

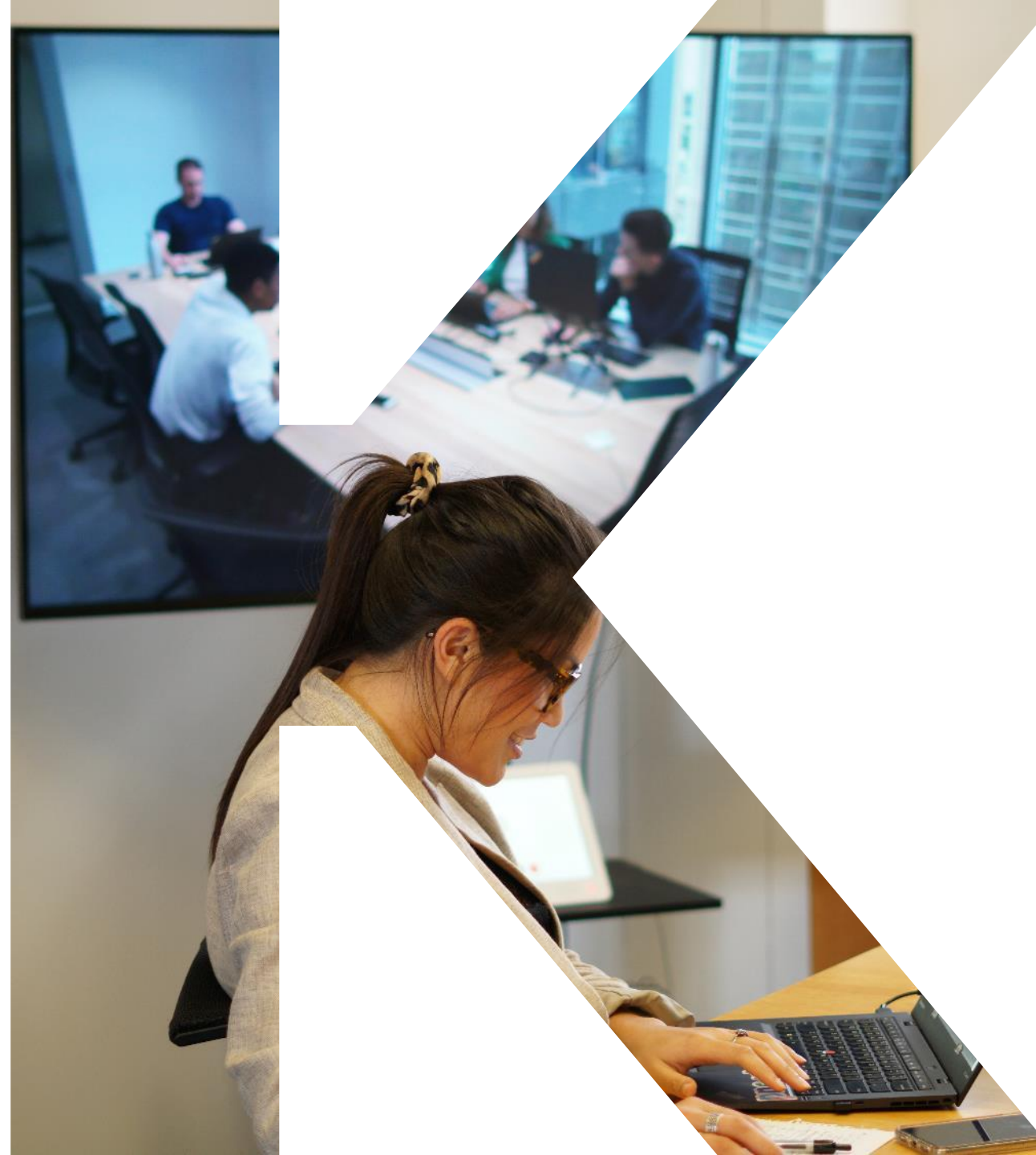
New ways of working

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Mashik webinar presentation

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KEARNEY



Kearney's Global Remote Work Barometer indicates how some changes are here to stay, together with some challenges to be addressed

Illustrative

1. Window of opportunity

87%

Want to continue remote work – fully/ whenever they feel like it (43%) or at least/less than once a week (44%).



