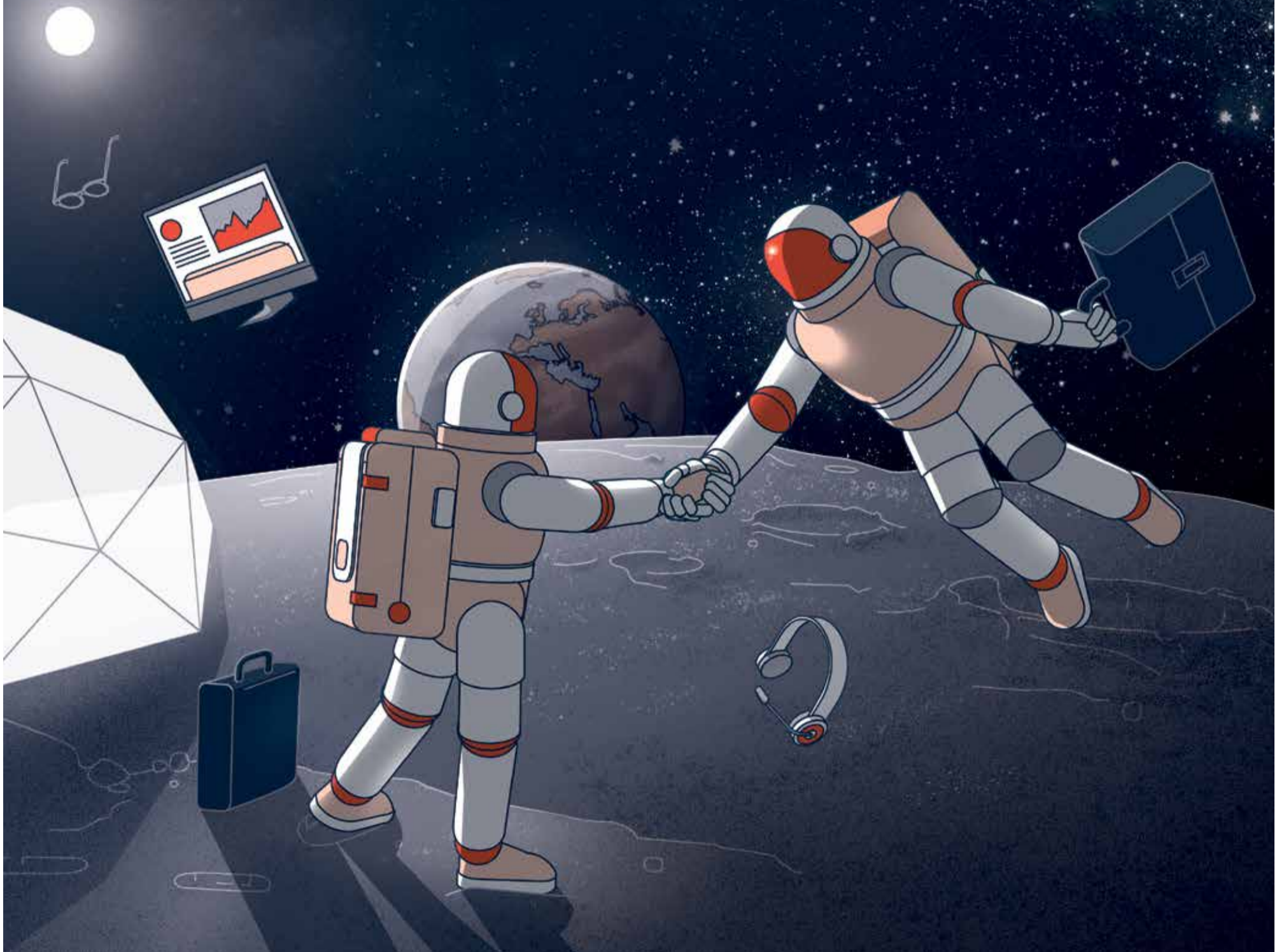


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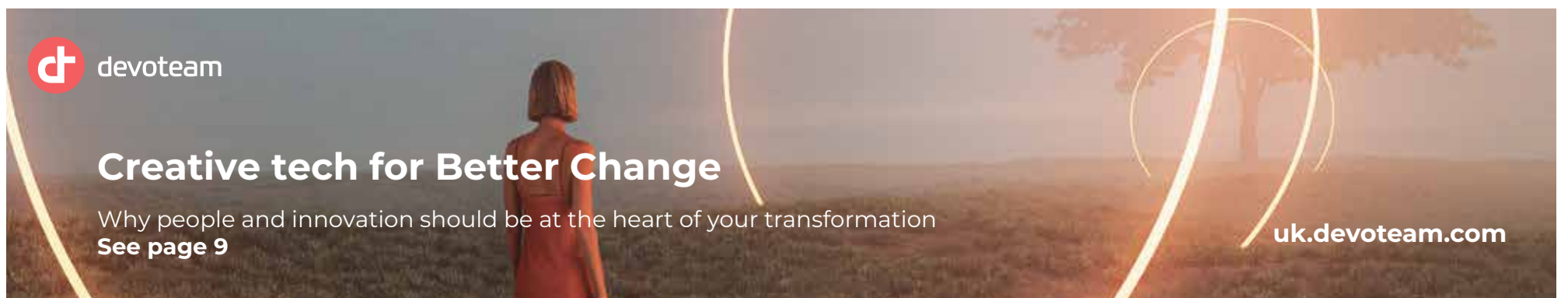
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### Contributors

- MaryLou Costa**  
Writer covering topics such as sustainability, innovation, start-ups, marketing and the future of work.
- Peter Crush**  
Freelance business journalist, specialising in HR and management issues. He was the deputy editor of *HR* magazine.
- Cath Everett**  
Journalist specialising in workplace, leadership and organisational culture, with a focus on the impact of technology on business and society.
- Sam Forsdick**  
Raconteur's staff writer, with particular interest in technology and the future of work. He has written for *I-CIO*, *Press Gazette* and *New Statesman*.
- Virginia Matthews**  
Award-winning journalist specialising in business, education and people management, writing for national newspapers and specialist business titles.
- Kenny MacIver**  
An award-winning business and technology editor for content marketing specialist SevenC3.
- Oliver Pickup**  
Award-winning journalist specialising in technology, business and sport, contributing to a wide range of publications.
- Chris Stokel-Walker**  
Technology and culture journalist and author, with bylines in *Wired*, *The New York Times* and *The Guardian*.
- Megan Tatum**  
Award-winning journalist covering health, business and travel for publications including *The Guardian* and *Wired*.
- Jonathan Weinberg**  
Writer and media consultant specialising in technology, business and the future of work and society.

### Raconteur reports

- Publishing manager **Fariyah Chowdhury**
- Managing editor **Sarah Vizard**
- Deputy editor **Francesca Cassidy**
- Sub-editor **Neil Cole**
- Head of production **Hannah Smallman**
- Design **Pip Burrows**
- Kellie Jerrard**
- Colm McDermott**
- Nita Saroglou**
- Jack Woolrich**
- Sean Wyatt-Livesley**
- Illustration **Celina Lucey**
- Samuele Motta**
- Art director **Joanna Bird**
- Design director **Tim Whitlock**

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### STRATEGY

# Stick or twist?

As trading restrictions are relaxed, companies that changed their business models to survive are having to choose whether to stay on that path or revert to pre-Covid mode

Chris Stokel-Walker

When the world changed last year, so did the UK's 6 million businesses. Shopfronts were shuttered and office buildings went dark on 16 March 2020 as the first national lockdown took hold, rendering many business models unviable overnight. Several companies decided to transform digitally, moving communications online or shifting how they operated, while others completely recast themselves – restaurants became food delivery services, for instance, while bars turned into greengrocers.

As the economy shows signs of recovery and we venture gingerly back towards normal life again, enterprises of all stripes are faced with as big a conundrum as they encountered in March 2020: do they stick with what they've become or return to pre-pandemic mode?

Firdaus Nagree is the founder and CEO of FCI London, a specialist in designer furniture. He recalls that, at the beginning of the Covid crisis, "we thought: 'This is an existential problem. We are a showroom-based business and we have just been told to shut down.'"

He sent his staff home with their IT equipment and altered the business to run digitally. While customers couldn't come to see the firm's wares in situ, they could still look at them online. Initially, business was slow, but it started picking up as customers who also couldn't visit FCI London's competitors – such as Harrods and Heal's – sought it out instead.

Seizing the opportunity, Nagree tripled FCI London's marketing budget. "We realised that there's so much work that can be done virtually. It needn't happen in a showroom," he says.

Matt Atkinson, chief membership officer at the Co-op, came to a similar conclusion. "We were already on the way to digitising our services, but Covid fast-forwarded the change, making it happen much sooner than we'd anticipated," he says.

Customers have been comfortable going online to access its broad range of services – from grocery delivery to funeral care – according to Atkinson, who doesn't believe that they will change their new way of interacting with the Co-op after the pandemic ends.

"We plan to keep pushing on down this route, ensuring that we've got the right level of investment in our new platforms and capabilities to keep growing," he says.

FCI London's digital transformation has gone so well that Nagree has



no intention of changing course either. His company has developed software that enables designers to better imagine its furniture in their designs. Plans that the firm had been making before the pandemic to open satellite showrooms in the Middle East remain on hold.

"We've realised we don't need this," he says. "We're just going to keep developing our virtual platforms."

Dr Vern Neville, founder and MD of Loughborough-based firm ESG Fitness, faced a similar quandary when Covid struck. Most of the business is based on designing and installing equipment for commercial gyms, operating on a B2B basis.

"All of a sudden, that all stopped," he says. "We thought it might be the end of our business."

As gyms closed their doors worldwide, Neville and his team realised that they'd have to target consumers who wanted to work out at home. A six-figure bank loan enabled them to buy more materials and design smaller machines more suited to domestic use. He estimates that his staff were working up to 12 hours a day at the start of the pandemic.

