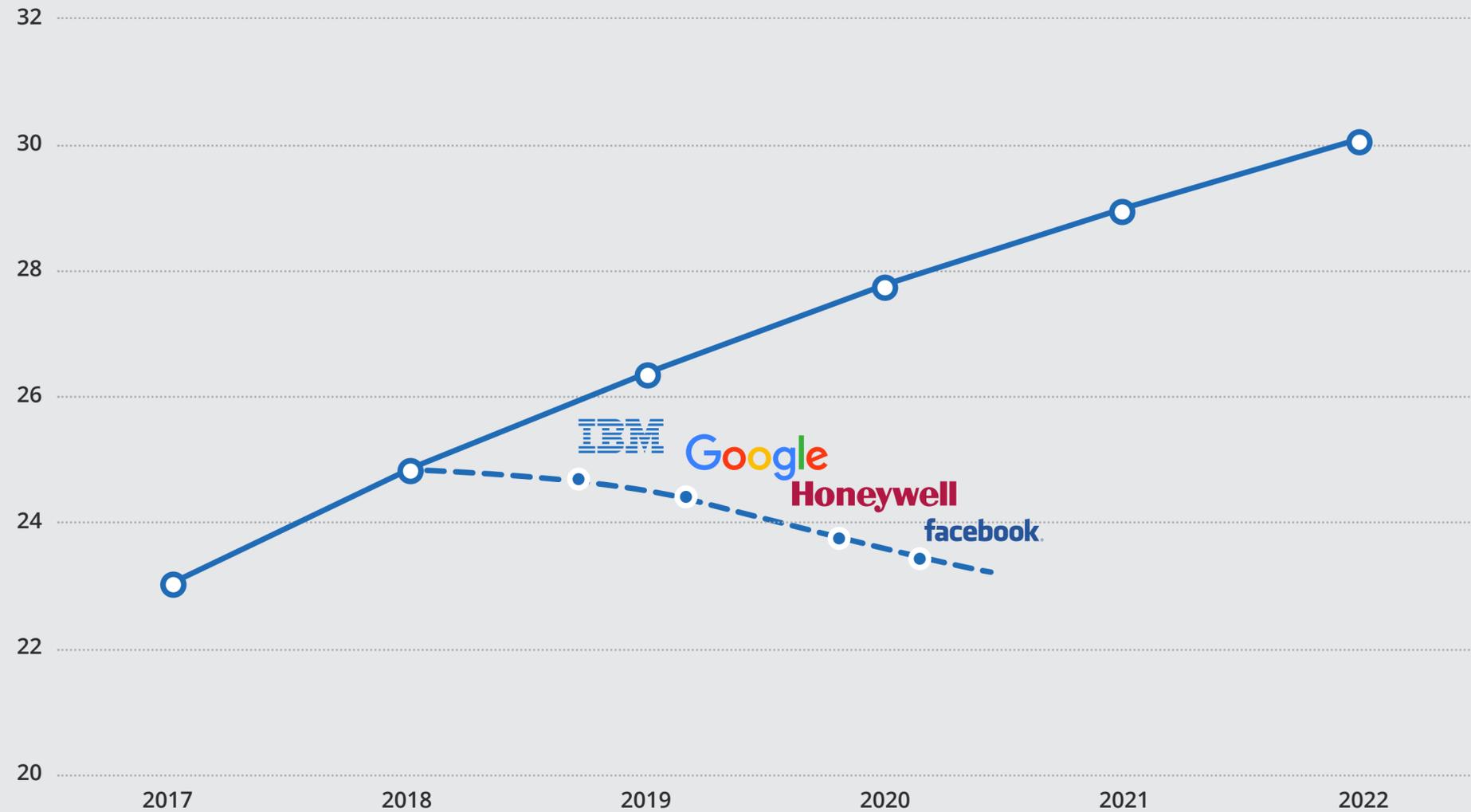


To get our voice heard

Home-Based Work: Not All Companies Go in the Same Direction

Home-based workers (M)

Western Europe Home-Based Workers Forecast*



Despite the continued growth of home-based workers, a number of Fortune 500 companies are making a U-turn on the issue.