73%

Want to maintain flexible working hours post-COVID19 – ranging from completely flexible (47%) to sticking to fixed core hours (26%).



44%

Follow their company's policy when working from home – other reasons are family (15%) and fear of the virus (13%).



37%

Appreciate most the higher flexibility when working from home.



29%

Struggle with communication and collaboration working remotely.



22%

Find it hard to switch off from work in the evening stating it to be their biggest challenge.



15%

Say distraction at home is their biggest challenge in the new working environment.



10%

Claim they struggle most with loneliness when working from home.



Companies need to address new challenges in how to manage, engage and develop their talents

How to develop new capabilities?



"Do I know what capabilities are needed now?"

"How can my organization acquire them without being in the office every day?"

How to nurture a strong culture?



"How do I know how my organization is feeling?"

"What activities will help building a strong, unique culture to differentiate us?"

How to lead a team working remotely?



"What is my remote leadership style?"

"How do I become a more effective leader of flexible teams?"



How to stay connected to customers?



"What is the best way to reach out to our customers?"

"How do I know what is on top of their minds?"

How to develop middle management?



"How can I develop the middle management to best cope with new requirements?"

"How to re-invent our management culture/style?"

How to assess and manage performance?



"How do I communicate expectations and track performance?"

"How can I guide my people to make them more successful?"

There is a window of opportunity for companies to take key decisions today that will set the tone for their adjusted operating models

Key decisions today. Which new ways of working to adopt?

Continue to offer **same extent of work from home** opportunities?

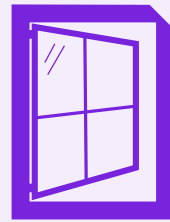
Continue to offer **flexibility on timing** of work?

Encourage **hybrid work models** and to what extent of flexibility on when and where to work?

Offer **all employees the same options** or not?

Close **offices** or keep the current footprint?

Keep current **office m²** or block rent renewals?



Short term opportunity to take right decisions for the longer term.

Provide clarity and stability on the **work models** your organization stands for to keep and attract the right talents.

Close **offices** today only if it makes sense for the coming years also.

Adjusted operating models tomorrow. Which fundamental elements to adapt?

What **organizational changes** might be required to make the new model work?

- New management models; no micro-management; higher spans of control
- More agility into the organizational set-up and ways of interacting; self-organizing teams
- New models for cross-functional collaboration
- New roles and responsibilities (specialists supporting multiple teams)

What new **metrics and tools** do we need to track employee and customer satisfaction?

Which and how to redesign (HR) **processes**?

- New talent assessment and development processes
- New contracting models (gig economy,...)

How to ensure we have the right combination of **capabilities and skillsets** in our workforce?

What is our **workforce strategy** to attract new talents?

How to further develop our **people and culture**, and nurture a sense of belonging?

How to better leverage **technology** to allow increased flexibility while managing team performance and cost?

Adoption of new ways of working is focus of this value proposition. Adapting operating model elements is part of the broader Kearney Fit Transformation™ value proposition.
Source: Kearney

We believe that the six following changes will survive the COVID-19 times and will have a lasting impact on work models

Less working time at office sites



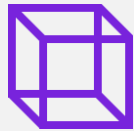
Increased employee expectations towards flexibility



Less commuting time to office or meetings



Need based space design and higher office usage ratio



Increased use of digital platforms and tools



Different access to stakeholders across the firm and customers



As a result, office use will change – we foresee a big shift from concentration to other dimensions