"Everyone was totally committed. It was either that or the company would be going down," he says.

Professional athletes and stressed executives became the firm's new

### MANY FIRMS CHANGED THEIR BUSINESS MODELS BECAUSE OF COVID-19

The most common adjustments made by companies in the UK, excluding the introduction of remote working and social distancing measures



Royal Mail, 2020

customers. "The way we function as a company has totally changed – and we won't be going back to how we operated before," Neville says.

Vegan bakery Cake or Death is another enterprise that has been forced by Covid to target a whole new set of customers. It wasn't well known to the general public before the pandemic, because it was a wholesale manufacturer, supplying cafés and restaurants across London.

"I did have a customer-facing website set up, but that wasn't doing anything," admits the company's founder and head baker, Katie Cross. "No one knew about me."

The site used to receive a couple of orders a week, mostly from relatives and friends. Cross says that it was impossible for her to develop this part of the business while her core wholesale operation was so busy. Then, as the first national lockdown took effect, all but 10% of Cake or Death's corporate customers cancelled their orders.

Cross posted a blunt message on Instagram about her predicament. "It was pretty straight," she recalls. "I wrote: 'You've got to suppose I'm going to lose my business.'"

But the public began supporting her. In April, May and June she was sending out hundreds of brownie boxes a week. Dealing with retail customers' foibles for the first time was a steep learning curve, as was handling the large increase of small orders, yet she made it work.

"I am thinking very differently now," Cross says. "I have built a brand in a way that I hadn't before. The pandemic has taught me to diversify, because you never know what's going to happen."

She has since relocated the operation from the capital to a business park in rural Devon, hiring her husband, who worked in the film industry, to help her mail out the orders.

"I realised that I didn't have to be in London anymore. I no longer needed this community of cafés and restaurants," Cross says. "I can be anywhere, within reason, that has a decent postal service."

She is now a more cautious entrepreneur, hedging her bets and conscious that the past year has proved that anything can happen in business. While Cross is not sticking solely with her new business model, she's also not twisting back to what it once was.

"I'm trying to have a business that works in lockdown and a business that can work out of lockdown," she says. "Otherwise, I'd be swinging like a pendulum between being incredibly busy and not busy at all."



# Data visibility core to business transformation

A recent roundtable on business transformation showed that IT and data is now at the core of organisational change. It is no longer a back-office function, this represents a fundamental shift.

## Nick Easen

Many forward-thinking organisations, whether in response to the Covid-19 pandemic or in a bid to up their game in competitive sectors, are embarking on some form of business transformation. Right now, this aligns with digital transformation, because innovations in IT, as well as data visibility, are core to a successful business strategy.

The shift to online services and digital products, as well as empowering IT departments to provide them, has been palpable over the last 18 months. CEOs now see CTOs and CIOs as their primary partners in driving innovation. In the process, those heading up IT departments must prove their business and operational value and worth through their technology investments.

"Businesses are changing how they operate. Many organisations can now see most of their business digitally. The only thing that is compatible throughout the business is data," says Mark Woods, chief technical adviser for Europe, Middle East and Africa at Splunk. "There is now a real drive to increase visibility, not just how you resolve individual problems, but how you start to understand your business end-to-end."

The issue with business transformation is that organisations have to

operate and change at the same time. Many in finance, healthcare, and other more traditional sectors, also have legacy IT systems they must continue to work with. Both these factors can lead to more siloed data as elements of an organisation continue to digitalise, not less. It's a conundrum that some are having to reconcile.

"We've taken on a hugely ambitious job to build 25m full fibre broadband connections. But in order to fulfil this by 2026, we have to automate. We are taking processes that were historically paper-based and converting those into tablet and app-based solutions. Digital and data is becoming a necessity if you want the business outcomes to happen at the pace they need to," says Colin Lees, chief technology and information officer at Openreach.

### Data is the new oil in business transformation

Data, now, is being used for governance and organisational control, rather than purely for business processes, a shift that is enriching decision-making. Organisations are also using greater amounts of external data to inform strategies. It can no longer be in the back office.

"Traditional banks have come to a point now where, we've all got digital

products, but are we running digital banks? Have we digitised everything end-to-end, that's the next step in the journey. It's a change from a cultural perspective. It effects how you work and what you work on," says Gavin Munroe, global chief information officer for wealth and personal banking at HSBC.

There in lies the rub, business and organisational transformation, with informed data at the core, and at scale, is a significant project that can't be solved with a new app, widget or a short-term project from the IT department. However, organisations are demanding change and at pace.

"The challenge is the investment. It is very easy to justify money for say product X needs to move to digital so it will be better. To say to a business, we need to understand how the organisation operates and how that change affects us end-to-end is a bigger issue, it may get nods around the boardroom, but then becomes very challenging to put that in as a business case," says Woods.

However, the potential for cloud-driven solutions and end-to-end visibility, where data across an organisation provides valuable insights driving productivity, profitability, better services, operations and strategy is well known. It helps that IT solutions have also been the saviour for some organisations during the pandemic.

"The pandemic has given us absolute focus. A lot of the success has come from the new tech we've invested in, where it's been built on cloud it's been fantastic," says Mark Reynolds, interim chief technology officer at NHS Digital. For instance, the NHS website had an estimated 873m visits in 2020, with some of the highest number of views ever, while the NHS App has seen a 912% increase in users.

Reynolds adds: "The issue is can we demonstrate further value through digital services. As digital professions I think we need to shout out about fixing the things that are unseen, because you tend to depend on them in extremis."

### Data and digital now centre stage for operations

There's no doubt that the pandemic has accelerated the digital roadmap for many organisations. It has emphasised the importance of being more agile, the push for short-term change, and the long-term need to transform organisations for the better. For some, it has allowed them to finally put digital and data capabilities at the core of their operations.

"The opportunity is that a lot of customers have moved to digital that weren't there before. The pandemic has broken down barriers. It is up to us to keep them on digital. We've taken our standalone digital division

and embedded it into our business to be one team," says Munroe. "We now need to figure out how to use data to engage with our customer in different ways. We want to move to a more proactive engagement with the customer. For that we are trying to define the use cases. Open banking is also driving this."

The fact is when data visibility is at the core of an operation it allows organisations to drive real business change. Louise Bunting, chief information officer of Yondr Group, adds: "For us the challenges are not what you can achieve technically, it is what your boundaries are creatively. And that mix of functional and technical skills is very hard to find in people; that person in the middle is also very hard to recruit and retain because they are unicorns."

Woods says: "The next transformation is going to be a data transformation. Data can be leveraged in new ways that businesses have not even thought about yet. This is where true revolution is likely to occur."

The next 18 months therefore offers many possibilities opportunities. But, it will depend on having the right people, systems and technology in place.

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We now need to figure out how to use data to engage with our customer in different ways. We want to move to a more proactive engagement with the customer



## SMALL AND MEDIUM-SIZED ENTERPRISES

# How smaller firms can cure their 'metamorphobia'

Concerns about cost and a lack of in-house knowledge have deterred many SMEs from attempting a digital transformation. Here's a guide to the process from some pioneers that have taken the plunge

## Cath Everett

Although the pandemic has accelerated the digital transformation of small and medium-sized enterprises, many firms in this category have yet to take the plunge, intimidated by factors such as the potentially high cost and their lack of in-house tech skills.

The organisations most likely to transform themselves are time-poor, fast-growing companies seeking to become more efficient and medium-sized companies keen to improve their processes, according to research by the Azets consultancy. Their most common objectives are: to increase operational efficiency; to enhance both internal and external collaboration; to improve interactions with customers; and to use data more effectively.

On the other hand, those that are least enthusiastic about transforming tend to be profitable, well-established businesses with an 'if it ain't broke, don't fix it' attitude.

Lynsey Robinson is the director of DigitalCity, an EU-funded initiative led by Teesside University to support SMEs in and around Middlesbrough.

No matter where a firm stands on this issue, she says, digital transformation can appear "quite daunting, as people think it will be very costly and require a bespoke build or expensive consultant when that is often not the case. So there's a lack of confidence in some ways due to insufficient skills and experience."

The first step for SMEs considering a digital transformation is to have a clear idea of the goals they are trying

to achieve and why. This vision will be informed by the main opportunities and threats the business needs to address.

Salima Vellani, founder and CEO of the Absurd Bird restaurant chain, explains: "The vision has to come from the top, because leaders have the bird's-eye view. It's important to join the dots and understand what's happening, not only in your company and industry, but in the wider economy. You have to adapt continually, or you're not going to exist."

Vellani led her company's transformation in 2018 after realising that saturation in the restaurant market was a limiting factor on the number of customers that its six city outlets could attract, while high rents and rising labour and food costs were eroding margins. Meanwhile, investment in food-delivery services such as Deliveroo was rocketing and the new 'dark kitchen' business model was also gaining momentum.

After analysing the problems and working through a series of manageable "baby steps", rather than trying to do everything at once, Vellani used technology to transform each of the restaurant kitchens into "optimised delivery hubs" to cater to external orders and "meet customers

where they are". This approach has since helped the business to survive the lockdown restrictions.

"This was about investing ahead of the curve rather than being disrupted," she says. "But the key is not to get hung up on the digital aspects. It's the organisational culture and goals you're trying to optimise. Use technology to enable that shift and do things better."

It's important to treat change as an investment in the future of a business rather than simply a cost, according to Robinson.

"There is inevitably a cost involved, but there are also benefits such as efficiency gains or the ability to enter new markets," she says. "Don't look at the cost in isolation, as that makes it feel like a burden. Instead, look at the return you stand to gain."

To understand this return, though, it's vital to establish performance criteria by which to benchmark the progress that's being achieved.

Fraser Nicol, head of business technology consulting at Azets, explains: "It might sound obvious, but people often adopt new technology without making a business case for it. Many SMEs don't even understand how their key processes work or how much these cost. First, think about what you're trying to change and then about how to measure the benefits of that change before considering how technology might help."