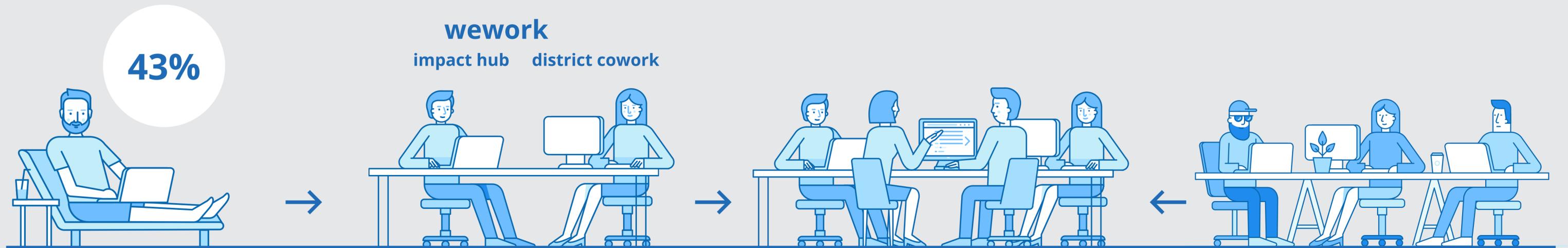


Leading organizations recognize that the coming together of employees from different departments (salespeople, engineers, and creatives, for example) encourages the sharing of ideas and solutions.



Companies such as Google and Facebook are investing in offices with vast outdoor areas, luring workers into public spaces that favor “accidental people collision.”

Freelancers and Corporations Recognize the Value of Office Interaction



The total number of freelancers in the EU was 2 million in 2016, up 43% from 2008*. This growing population of professionals often opts for freelancing attracted by the flexibility of working from a place of their own choice.

In the same timeframe, co-working chains such as WeWork have emerged. Given the choice, many independent professionals choose the office as their daily workplace environment as they value the human interaction.

In recent years, freelance professionals (and small start-up entrepreneurs) have gathered in hubs completely detached from traditional corporate environments ...

... but these two worlds are merging. A number of large corporations such as Google are now either encouraging staff to work from coworking spaces or even creating their own open coworking spaces. These companies value being able to casually interact with (and potentially recruit) talented freelancers.

What is Changing the Office?

Political: Governments encourage flexible working to facilitate parenting, reduce child poverty, stagger retirements, and support carers*. They also seek to create decentralized hubs to facilitate investments and reduce unemployment in selected areas.

Social: Organizations realize the productivity benefits of adapting workplaces to workgroup needs, facilitating collaboration, and addressing the expectations of a multigenerational workforce.

Technological: While pursuing flexibility and cost reduction, new technologies enable seamless unified end-user experience across the organization and simplified management across different form factors/apps/content.