Concentration → Collaboration



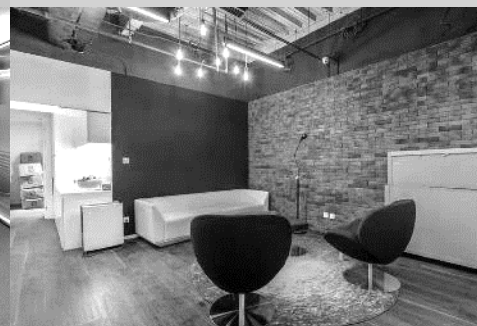
Communication



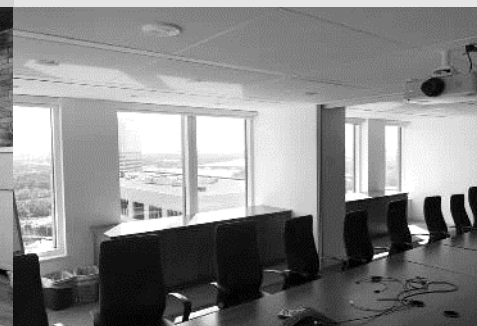
Community



Areas are designed with the individual in mind, the areas are meant for heads down focus work or independent ideation. (e.g. individual workspaces, libraries, quiet cars).



Areas are designed for in-person problem solving support. (e.g. scrum areas, design thinking rooms, huddle spaces).



Areas are designed for meetings, formal and informal, that include technology for in person or virtual discussions. (e.g. hub spaces, meeting rooms, demo rooms, coffee-corners).

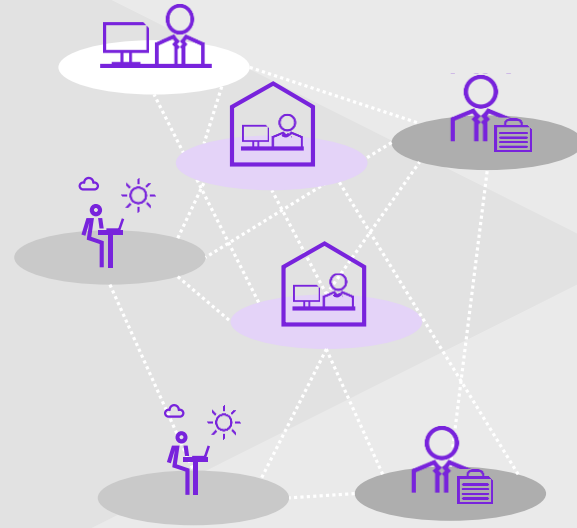


Areas are designed for informal exchange with colleagues across different ranks, teams and roles to foster cross-fertilization and network building. (e.g. chat space, event space, location of toilets).

Based on new needs archetypes, we rethink work & interaction models and advise on adapted office space allocations and footprint

Our framework for defining new work & interaction models and adapting office set up and locations.

1 Work & interaction models



People at work need to:

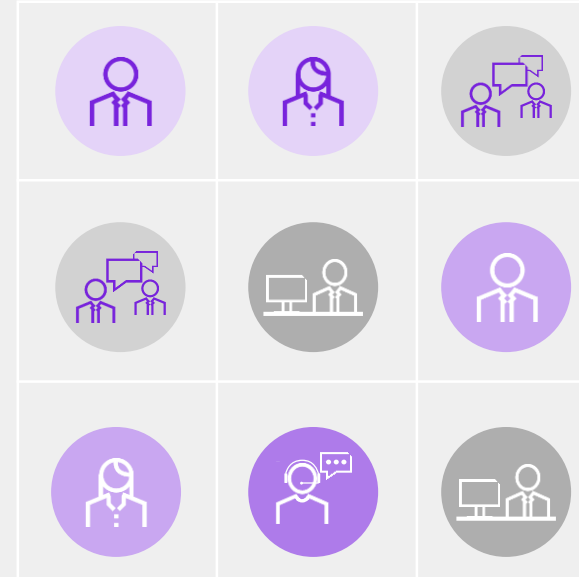
- Think
- Act
- Talk
- Interact

Need archetypes criteria:

- Employee activities/departments
- Customer/business partner needs

What work models to offer?