There is value in having at least some in-house technical knowledge when approaching a digital transformation, acknowledges Lucas Gundry, technology director at The Keyholding Company. In 2016, the security service provider automated most of its interactions with customers and alarm-response partners nationwide.

"Your technology partner may be an expert in its field, but it can't know your business or its culture as well as you do," he says. "It's about having

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Transformation should be an ongoing process. Taking advantage of the opportunities it presents is about having the right mindset, rather than a particular skill set

## THE UK'S SMALL BUSINESS COMMUNITY IS BEING HELD BACK BY A LACK OF DIGITAL SKILLS

An online survey of 1,000 senior decision-makers in SMEs found that:

41% have not invested in digital tools

35% have put basic cybersecurity measures in place

34% are not clear about which digital tools are right for their businesses

27% have not taken any steps to learn new technology

25% are not activating tech solutions after purchasing them

Vodafone and Enterprise Nation, 2021

expertise on both sides of the fence linked by a common goal."

If suitable tech expertise doesn't exist in-house, Robinson recommends thinking laterally about how to obtain it. One option, if the business can't afford a full-time specialist, is to appoint an appropriately qualified non-executive director. Another is to work with a higher education institution. For instance, Teesside University runs an internship programme. Under the scheme, graduates are paid to work for an SME on a specific project related to their area of study for three months.

A further consideration in a wider business sense, Vellani says, is to "hire for cultural fit". This means that "if your company is all about evolving, hire flexible thinkers who love tech. You can train people for skills, but you can't train them for that mentality."

Nicol agrees. "It's important for at least some of your team members to understand the potential of technology and how you could use data to become more flexible as a business," he says. "Transformation should be an ongoing process. Taking advantage of the opportunities it presents is about having the right mindset, rather than a particular skill set." ●

## RESTRUCTURING

# The flat pack

Feeling confined by their traditional bureaucratic structures, several firms have reorganised themselves to become as horizontal as possible. Has 'going managerless' proved a winning gambit?

Sam Forsdick

You've probably spent most of your career working in hierarchical organisations, where senior managers make all the strategic decisions and tasks are delegated down the chain of command. This approach to structuring an enterprise has been the standard for generations, but that hasn't stopped firms from deviating greatly from it in search of a better way.

"We management theorists have always seen self-organisation as a desirable way of working because we all understand the downsides of bureaucratic approaches," says Dr Julian Birkinshaw, professor of strategy and entrepreneurship at London Business School. "Yet it has always been hard to come up with an alternative model that works."

**It is counterintuitive, but in a flat hierarchy you don't need less structure. In fact, you need more – along with stricter rules**

Digital marketing agency Fountain Partnership is one company that's making a concerted attempt to do so. The Norwich firm's co-founder and director, Rebecca Lewis Smith, has several problems with the traditional pyramid structure. Chief among them is that, in her experience, "the most talented people in a company will often leave because someone else is occupying the position above them on the ladder".

She also cites a 2014 survey of US employees by Everest College, in which 75% of respondents said that their line managers were the main cause of work-related stress.

"On a very fundamental level, I dislike the idea of holding one person accountable for someone else's work," Lewis Smith says. "That feels really infantilising."

In 2017, when her firm grew quickly from 11 to 36 employees, she decided to flatten the organisation, removing management from the equation.

"We aimed to create a structure under which people could progress by going deeper into their areas of expertise, rather than moving up a traditional hierarchy," she explains.

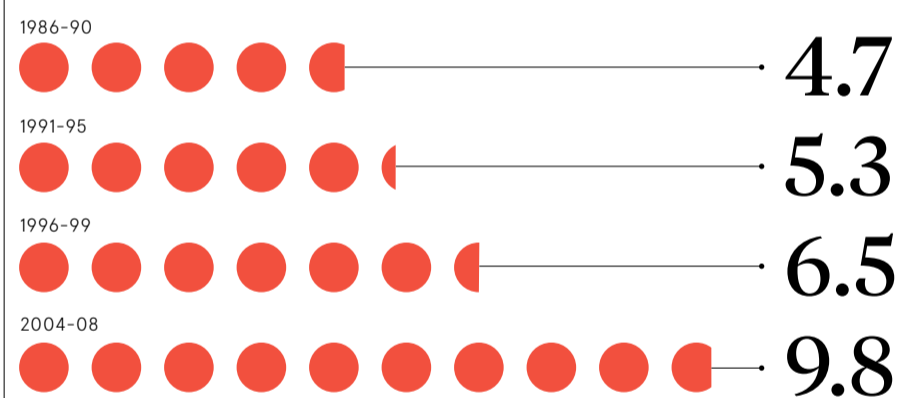
The inspiration for Fountain's restructuring partially came from Brian Robertson's 2014 book *Holacracy*, which has served as a manifesto for several business leaders who've sought to remove layers of bureaucracy.

Under the decentralised model that Robertson propounds, all staff



## MANY COMPANIES HAVE BEEN FLATTENING THEIR MANAGEMENT STRUCTURES

Average number of people reporting directly to the CEO in Fortune 500 companies



Harvard Business Review, 2012

are given the freedom and responsibility to complete their work without reporting to a boss. Management tasks are divided into roles and distributed among the employees. For jobs that require more collaboration, a series of self-organising 'circles' are formed.

Health technology start-up Luscii is another company that adopted a holacratic model after its co-founder, Joris Janssen, decided that

he no longer wanted to be an authority figure. Management tasks at the Amsterdam firm were broken into 329 different roles, which were then divided among its workforce of 54.

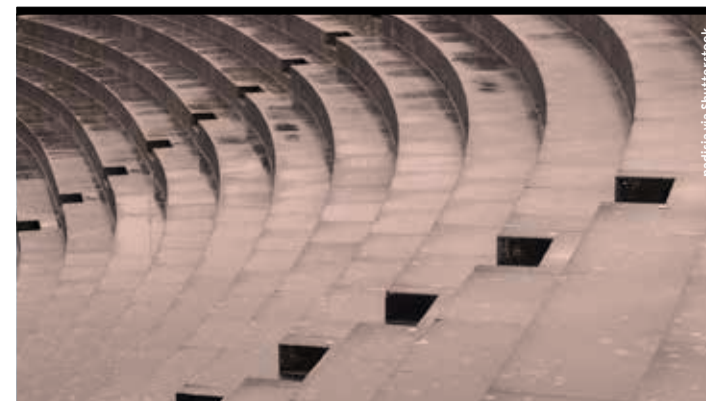
"I don't hire people, I don't fire people, I don't set people's salaries and I don't coach people," Janssen says. He is now responsible for only two things, determining the strategic priorities of the business and allocating roles to individuals.

Explaining the benefits of the reorganisation, he says: "It's much more efficient. We need to hold very few meetings, as each role description clarifies what is expected. It is also much simpler to shift a role than to change someone's entire job, making it easier to tailor work to someone's desired level of responsibility."

Janssen has also noticed a marked reduction in staff turnover since adopting the new approach. "It has been great for employee loyalty," he says. "We've got people who've been with us for seven years, which is not very common in our industry."

But the decentralised model has not worked for every business that's tried it. US clothing retailer Zappos is one company that has felt obliged to ditch the holacratic rulebook, having eagerly adopted its principles in 2014. Another example is blogging platform Medium. Although its former head of operations, Andy Doyle, wrote in 2016 that there was "much we admire about the philosophy", his business had found that holacracy was "getting in the way of work".

Raffaella Rein also experimented with a flat hierarchy when she established her IT training business, CareerFoundry, in 2013. But she soon



## How to reinvent a business structure

Digital marketing agency Jellyfish is another business that's decided to strip out layers of management. Its CEO and co-founder, Rob Pierre, explains that the company's traditional hierarchical system had been encouraging the wrong type of behaviour.

"In all honesty, Jellyfish had become a job factory," he admits. "Our product was managing people."

The chain of command had become long and unwieldy, and people's diaries were dominated by one-to-one meetings. The management structure was placing so many constraints on productivity that Pierre felt obliged to act. In 2019, he set about unpicking the organisation, starting from the top. Senior managers were removed and heads of departments were replaced with steering groups where strategic responsibilities could be shared among employees.

With no line managers, promotions are also handled differently. Each employee is given a grade reflecting their salary and department. They are then given the chance to present a business case for promotion. These are anonymised and judged by a panel of employees drawn from across the company.

Theoretically, anyone in the organisation could earn the same salary as the CEO under this system, according to Pierre, who adds: "If someone were helping us to win all our pitches and helping to develop

all our products, they could make a business case showing the value exchange and be remunerated accordingly."

More than 800 employees have been promoted since the grading structure was introduced, 57% of whom are women. Pierre claims that removing unconscious bias from the process has helped the company to recognise a more diverse array of talents.

"I was confidently told that women are less likely to promote themselves, so our promotion system was biased towards males," he says. "I'm delighted that the system gives everyone an equal opportunity to make their case without having to be the loudest person in the room."

Pierre believes that Jellyfish's managerless structure could be copied successfully by any other enterprise. His advice to CEOs attempting such a change is to "focus on your desired outcomes, get everyone in leadership to become an advocate – and address any reservations immediately".

# 57%

of the people promoted under Jellyfish's new structure have been women

Jellyfish, 2021

found that her employees needed more management guidance than they were receiving. It also meant that people avoided asking important, yet difficult questions.

"It is counterintuitive, but in a flat hierarchy you don't need less structure," she says. "In fact, you need more – along with stricter rules."

Rein reports that CareerFoundry's sales doubled after she ended its holacratic experiment, helping the company turn a profit for the first time in 2017.

"The main issue here is that the holacratic model replaced a vertical bureaucracy with a horizontal one," Birkinshaw explains. "Those people who embraced holacracy found themselves involved in innumerable

meetings where they sought to achieve alignment and clarity about their roles."