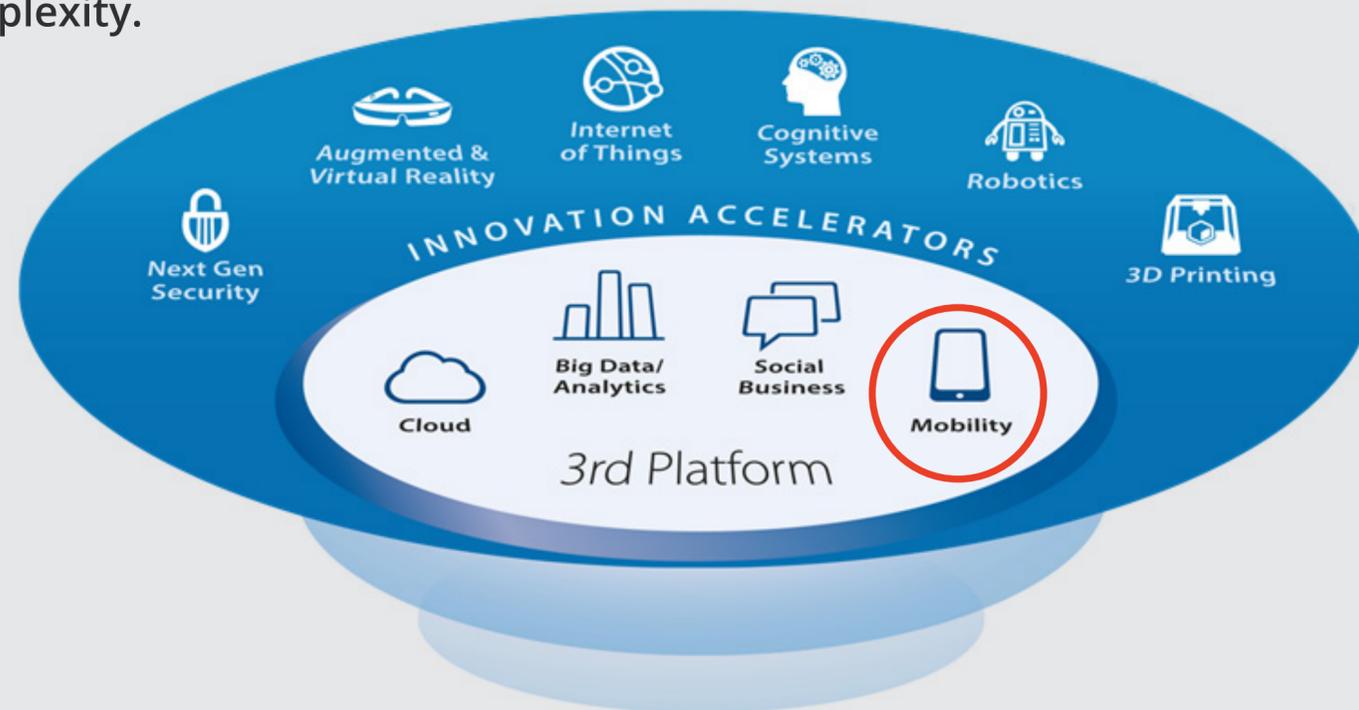
Economic: Organizations are pursuing the rational use of facilities. The approach is shifting: productivity, efficiency, and employee satisfaction are at the core of work evolution and contribute to better company performance.

Environmental: Offices equipped with state-of-the-art communication/collaboration technology can avoid the long distances required to travel into the office for meetings. Offices are often run mostly on the assumption of full occupancy, so there is the potential to reduce the environmental impact.

Legal: As a result of IFRS 16, from 2019 most leases will be on balance sheets, effectively becoming capex. Corporations are likely to be more careful with lease expenses and prefer smaller and more flexible workplaces.

Mobility Reshaping Not Only the Office But Also the Wider Workplace

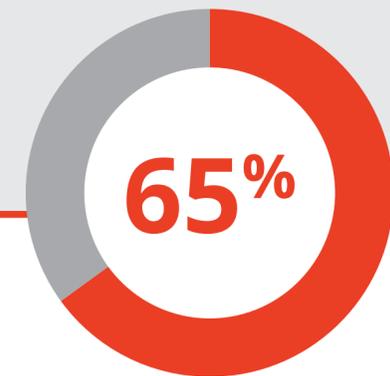
Digital transformation (DX) — built on the four pillars of mobility, Big Data/analytics, cloud, and social — is driving a dramatic shift toward smart use of workplaces. IDC sees the growth in mobility as the single most important contributor to demand for new workplaces that enable flexible use and reduce end-user complexity.



But what exactly is mobility?

Mobility comprises a number of mobile technologies and solutions that offer new ways to get business done, transforming key processes from the back office to the end customers.

IDC segments the mobile worker population into office-based, non-office-based (including mobile field workers and mobile on-location workers), and home-based mobile workers (including telecommuters and home-based mobile workers).