2 Office space allocation



Office space purposes:

- Concentration
- Collaboration
- Communication
- Community

Need based office usage and efficient m²

3 Office locations footprint



Office location tiers:

- Tier I – Top
- Tier II – Priority
- Tier III – Contributing
- Tier IV – Special purpose

Key office tiering criteria:

- Revenue contribution
- Brand contribution

Where to have offices?

Employee archetypes assess current work behaviors and identify future work needs of different employee groups

Examples BAM

Key question:

What are requirements of our different roles in our organisation?

1. Office vs project locations
2. Office will become “clubhouse” (place where we meet before and after the game!) and flex workplaces for support staf
3. Projectslocations will focus on interaction with clients, vendors and execution teams.
4. Engineering teams will work on both locations and home utilising powerfull digital solutions (fi. BIM)

1. Work & interaction models

Assessment of current work behaviors and identification of future needs.

Time dedicated to work behaviors:

Productive working time:

- **Think**
 - Alone – e.g. prepare client meeting
 - Collectively – e.g. brainstorm product enhancements
- **Act**
 - Independently – e.g. code programming
 - Collectively – e.g. prepare sales pitch
- **Talk¹**
 - One-on-one – e.g. provide feedback
 - One-to-many – e.g. share unit results

Community building/social time:

- **Interact** with others – e.g. team building activity

Sensitivity of work activities:

Customer facing or not

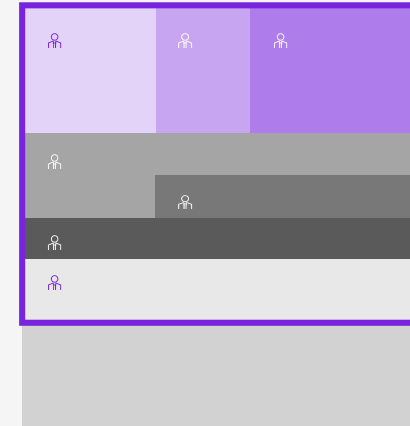
Confidential/private/sensitive or not

HR data with employee roles/departments and employee interviews are leveraged

1. Talk and listen, 2. Detailed archetype example on next slide
Source: Kearney

Grouping of employees with similar behaviors and needs in archetypes.

Employee archetypes should represent about 70-80% of the office-based workforce.



Employees who can be grouped in archetypes as similarities in their work behaviors and needs exist.

Example: 7 archetypes² for software company

- 👤 Client facing function
- 👤 Non-client facing function
- 👤 Consulting function
- 👤 Engineering function
- 👤 Project management function
- 👤 Backoffice function
- 👤 Shared Services function

Which and how many archetypes can be defined varies from company to company

Future work models should balance these identified employee needs and preferences with business requirements

Examples BAM

Key question:
How can we coordinate available office space and make sure people are at the right place at the right time?

1. Booking app is being developed!
2. Guidelines developed to secure employee availability when required (fi. working at project locations).
3. Employee package reconsidered (mobility/travel policy, working at home allowance (however struggle with taxes regulations)
4. Availability advanced digital collaboration tools

2. Office space allocation





WHAT employees DO

Work activities (think, act, talk, interact)
Typical time required to perform activities
Typical working environment needed to perform activities (alone/in group; quiet/stimulating;...)




WHAT employees DESIRE

Balancing work/life (e.g. with kids, hobby)
Flexibility on when and where to work – either agreed beforehand or ad hoc (e.g. dentist visit)
Adequate working spaces (e.g. ergonomic seat)

WHEN to work

	Compressed time	Working hours are split over less days, e.g. 40h week split across four days, resulting in four long 10h working days
	Scattered time	Working hours are split over the day, e.g. morning and late evening, often to accommodate for private obligations (childcare,...)
	Part-time	Reduced number of working hours vs. full-time work schedule
	Sabbatical	Unpaid leaves from couple of weeks to a full year for several purposes (private life, education, business secondments,...)