Although the idea of a managerless world may sound utopian to some, flat organisations can quickly become unwieldy, he says, adding: "Some companies actually require a little imposition to make the bold decisions required for growth. A flat structure is uniquely ill-suited for doing that."

Despite their flaws, flat management structures continue to carry some appeal, as shown by Luscii, Fountain and Jellyfish (see panel, above). As long as the weaknesses of top-down management structures persist, businesses will continue exploring radical alternatives. ●

# Has your digital transformation opened the door to cyberattack?

Cyber attackers are getting smarter, while an acceleration in digital transformation has also led to an increase in organisations' vulnerabilities. Here's what to do

Bipul Sinha believes the Covid-19 pandemic has left IT security professionals with a growing dilemma. Sinha, co-founder and CEO of cloud data management company Rubrik, says IT professionals are struggling to balance the need for fast, easy access for remote workers with the need to tighten up security as more applications and data move online.

"What we've seen in the past year is a huge acceleration in digital transformation and in turn that's led to a big increase in organisations' vulnerabilities," says Sinha. "If we don't change the way we approach data security then the risk is that businesses will not be able to recover from these ransomware attacks, which are happening almost daily."

The typical IT department uses between 40 and 50 security solutions but there are still stories every week about data security breaches. Obviously, we need to understand where the gaps remain, says Sinha. "Most of these tools focus on prevention and intrusion detection, rather like a lock on the gate of your compound," he says. "But what we're seeing is that attackers are getting smarter. Rather than forcing a door, they're using social engineering to get your own people to allow that attack to take place."

The growth in remote working has created a wealth of new opportunities for cybercriminals. Rather than trying to work out how to hack into a mail database without being detected, why not simply email a member of staff with a spreadsheet or send out a cruise offer that carries ransomware code?

"These days, if the CEO sends an email of people's payroll data, you're likely to just open it because it makes sense that the document was shared over an email," says Sinha.

**Companies need to start with an 'inside out' view of security in a digital environment**



IT security specialists need to put data security at the top of their to-do list, says Sinha. Companies need to start with an 'inside out' view of security in a digital environment. Rather than focusing only on the perimeter of your IT infrastructure, look at the data inside. How valuable is that data? Does it contain personally identifying or other sensitive information? Can you tell who is accessing it and what they are doing to it? Can you see if data is being deleted, changed or shared? And if that data is compromised, can it be quickly and safely restored?

"There is no question that organisations will be attacked, simply because there are so many attacks and so many vulnerabilities. The question becomes how do you verify that the attack has happened, how can you mitigate the impact and recover?" says Sinha. A breach may happen weeks before you notice the impact, because many ransomware attacks may lie dormant for weeks or even months. It is vitally important to have real protection and back-up of data.

The answer to this question lies partly in improving data back-up, Sinha adds. "Of course, everyone has a back-up, but what happens if your back-up is compromised? You might not be able to get your business back."

Alongside an audit of back-up capabilities, Sinha recommends that IT teams partner closely with security operations teams to review and update data security and management policies. It is vital that people across your organisation understand data management and know the importance of following policies, like multi-factor authentication, for example.

Sinha believes it is also time to start looking more seriously at the role of AI and machine learning in cybersecurity. "If you look at the world today, we're often trying to solve the problem of cybersecurity by throwing human bodies at it, and we're seeing an increasing number of trips and alerts," says Sinha. "The only way we get control of the cyber-vector is a combination of policy-driven management and applying artificial intelligence and machine learning."

In the years ahead, Sinha predicts the volume and sophistication of cyberattacks will outpace humans' ability to track them. "When things go beyond human comprehension, you'll be using machines to analyse and figure out the volume and velocity of attacks, and predict vulnerabilities," he says. "Machine learning and good policy is going to be the answer to identifying attacks and mapping the route to recovery."

For more information please visit [www.rubrik.com](http://www.rubrik.com)



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## SUSTAINABILITY

# Asleep at the switch

If UK plc is to reduce its considerable carbon footprint, it needs to produce far less electrical waste. Unfortunately, the problem may well get worse before it gets better

Jonathan Weinberg

**B**ritish businesses are harbouring a massive amount of potential e-waste, the catch-all term for any item requiring a battery or an electrical plug. The list includes computers, screens, phones, printers, scanners, photocopiers, fridges, microwaves, kettles, smoke detectors and security cameras. That's a lot of items with finite lifespans scattered around commercial premises nationwide.

Whenever a company needs to dispose of such goods, it must comply with the Waste Electrical and Electronic Equipment Regulations 2013 (WEEE), as the toxic materials these items typically contain present a serious pollution risk. Many products will hold sensitive data, so this will also need to be securely wiped before their disposal.

According to *The Global E-Waste Monitor 2020*, a research report published by the United Nations University, the UK became the world's second-largest producer of e-waste per capita (23.9kg) after Norway in 2019. The global average for the year was 7.3kg per capita.

While that figure includes both domestic and commercial waste, most experts believe that the latter element will continue to increase as British businesses adopt more and more tech to aid their digital transformations. The pandemic may also prove to be a factor, because many firms have bought new devices to enable staff to work at home, leaving existing equipment to gather dust in deserted offices.

In September 2020, data erasure specialist Blancco commissioned a survey of 600 senior decision-makers in large firms in the UK, the US, Germany, France and Japan. Nearly half (47%) of the respondents said that their companies had been

obliged to create new roles to deal specifically with e-waste problems arising from the Covid crisis, such as the need to ensure organisation-wide WEEE compliance. Despite this, many companies are still mishandling their unwanted equipment, according to Blancco's vice-president of enterprise and cloud erasure solutions, Fredrik Forslund.

"They lack proper awareness when they're dealing with end-of-life IT equipment – and their approaches are unsustainable," he argues. "According to our research, more than a third of enterprises destroy their used assets because they believe that doing this is better for the environment. But shredded refuse only adds to the growing e-waste issue."

Forslund continues: "Following data erasure, those devices could be repurposed, resold or recycled. They could provide affordable options for second-hand purchasers, for instance, or they could be safely donated to organisations and communities that need IT equipment most, creating sustainable jobs in the refurbishment of electrical components."

While the users of electrical equipment need to educate themselves in end-of-life management, manufacturers must step up their game as well. There are still few formal programmes in existence for returning and recycling products they make, for instance.

"Responsibility falls on the firms creating these products, as well as the business leaders who buy them," says Xavier Battinger, director of business development at Ricoh Industrie France. "Technology suppliers and manufacturers should ensure that all product parts are designed and built in a way that



enables them to be recycled or reused. A sophisticated return and recycling process is key for optimal resource recovery. Ideally, these will be free and easy to use, as well as clearly documented to encourage maximum adoption."

Joe Baguley, chief technology officer of Cloud computing company VMware in EMEA, agrees that the problem requires a coordinated solution. His firm has made bringing the amount of e-waste its operations send to landfill down to zero one of its strategic goals.

"We manage our IT assets rigorously. This includes disposing of our e-waste properly," Baguley says. "Reducing the amount of electronic waste building up globally, as well as the carbon footprint created in transporting it and disposing of it, remains a massive hurdle that must be balanced against the increasingly insatiable demand of consumers to have the next new thing."

**“**Businesses need to switch from a 'take, make, dispose' model to a 'take, make, reuse or recycle' mindset

He continues: "The technology industry must not be blinkered when it comes to the challenges of managing e-waste. Improving company-specific operations to tackle the issue is absolutely necessary and should be championed, especially in global organisations."

In August 2020, more than 1,000 corporate IT decision-makers across northern Europe were surveyed on behalf of 3stepIT, which works with businesses to find uses for obsolete or unwanted tech. Well over a third (37%) of respondents couldn't say where their companies' e-waste was ending up, while 10% admitted that they were still consigning unwanted items to landfill.

"Businesses need to reduce their carbon emissions and answer calls from workers and consumers for greener practices," says 3stepIT's CEO, Carmen Ene. "But they also need to replenish aging technology to keep pace with demands for greater performance and productivity, particularly as we move to hybrid working. What's needed is a better solution to manage the IT lifecycle based on the principles of the circular economy. Businesses need to switch from a 'take, make, dispose' model to a 'take, make, reuse or recycle' mindset."

While reducing e-waste is good for the environment, it also makes business sense. Research by Circular

Computing shows that the UK could save £7.7bn over the next nine years by purchasing refurbished laptops instead of new devices. This would also save 9 million tonnes of carbon emissions – the equivalent of taking 193,000 cars off the roads for a year, the study claims.

"The good news is that there are more brilliant and feasible sustainable solutions than ever – and it's not rocket science for boardrooms to implement change," says Circular Computing's head of sustainability and social inclusion, Steve Haskew. "The challenge seems to be more in changing behaviour."

The first step, he adds, is for companies to take ownership of the problem and "ensure that someone senior has meaningful responsibility for measurement and improvement. Organisations also need to kick arbitrary procurement habits. So many firms replace their technology on a three-year cycle, replacing slightly used with brand new for no other reason than it's how they've always done it."

Haskew does believe that most businesses are at least acknowledging that e-waste is a problem to be taken seriously. "It's the increasing importance that employees and other stakeholders are placing on sustainability that will really drive change and make a significant impact," he predicts. ●

## 'Disruption and innovation are where the real change happens – and where growth will truly be nurtured'

**A**s we start to emerge, recover and learn from the pandemic, there are some real bright spots where digital transformation has been the saviour for small and medium-sized enterprises (SMEs) across the UK. Here at Sage, our customers tell us that using digital solutions and transforming parts of their business have become critical elements of emerging stronger.

Having a digitally enabled business will increase a company's capability and its resilience to future challenges. Since SMEs account for 99% of the UK's businesses and 60% of its jobs, the optimism they show is a significant indicator that the bounce-back will be fuelled by the energy and passion of their owners. Digital tech will be at the heart of this.