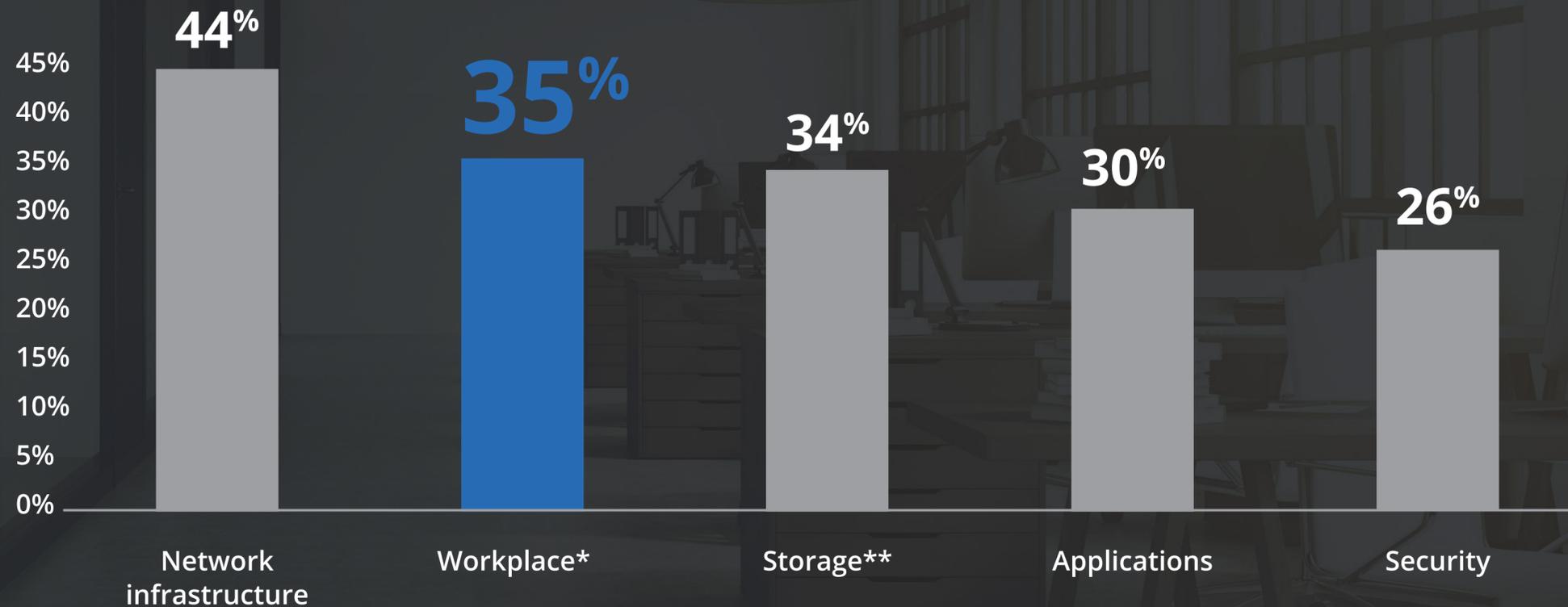


IDC estimates that the mobile worker population share of the total workforce in Western Europe is expected to increase from 56% in 2017 to 65% in 2022*.

Workplace Services are a Top Priority for European CIOs

IDC's 2017 edition of its European Enterprise Services Study revealed renewed focus on workplace services. 35% of European CIOs interviewed said that the workplace/endpoint/mobility services segment is where they intend to make the most investment, putting it in second place behind network infrastructure (44%).

IDC sees this as a call for vendors to position new solutions that help to build more flexible work environments addressing the growing number of devices/access points and remove the complexity from end-user infrastructures.



So What Exactly Is Workplace Transformation?