WHERE to work

	Office	<div>Time split: Agreed beforehand or flexible?</div> <div>Options: Only office or home? Or office, home and elsewhere?</div> <div>Elsewhere in pre-defined spaces or free choice?</div>	– Dedicated or shared work seat? – Booked in advance or first-come first served?
	Home		– Digital tools – Ergonomic help?
	Elsewhere		– Pre-selected workplaces or free choice? – Technical requirements

Business requirements to consider

Peak hours (e.g. in customer call center)
Availability for teamwork at same time for all

Physical presence needed in the office for collaboration, communication, community

Office tiering logic will drive the decision agenda for future investments and growth on headcount and office space

Examples BAM

Key question:

How can we reduce available m2 offices?

1. Office and warehouse locations are reconsidered (less regional offices)
2. Clear target to reduce 30% m2 (including existing vacancy)
3. Growth to less but larger multi opco offices per country combined with temp. project locations
4. Larger offices stimulates cooperation between different OpCo's
5. There is momentum to do this NOW!

3. Office locations footprint

Tiering criteria

Contribution to revenue generation:

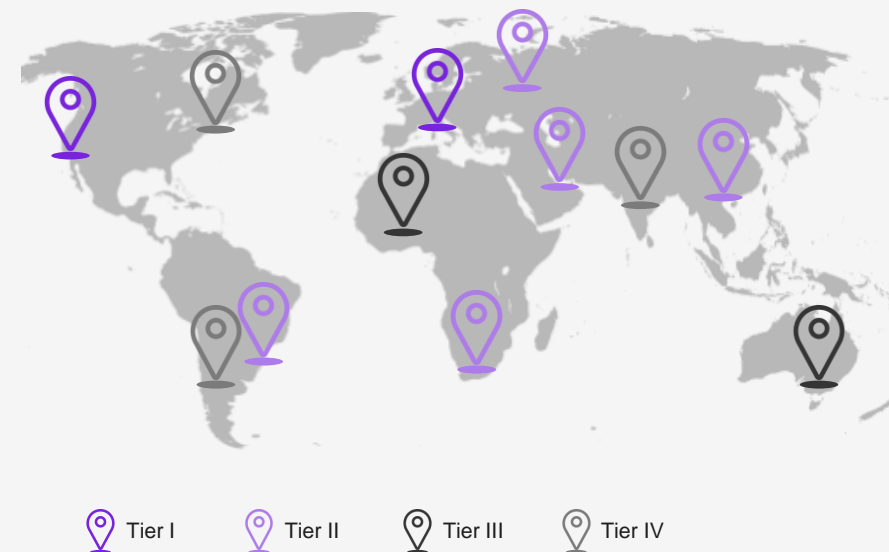
- Directly – sales proximity to customers
- Indirectly – brand image and visibility

Talent access:

Special purpose of the location:

- Dedication to a specific function (e.g. R&D, product development, SSC function,...)
- Tax/legal purpose, country specific advantages related to presence
- Government relations
- Historical or “lighthouse”/branding purpose

Global or regional headquarters



Tiering implications on growth and investment decisions

Tier	Criteria	Implications					
		Headcount growth	Space growth	Investments	Building site	Building class	Quality of space
I	Top locations: – Top strategic (headquarter, core products) – Top revenue (current or potential)	Growth possible for selected locations	Growth possible for selected locations	High	Central Business District	A class buildings allowed	High
II	Priority locations: – Access to key talents/customers – High revenue or potential			Medium	Urban	B class buildings allowed	Medium
III	Contributing locations: – Stable revenue contribution – Product development/support functions	Growth possible in exceptional cases	No growth	Low	Sub-urban	Equal or lower level than Tier II	Appropriate
IV	Special purpose locations: – Client/tax/legal/country specific – Redundant sites from M&A	No growth			Serviced office location	N/A	Standardized

Thank you



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