New research published by Sage shows that more than half of this country's SMEs have used new technology to sell more, stay connected with customers and improve operations throughout the Covid crisis. By way of example, the volume of payments digitally initiated from our accounting solutions has increased fourfold during the pandemic. This has enabled businesses to streamline collections and make it easier for customers to pay their invoices at the same time. Banking, accounting and payment solutions are converging and becoming more integrated, reducing the touchpoints, interventions and frictions that have historically created work in small businesses.

Digital transformation is often seen as a panacea that enables more efficient operations. But this change is becoming a minimum requirement if firms are to benefit from the marginal gains it provides in both improving the visibility of what's happening in the business and meeting customer-experience expectations.

Data-driven insights and AI-enabled reporting are very much part of the mix. They enable SMEs to deal with change, swiftly reforecast their entire business with high levels of confidence and, as a result, determine the operational and financial impacts of changes in their environment.

Disruption and innovation are where the real change happens – and where growth will truly be

nurtured. That is where the future waves of digital transformation will originate, as SME leaders start to experiment with new tech to run their companies more effectively and create new digital business models. Many firms have already attained a degree of digital maturity and are unlocking new waves of growth or productivity and redefining their operating models.

Digital Leaders Week (DLW), now in its fifth year, is packed with virtual sessions covering all aspects of digital transformation. It provides an amazing showcase of the creativity, innovation and determined execution that leaders in all types of business have achieved. The Sage DLW 'Badge for Business' has picked out 10 sessions that have specifically been designed to help SMEs get the most out of DLW and learn about a diverse range of approaches, solutions and outcomes. Some draw on experiences from the corporate world, while others are more specific to the SME sector, but they all serve as great examples of championing digital change.

Sage's research forecasts that SMEs will generate up to 1.2 million new jobs in the UK and, in doing so, cement the country's position as a digital leader. Having adapted and survived, SMEs are optimistic, buoyed by their ability to welcome customers in person again, thanks to the vaccination programme, and projections of increased consumer spending. That positivity is fuelling further investment in the technology that has helped to sustain their businesses over the past 18 months. ●



**Lindsay Phillips**  
Executive vice-president,  
product delivery, Sage

## Q&A Putting people and innovation at the heart of digital transformation

Q&A with **Richard Andrews**, managing director of Devoteam, which delivers innovative technology consulting for business



**Q** Could you tell us about Devoteam and your approach to transformation?

**A** Devoteam sits at the intersection of people, technology and business. We work across six strategic domains – digital business and products, business automation, data-driven intelligence, distributed cloud, trust and cybersecurity, and sustainability enabled by digital. We are big enough to support our customers' transformation at scale, yet still able to work with clients in a collaborative, agile way wherever they are located in EMEA.

Our vision, 'Tech for people unlocks the future', reflects our belief that when technology is combined with imagination and creativity it can empower people and organisations to realise better change. Whether helping organisations innovate and become more profitable, or working consistently towards long term sustainability through digital transformation, tech x imagination is the formula we apply.

**Q** Have your clients' priorities changed over the past year?

**A** Many firms adopted new ways of working during the pandemic and are now revisiting these and thinking carefully about what tools and tech they need to prioritise to empower

their people and push their businesses forward. A challenge for everyone will be to reach customers in a world where connection is remote rather than face-to-face. Sometimes it's difficult for businesses to see the path forward. Our clients come to us for clarity on how to future proof their processes and maximise the value of the tech they already have in place.

Some of our largest clients are working with Graham Zabel, our head of DevOps, to see how they can leverage DevOps to keep ahead of the competition. This might mean moving from a model of separate software development and operations teams to an integrated DevOps model or moving towards devops-as-a-service. For our organisations, it is about leveraging the power of automation to accelerate bringing features to market or creating a seamless experience for customers.

**Q** Where should organisations that need to make up lost ground focus their energies?

**A** This will vary from business to business, so the first step is to understand where you are today and make sure the basics are in place. For example, can your people access the tools, data and systems they need to do their job anytime, anywhere? Does your infrastructure allow them to communicate with customers, colleagues and suppliers right across your value chain? And can they do this in a way that is fully secure and protected against cyber threats?

**Q** Where do organisations sometimes go wrong during a transformation journey?

**A** Beware of jumping on board with a technology you think will be a panacea for all your problems, as invariably it won't be! Without putting a strategy in place first you can end up with an even more complicated and expensive IT landscape – defeating the object of leveraging new technologies.

Data can help you make the right decision at the right time but avoid generating lots of data without a clear purpose. Focus on the key things that are important to the business and actively use data to support your decision-making.

Our head of business consulting, Hannah Holden says: "When we talk about digital transformation, there's the technology element, but how do you get that cultural shift and bring people with you on the journey? Without this, often tech is installed but clients fail to realise value, then they call us!" Enabling this shift, and embedding new tech and processes so they deliver real impact and value is at the heart of everything we do.

**Q** Are cloud-based platforms the key to innovation today?

**A** The cloud offers huge advantages from cost reduction to the ability to scale, so it's an integral part of any digital transformation journey. We work with the leading and most innovative technology providers out there – Google, Amazon Web Services, Microsoft, ServiceNow and Salesforce – so we know how to help our clients navigate the options and develop a cloud strategy that will support agility and innovation.

The Devoteam perspective is that creative use of technology will undoubtedly be the advantage that sets a business apart, bringing with it resilience, speed and the ability to continuously innovate. But tech alone won't help you realise real value. Ensuring you keep people front and centre of your transformation will mean you can create a better future for your employees, your customers and ultimately, your business.

For more information please visit [www.uk.devoteam.com](http://www.uk.devoteam.com)



**“**When technology is combined with imagination and creativity it can empower people and organisations to realise better change

INTRAPRENEURSHIP

# Inside hustles

Companies that enable all staff to hone their entrepreneurial skills – and then apply these to solving key business problems – could gain a crucial edge in the innovation stakes

MaryLou Costa

While it may sound like just another glib management buzzword, ‘intrapreneurship’ has become a highly prized quality in business. Before the pandemic struck the UK, recruitment firm Michael Page ranked intrapreneurship at number one on its list of the 100 most sought-after skills in job candidates. When it polled 500 business leaders at the end of last year, well over two-thirds (69%) said that this attribute had become even more important to their companies during the Covid crisis.

Despite this, there are signs that investment in intrapreneurship will be another casualty of the pandemic. A survey by the European Investment Bank in January 2021 found that 45% of companies in the EU were expecting to cut their annual expenditure in this area.

But not all businesses have forgotten McKinsey’s research into the recession of 2008-09, which found that firms that continued investing



of businesses believe that intrapreneurship will be more important in 2021 than it was in 2020

Michael Page, 2021

in innovation during the financial crisis comfortably outgrew those that cut their budgets. Indeed, a growing number have grasped the importance of enabling their teams to think and act like entrepreneurs if they’re to thrive beyond the Covid slump.

Studio Zao is an intrapreneurship consultancy that’s been helping clients including Sony Music, Target and Vodafone to do just that. Its founder is Jamie Qiu, who set up and ran EY’s first start-up accelerator in 2014. He and his team teach entrepreneurial skills such as creative problem-solving; identifying and managing risk; and dealing with ambiguity and volatility.

They also provide training in the so-called minimum-viable-product method – a significant departure from traditional approaches to product development that is not for the faint-hearted. This is where a company puts a partially developed offering on the market, often with only a few features ready to use, and asks early-adopting customers for feedback to inform the refinement process, rather than spending months perfecting it internally before releasing it fully formed.

“One of the key things that businesses need to consider is how they can develop entrepreneurial talent inside the organisation. This can enable a real transformation,” says Qiu, who believes that intrapreneurial skills “are in great demand, as organisations have realised that the pace at which they must identify, test and validate new commercial opportunities is increasing”.

He adds that, even before the Covid crisis, he had observed an upsurge of interest among businesses in developing their employees’ skills in this area. “But now, more than ever, there’s a need to take advantage of the white-space opportunities coming out of the pandemic in a way that will improve your organisation’s resilience against other crises that are undoubtedly going to happen.”

Qiu says that entrepreneurial skills can add value in any role at any level of an organisation, but he stresses that they are most effective when applied to a specific challenge. That was the situation for Sony Music in 2014, when Teresa Kotlicka, then its vice-president of people and organisational development, implemented an intrapreneurship programme. The aim was to boost the company’s capacity for innovation, in the face of increasing competition from the streaming industry, by asking people



Anthony Harvie via Getty Images

throughout the organisation to come up with ideas for new income-generating activities.

The group has since successfully diversified through partnerships and acquisitions, including those of music distributor The Orchard and production marketplace BeatStars. It has signed fitness and gaming deals with Peloton and Fortnite respectively, as well as making sizable

purchases of back-catalogue rights, including what’s thought to be a nine-figure deal with Paul Simon.

“We were all trying to help the company figure out how to operate under a new business model,” recalls Kotlicka, who is now interim director of talent at Kellogg’s. “Digital streaming platforms had really disrupted how Sony Music was making money and what its

value chain looked like. So we tapped into the potential of our employees to help solve these meaningful challenges profitably.”

On top of the commercial returns it has achieved on its intrapreneurial investments over time, the company has also benefited in a less tangible way that’s no less important to Kotlicka.

“Our retention and promotion stats looked better after people went on the programme, but what meant more to me was that the conversation changed: business ideas were being presented using new concepts that would have felt taboo before,” she explains. “It was really important to have a diverse range of voices and backgrounds in the room when we were trying to solve some of these challenges.”

US packaging manufacturer Aptar turned to intrapreneurship to involve both its workforce and its customers in an effort to improve production efficiency and develop more sustainable offerings. This process required the company to break down organisational silos and share more information than it had been accustomed to, according to the firm’s vice-president of digitalisation, Fabio Di Memmo.