Building Blocks of the Future Workplace



Augmented and Virtual Reality



Internet of Things



Robotics

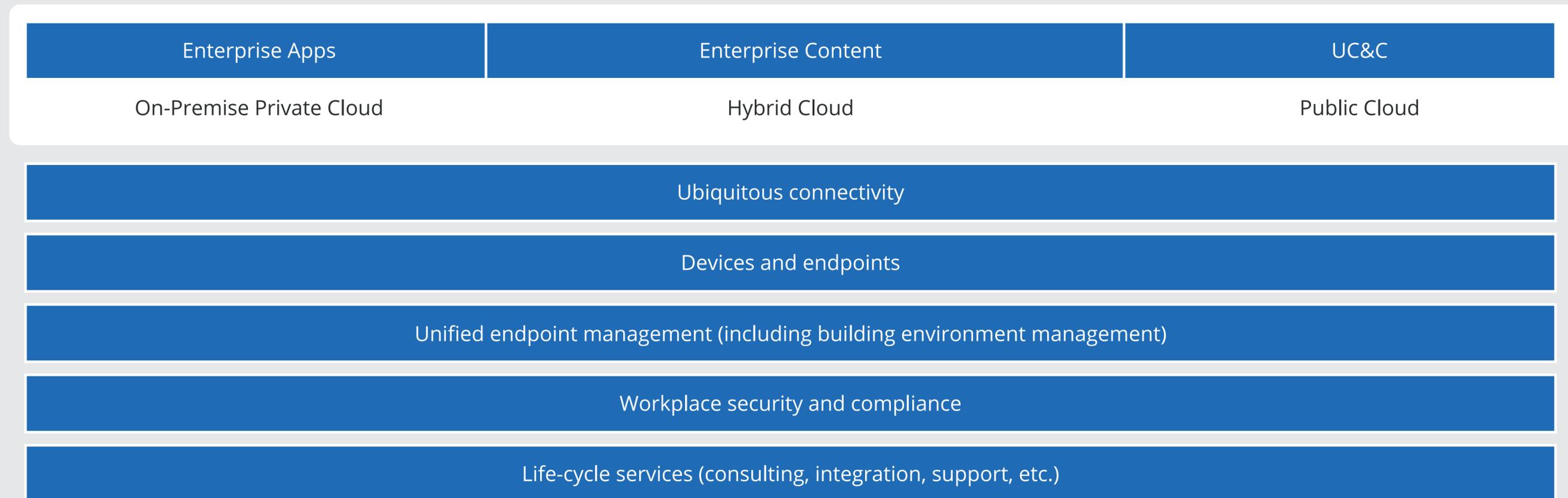


3D Printing



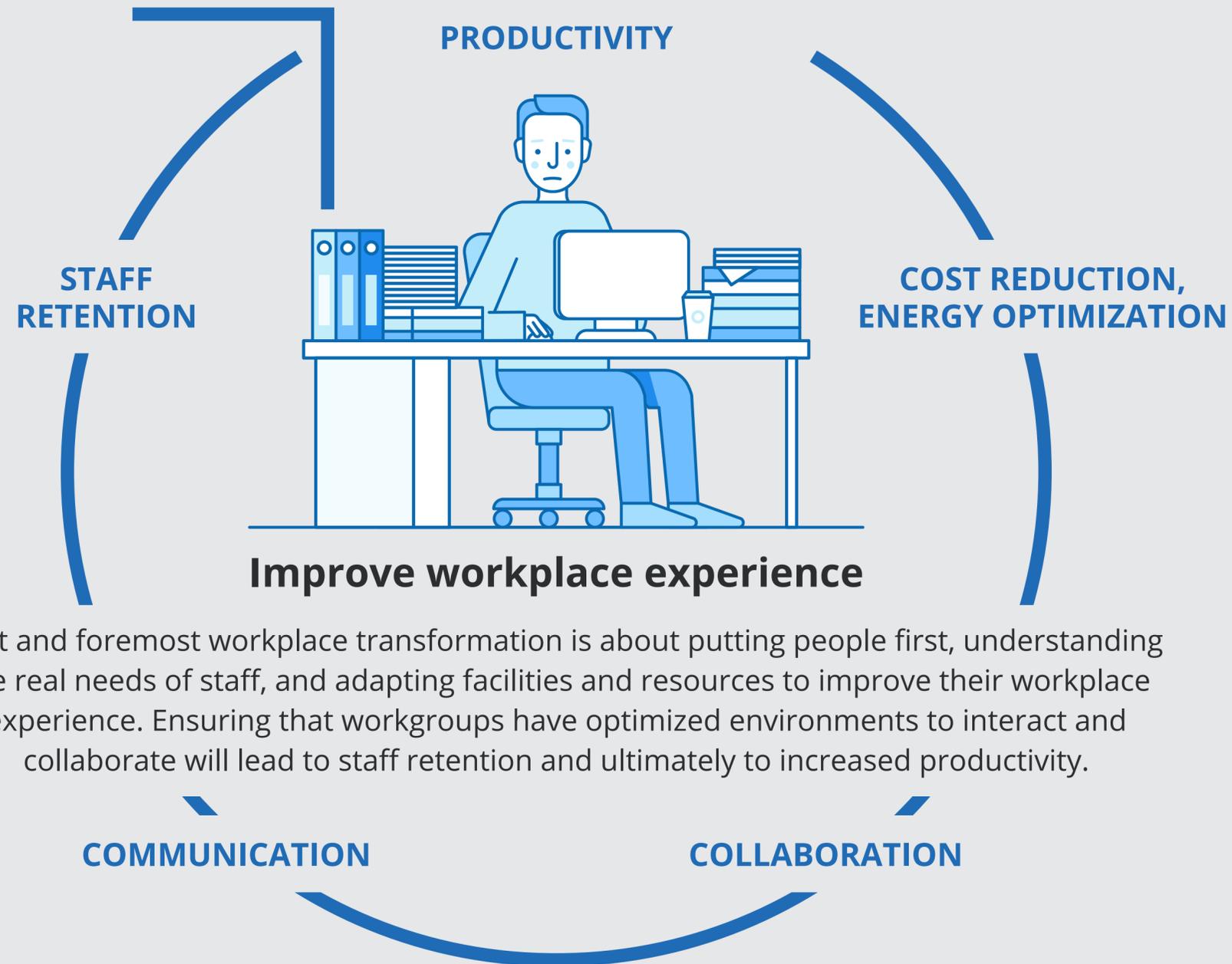
Cognitive Systems

↑ Closer to the end user



Why Invest in It?

Overall benefits of workplace transformation



First and foremost workplace transformation is about putting people first, understanding the real needs of staff, and adapting facilities and resources to improve their workplace experience. Ensuring that workgroups have optimized environments to interact and collaborate will lead to staff retention and ultimately to increased productivity.

... And Who Should Lead?



Facility management
and IT department

HR, sales, and
marketing

Management

Main objectives by department

*Optimized, centrally managed, and
consistent facilities*

*Policy implementation, flawless
communication, collaboration, design*

*Strategy implementation, productivity,
profitability, growth*

*Effective workplace transformation breaks traditional siloed views requiring the
pooling of all these critical objectives and the building of a collaborative agenda*