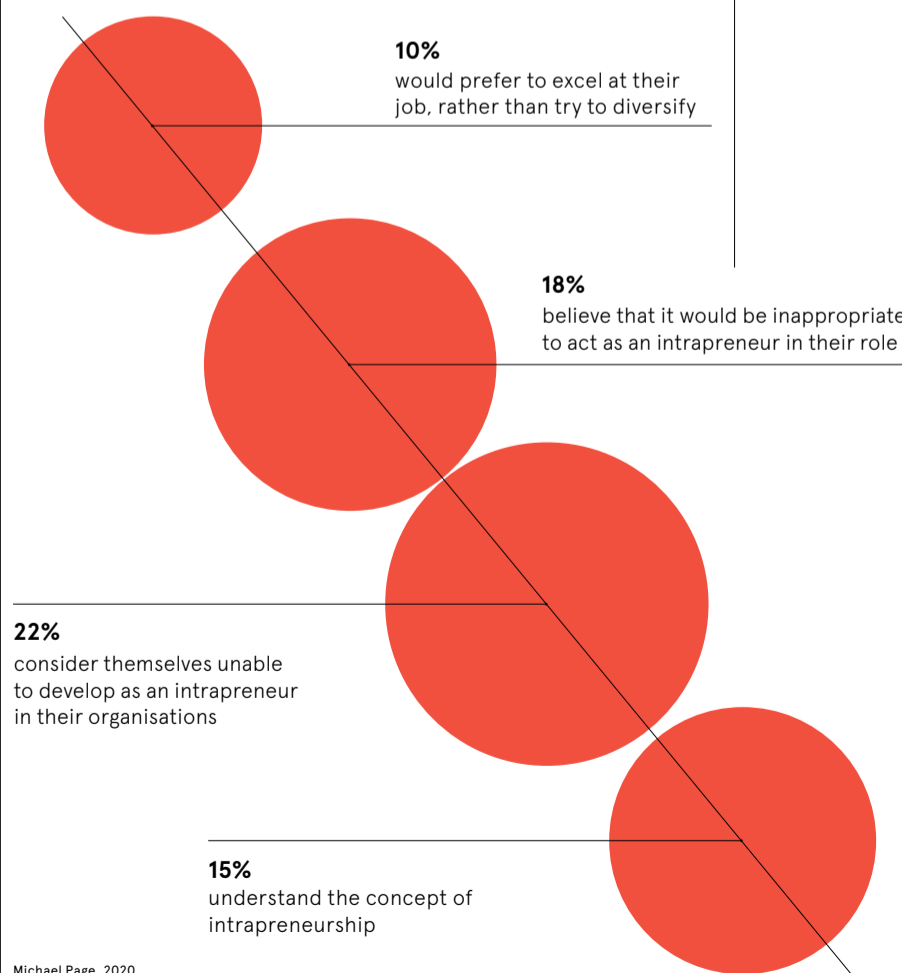
“We had to go back to this fundamental question of what the customers really need,” he recalls. “We had to get closer to them to discover new opportunities, while also minimising risk.”

The risk-taking spirit that’s intrinsic to entrepreneurial innovation is something that many businesses tend to lose with age. This has led Kotlicka to observe that, while the appetite for intrapreneurship is increasing among firms, they may lack the stomach for it in practice.

“Everyone wants to talk about innovation, but who will actually be making it happen?” she says. “A lot of bravery needs to go into this.”

## INTRAPRENEURSHIP IS NOT A WELL UNDERSTOOD SKILL

A survey of UK workers found that:

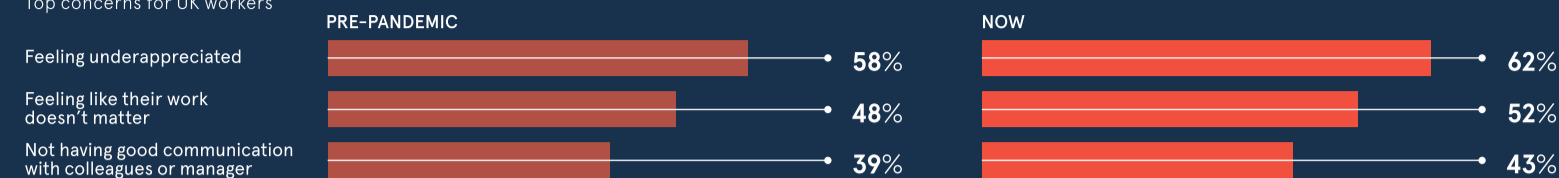


Michael Page, 2020

## Commercial feature

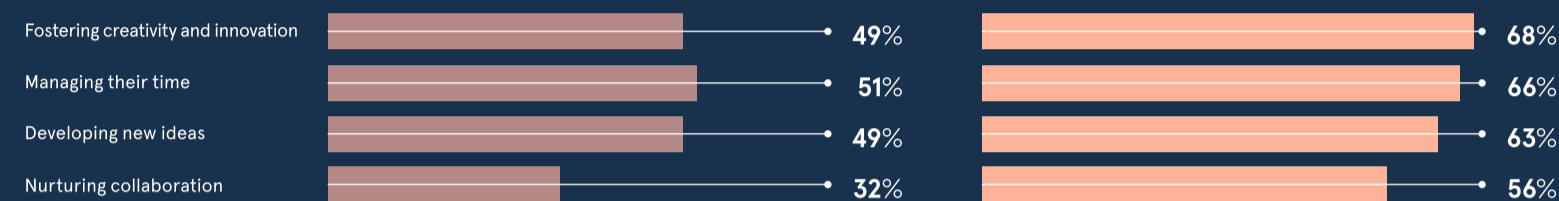
### FEELING ISOLATED AND UNDERVALUED ARE AMONG THE TOP CHALLENGES FACING UK WORKERS

Top concerns for UK workers



### TECHNOLOGY HAS THE ABILITY TO IMPROVE MANY ASPECTS OF EMPLOYEES' WORK

Core work competencies for which UK workers rely on technology



### HAVING THE RIGHT WORKPLACE TECHNOLOGY CAN BE KEY TO TALENT RETENTION, AND THIS IS EXACERBATED POST PANDEMIC

Impact of technology frustrations on employer loyalty of UK workers



rise in UK workers' reliance on technology to do their job since before the pandemic



rise in those who say tech is very important to enable them to do their best work

# Tech drives talent retention in the hybrid age

Tolerance of poor technology at work is at an all-time low. As companies adopt hybrid working, it is essential that they empower employees with the right tools to deliver their best work

Although the trend of ‘nomadic work’, where employees can work from anywhere, had been slowly rising for the best part of a decade, the Covid-19 pandemic drastically accelerated its traction. Out of sheer necessity and survival, companies had to immediately find ways to enable their employees to work as productively as possible from home every day. With vaccines providing a welcome exit route from the Covid-19 crisis, organisations are now considering what work model they will adopt post-pandemic. Rather than returning to their old ways of working, most are planning a hybrid model that empowers employees to find the balance that works for them. That could be visiting the office for collaboration and brainstorming, while working a few days a week from home. Some will use the office much more, some less.

The key to executing the hybrid model effectively is to provide the right technology tools to help people be successful wherever they choose to be. While companies may see this as something mostly needed to appease the expectations of millennial workers, that is no longer the case, according to research by Adobe Workfront and The Center for Generational Kinetics. Running the same survey before the

pandemic, in February 2020, and again eight months later, revealed a stark levelling of any generational digital divide. When asked before the pandemic if they would consider leaving their job due to a lack of new technology, 24% of Gen X and 37% of Millennials said they would. Yet eight months into the great global working from home experiment and the research showed this had leapt to 48% of Gen X and 50% of Millennials – hardly any difference between the two cohorts and a very concerning stat for business leaders fighting to retain their best talent.

“In trends research, we generally see change happen incrementally unless there is a significant external event,” says Jason Dorsey, president and co-founder of The Center for Generational Kinetics. “With just eight months between the two studies, a change of three to five percentage points is statistically significant and worth noting. The fact that in some of the answers we see changes of five points, 10 points, even more, is remarkable and reflects the unusual speed at which the pandemic is changing work, cultural and personal norms.”

There’s no hiding from the vitally important role of technology in a hybrid workforce. A poor digital strategy will quickly lead to an inadequate

employee experience, as already demonstrated during the pandemic. Despite the best intentions of organisations to adapt to remote working, the panic-induced software purchasing spree triggered in March last year has left many with standalone tools and applications that do not connect with their other systems or data.

Recognising the need for good technology in order to be successful, employees are willing to take action if their workplace technology is lacking. A shocking percentage of the UK workforce – almost half – would go as far as leaving their job due to frustrations with technology, Adobe Workfront’s State of Work research found. The number of UK digital workers who see

the ability to attract and retain top talent rests on the quality of technology in an organisation.

Businesses need to create collaborative, digital work experiences that reflect the way that work and the people doing the work are changing. The right technologies and culture are the engine for the digital work experience, connecting distributed teams and empowering them to do their best work, from anywhere, using their favourite tools. And it is not a one-size-fits-all solution: creating a personalised digital work experience must also become a business imperative, ensuring all individuals are enabled with the right tools to keep them engaged and connected.

“While we’re beginning to emerge from the pandemic, we can expect to be in a state of perpetual change for the foreseeable future,” says Paige Erickson, managing director international at Adobe Workfront, the leader in enterprise work management. “Adapting to this requires business leaders to build a digitally resilient workplace where work between departments and across the business is optimised so teams can work remotely and at speed. This requires a central solution that gives workers full visibility across the organisation’s strategy. Only then can they make

technology as ‘very important’ to managing their role increased by 24 points from February to October 2020, while those who attribute it to their ability to do their best work rose by 18 points.

“Digital workers know how technology should work, and they know that it’s critical to their ability to be successful,” says Elizabeth Volini, executive director, ePMO lead and PPM platform owner at commercial real estate company JLL and contributor to the State of Work report. “When their employers provide them with subpar tools, it’s more than an inconvenience. It demonstrates that the company isn’t very concerned with either the quality of work or the people doing the work.”