Workplace transformation agenda

Infrastructure

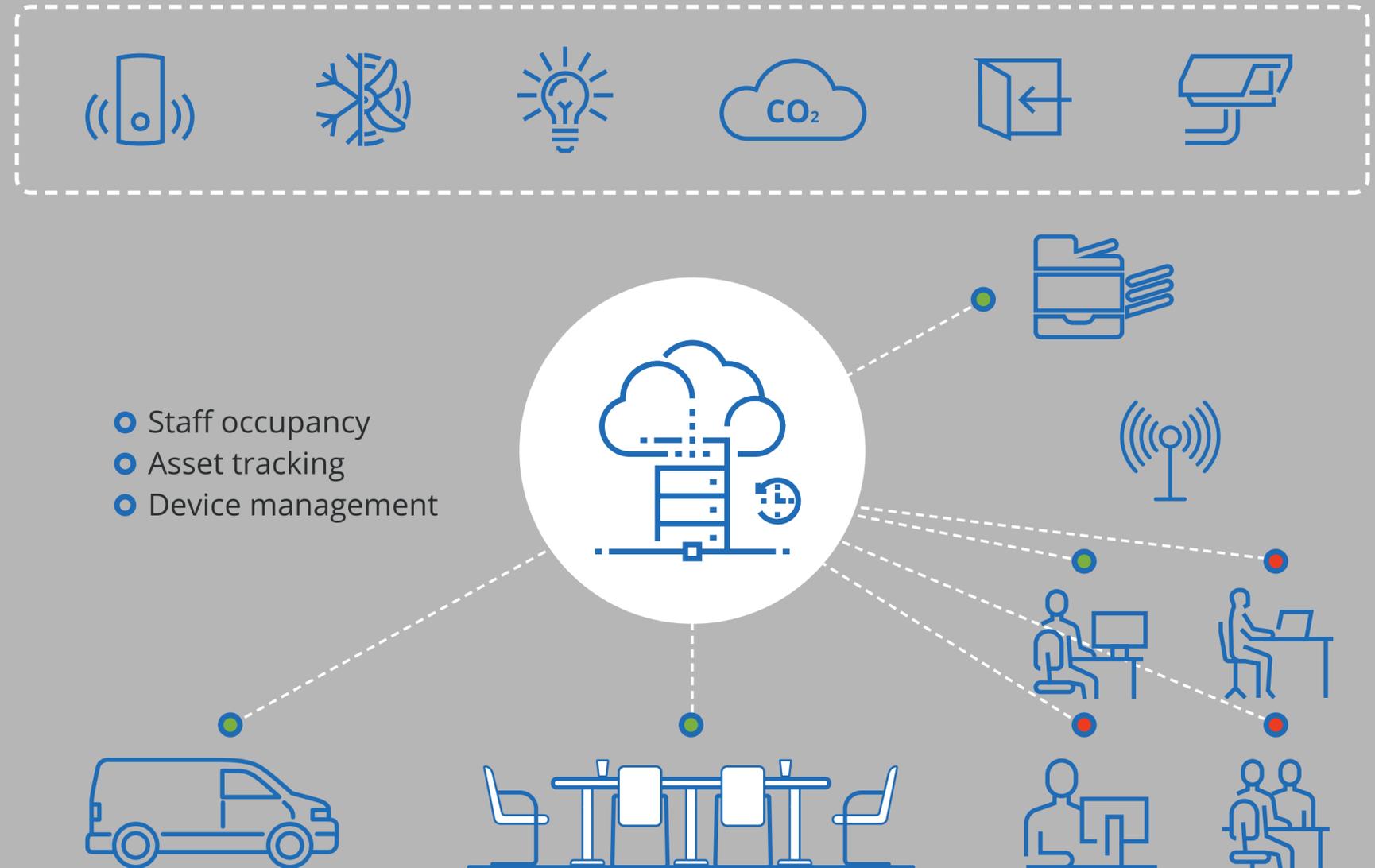
Policy

Strategy

What's in it for Facility Management and IT?

IoT for Optimized Work Environments

- ✓ Extended sensor endpoint to fully harness occupancy data and integrate with smart building technology
- ✓ Centrally controlled environment (temperature, lighting, entrance, security, air quality etc.) increasingly shifting from facility management to IT staff domain
- ✓ Understanding how the workspace is really used, leading to more rational use of resources
- ✓ Advantages of hotdesking while allowing work environments adapted to individual preferences through login systems
- ✓ Continuous feedback on workplace experience to prioritize efforts and investment for improvement
- ✓ Deep understanding of how devices are used leading to a more rational use

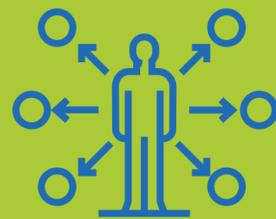


What's in it for HR?

Corporations are increasingly looking for communication tools that cut through the haystack of emails in a more intuitive fashion that better conveys messages and positively impacts staff behavior.

More informal and individual-centric tools are effectively making communication more immediate and dynamic.

Personal communication



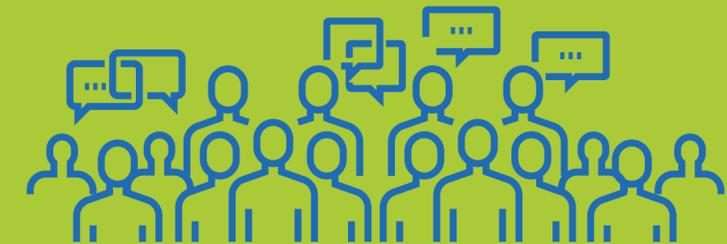
Unified communication/collaboration tools continue to enhance communication and the flow of information across the organization.