The ability to attract and retain top talent rests on the quality of technology in an organisation.

Businesses need to create collaborative, digital work experiences that reflect the way that work and the people doing the work are changing. The right technologies and culture are the engine for the digital work experience, connecting distributed teams and empowering them to do their best work, from anywhere, using their favourite tools. And it is not a one-size-fits-all solution: creating a personalised digital work experience must also become a business imperative, ensuring all individuals are enabled with the right tools to keep them engaged and connected.

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informed data-driven decisions to reach that strategy.”

In the hybrid model, businesses need to reject silos and commit to integrated technologies that connect people, process and data. A work management application like Adobe Workfront serves as the connective tissue between the countless tools across an enterprise, linking and presenting data and insights from various different systems to the right people at the right time, allowing businesses to quickly adapt to new ways of working when needed.

Adobe Workfront brings enterprises a ‘system of record’ that connects and automates the essential data, processes, applications and resources required to effectively run and scale the business. Its capabilities and integration tools deliver a single source of truth that centralises work, ensuring dispersed and cross-functional teams can execute the right work from anywhere.

“All employees, regardless of age, are bringing higher expectations to work because of their personal digital experiences,” Erickson adds. “The younger, digital-native workforce cohorts will inevitably be the early adopters of all new technology innovations, but our research shows other digital immigrants soon follow. The pandemic has proved it’s not where we work but how we work, and the outcome of that work, that’s critical. Present and future work requires companies to meet employees where they are, with the right processes and technologies to support them in becoming and staying engaged with each other and on work aligned to strategic objectives, in order to stay competitive and thrive in this new digital economy.”

For more information, visit [workfront.com](https://workfront.com)



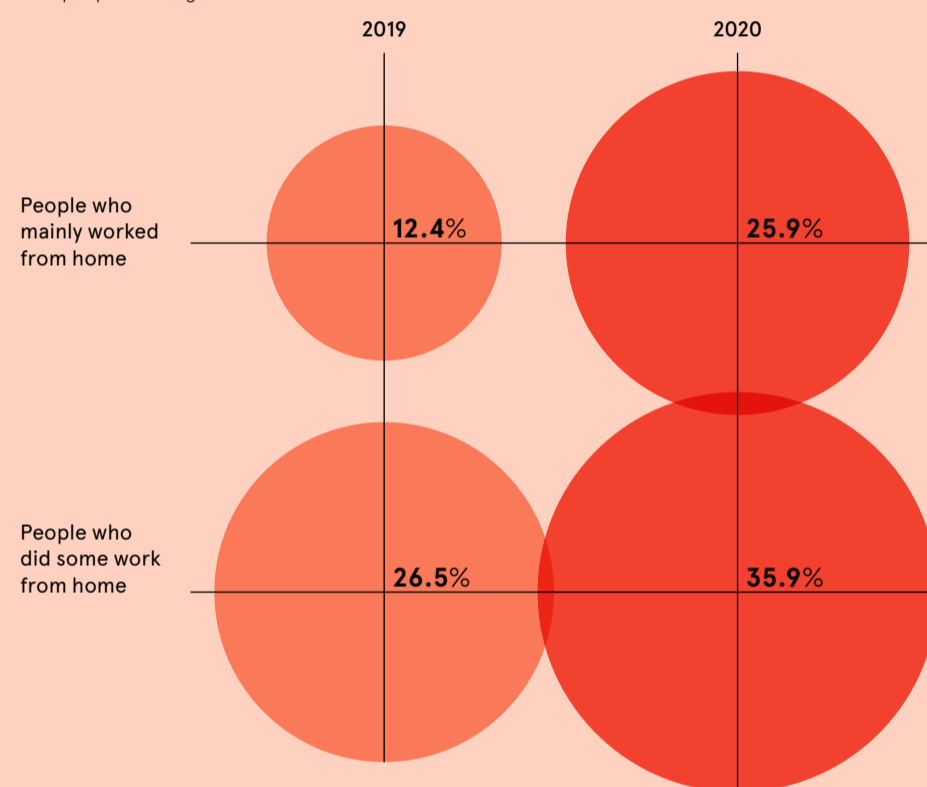
“Creating a personalised digital work experience must also become a business imperative, ensuring all individuals are enabled with the right tools

# ATTITUDES TO HOME WORKING

After well over a year of enforced remote working for many people in the UK, what is the current sentiment towards life in the home office? With many businesses seeking to adopt a hybrid working model for the post-pandemic era, the spotlight is falling on what employees want. Is giving people the chance to work more flexibly a deal-maker when it comes to attracting and retaining the best recruits? The answer is not as straightforward as you might imagine.

## THE PANDEMIC HAS FORCED A TRANSFORMATION IN WORKING FROM HOME

% of people working from home in the UK



Office for National Statistics, 2021

## REMOTE WORKING PREVIOUSLY HAD A DETRIMENTAL IMPACT ON EMPLOYEES' CAREER PROSPECTS

Comparisons between employees who worked from home between 2013 and 2020 and their colleagues who worked in the office during the same period

**38%** of remote workers were less likely to have received a bonus

Remote workers worked **4.5** more on average per week

Remote workers put in **2.4** hours more unpaid overtime on average per week

Remote workers were paid **6.8%** less on average

Office for National Statistics, 2021

## THE POSITIVE IMPACT OF HOME WORKING

How much money the average worker is saving each week by staying at home per week

Finder, 2021

Scotland	£35.47
North East	£35.65
North West	£47.10
Northern Ireland	£41.62
Yorkshire and the Humber	£43.40
East Midlands	£43.96
East Anglia	£42.23
West Midlands	£39.48
Wales	£50.16
London	£57.78
South East	£46.04
South West	£37.47

**23.9m**

Britons working from home are saving £1.1bn each week between them

**£44.78**

Each home worker is saving £44.78 per week on average

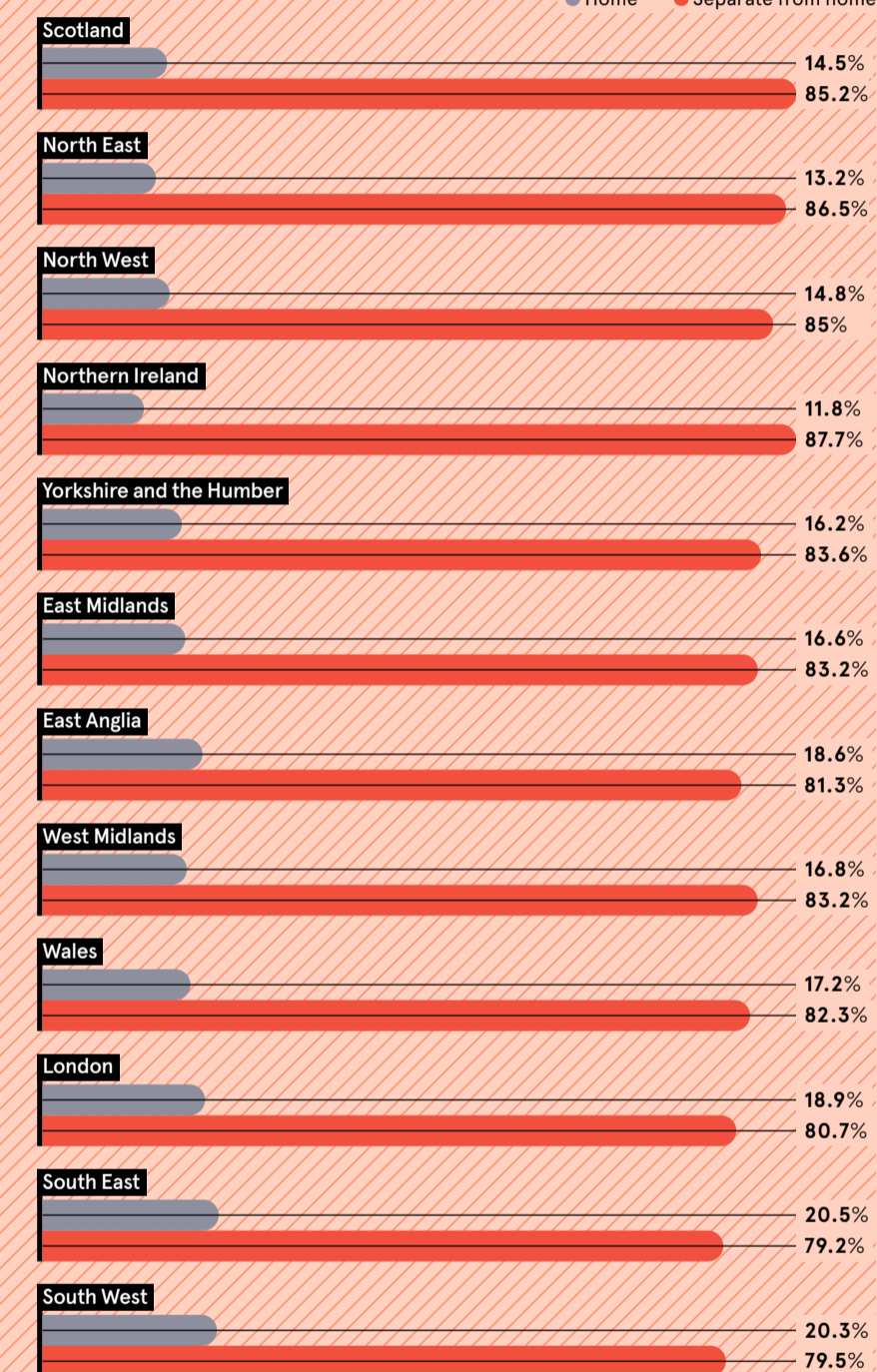
**26%**

of those who have worked from home plan to continue working from home at least some of the time