Small-medium workgroup communication



Digital signage is increasingly penetrating the corporate world in new types of content, including practical info (office hoteling, directions, etc.) and motivational content (employee of the month, etc.).

Large workgroup communication

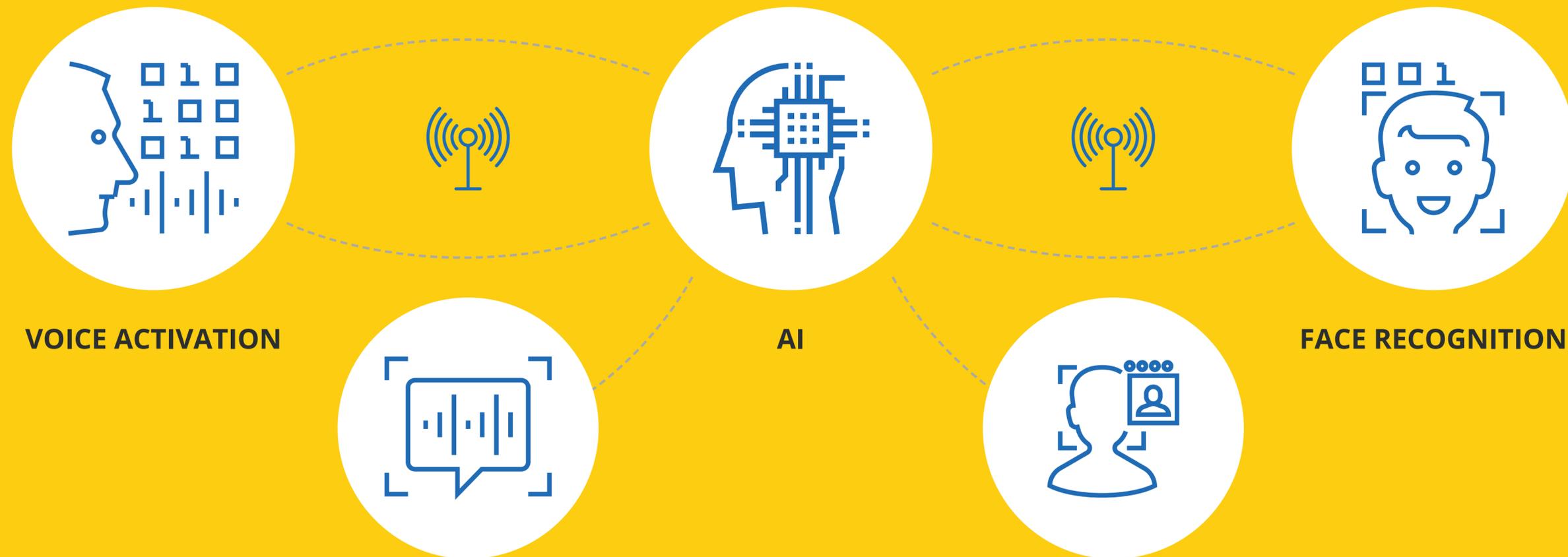


Device management strategy

Content management strategy

What's in it for CEOs?

Cognitive and AI solutions have the potential to truly understand how businesses operate. By leveraging critical data they automate day-to-day tasks and ultimately increase productivity.



Cognitive and AI solutions grow with the user, learning how business is done and predicting needs. They help users to become more efficient, collating key inputs and prioritizing tasks.

Buyer Guidance



A digital workplace is not only digital and remote but also physical. Find the perfect mix with seamless transitions.



Find a balance between “total control and technology focus” and “user-centric and business focus” approaches, provide agility, and enable flexibility.



Make space to try things out: prototype the interior.



Implement a holistic and managed approach to security that is embedded in every solution.



Rethink the procurement model: managed and workplace “aaS” models can be more agile, efficient, and futureproof.



Consider your employees: training is essential but different generations have different aptitudes for workplace changes.

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