## THE PROPORTION OF PEOPLE HOME WORKING VARIES ACCORDING TO WHERE THEY ARE LIVING

Where people mainly worked from January to December 2020

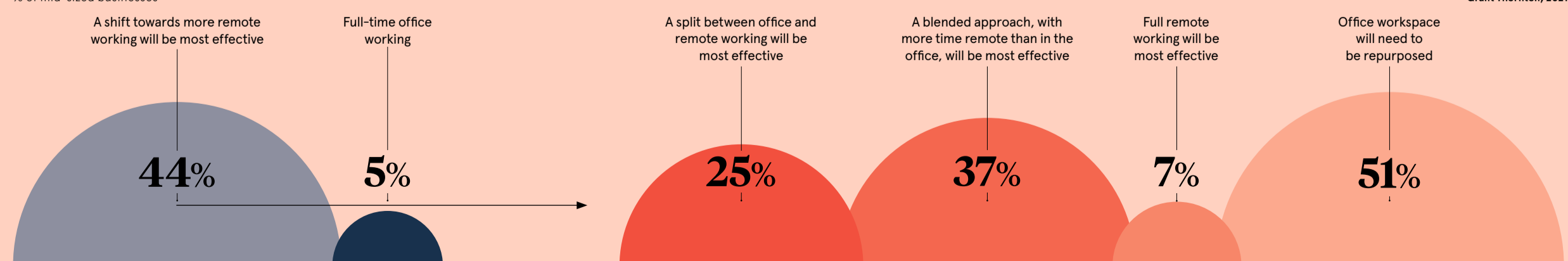
● Home ● Separate from home



Office for National Statistics, 2021

## COMPANIES ARE RETHINKING THE ROLE OF THE OFFICE IN THE FUTURE

% of mid-sized businesses

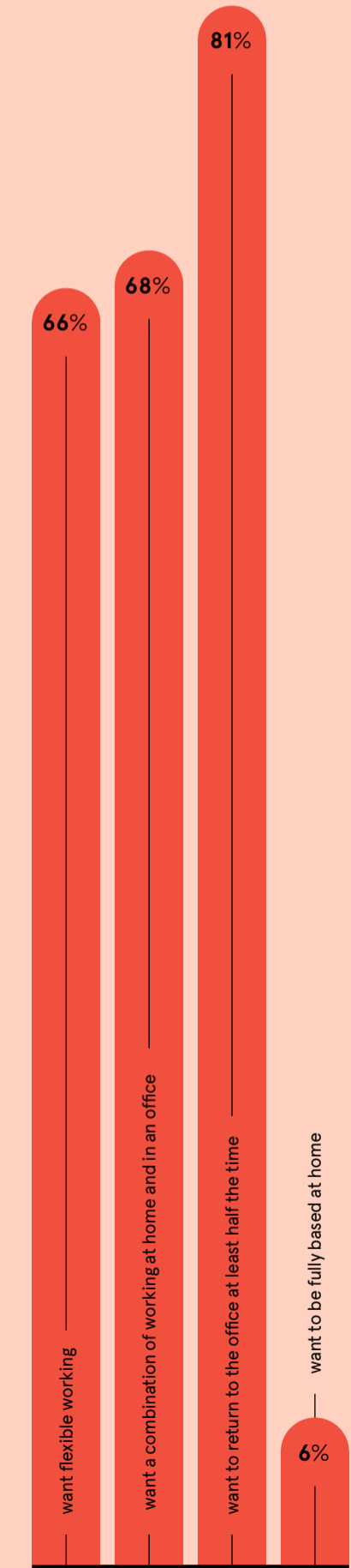


Grant Thornton, 2021

## WORKING FROM HOME HAS TRANSFORMED HOW PEOPLE THINK ABOUT WORK

How people want to work as the jobs market recovers

Futureheads, 2021



ETHICS

# Thinking out of the tick box

## 46%

of CEOs say that their company is spending enough time on ethical matters

## 40%

of CIOs and CDOs say that their company is spending enough time on ethical matters

## 32%

of board directors say that their company is spending enough time on ethical matters

Deloitte, 2020

With greater technological power comes greater responsibility. Companies adopting the latest systems need to do more than ensure regulatory compliance to retain the trust of an increasingly sceptical public

Virginia Matthews

With applications ranging from biometric ID checks to hyper-personalised marketing, cutting-edge technologies such as big-data analytics and machine learning are powering business transformation. Yet, as key questions concerning the ethics of using artificial intelligence remain unanswered, this can be dangerous territory for businesses.

For boardrooms lacking detailed technical knowledge, hurtling into the next big tech project can be a tempting way to boost operational efficiency and keep up with the competition. Although recent advances in IT have offered employers many new powers – monitoring home-workers' productivity by logging the number of keystrokes they make, for instance – actually wielding these will not always be the wisest move.

"Just because the algorithm says 'yes', it doesn't mean that the board must slavishly follow its lead," says Dr Ian Peters, director of the Institute of Business Ethics. "It's worth remembering that, if a digital adoption goes wrong and your staff or customers suffer as a result,

blaming the technology can never be an option."

A company should first ensure that it has enough in-house technological expertise at the senior level – a chief information security officer, for instance – to future-proof itself, he says. The next step, if the firm is considering any technological innovation that would have a direct impact on employees, customers or any other group of stakeholders, would be to engage them in meaningful consultations.

"Each business has its own unique culture, purpose and set of values. Any transformation project that flies in the face of those three elements is doomed to failure," Peters argues.

Organisations that break the law on data protection, even inadvertently, face hefty penalties. Experian, for instance, could be fined £20m if the Information Commissioner's Office rules that the credit reference agency sold users' personal information without their consent. But is merely ensuring legal compliance enough for many companies at a time when transparency and trust are as fundamental to them as the

General Data Protection Regulation's 'privacy by design' ethos?

Rightmove's CFO, Alison Dolan, would argue that it is not enough. She believes that in-house compliance functions need to extend their remit, given the high level of public frustration with data security breaches and intrusive online marketing practices.

"While the General Data Protection Regulation took a lot of critical decisions about data privacy out of the hands of businesses, they still can't afford to let their guard down, considering the number of security problems we all see," she says. "My advice to all content-based organisations is to hire the best compliance specialists you can find, look at their role in the context of the entire ecosystem of the business and promote good dialogue between them and your tech people."

Although the demand for compliance experts notably outstrips the supply, the growing determination of consumers to hold businesses to

account has made their input vital, Dolan argues. These professionals will not only understand what the tech team is doing and be familiar with the legal ramifications. They will also be able to "inform the board of approaching ethical problems and set out the implications of any data misuse".

Instead of relying on in-house experts, biometrics software provider Yoti asks external ethics 'guardians' to hold it to account for the commercial decisions it makes. Ethics is hugely important to the company, which provides age-verification systems for clients ranging from governments to online casinos.

The firm's guardian council is an independent panel of people with expertise in fields such as human rights and data privacy. Last year, it vetoed the management team's proposals to extend Yoti's services to e-voting, citing concerns about "the politicised nature of these processes" and the high level of reputational risk attached to them.

"For an organisation to build a set of core principles from the get-go is quite unusual in our sector," says Julie Dawson, the director in charge of regulatory and policy matters at Yoti. "That has made this company a very refreshing place to work. Having an ethical approach to something as potentially sensitive as biometrics is a clear advantage to us in attracting the right sorts of clients. It enables us to employ people who share our values too."

Seven in 10 office workers now use business devices for personal tasks, increasing the risk of malware on systems that access sensitive corporate data. The research, commissioned by HP Wolf Security, shows that a third of employees also share corporate laptops and phones with their families and friends.

Meanwhile, some 69% of staff often use their own laptops or printers to carry out work tasks, commonly accessing sensitive customer, operational, financial and human resources data, on devices that may be insecure or already infected. Since the arrival of the pandemic, the distinction between professional and personal lives on an average day has become less clear, according to more than three quarters of the nearly 8,500 office workers surveyed. Half describe their work tools as personal devices, which is understandable in flexible work contexts but also presents profound corporate risk.

"With employees working remotely, the lines between work and personal equipment are blurred, and everyday actions, such as opening an attachment, can have serious consequences," explains Joanna Burkey, chief information security officer at HP. "Without all of the pre-pandemic sources of visibility of devices, including how they are being used and by whom, IT and security teams are working with clouded vision."

# Rise in remote work demands new security approach

Essential work from home policies introduced during the Covid-19 pandemic have also created a raft of operational blindspots that hackers can access

For former office-based staff, working all or part of their time from home is ever more clearly a permanent shift. New research shows that more than eight in 10 staff have increased their work from home since the start of the coronavirus pandemic, and many expect this high level of home working to remain in place.

While many organisations have benefited from the increased productivity and employee satisfaction of remote working, the setup also presents significant new cyber security threats. As employees mix and match work and personal phones or laptops – using non-secure personal devices, including printers, to access corporate systems – a raft of new security risks are introduced.

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Typically, businesses are stuck in an old approach to data security, allowing the problem to grow. Their methodology originates from an era of traditional network perimeter protection and firewalls, despite the establishment of a dispersed workforce and cloud computing. When a breach happens, it often remains completely invisible until after serious harm has occurred.

"The traditional ways of securing access to the corporate network, applications and data are no longer fit for purpose, and the concept of a perimeter has become obsolete," explains Dr Ian Pratt, global head of security, HP Personal Systems. "Critical data is being hosted outside the enterprise firewall. The time has come for organisations to start taking a proactive approach to security, architecting their infrastructure to be resilient to attacks."

In this environment, heads of IT cannot view the shift to home working as a one-off event and they cannot lock down all devices. The pandemic has changed the way people operate and organisations need to reassess how they manage the new risks. They must, however, do so without harming workforce mobility or jeopardising productivity.

and emailing malware-infected files to personal accounts to gain access to home networks and to slip through corporate defences.

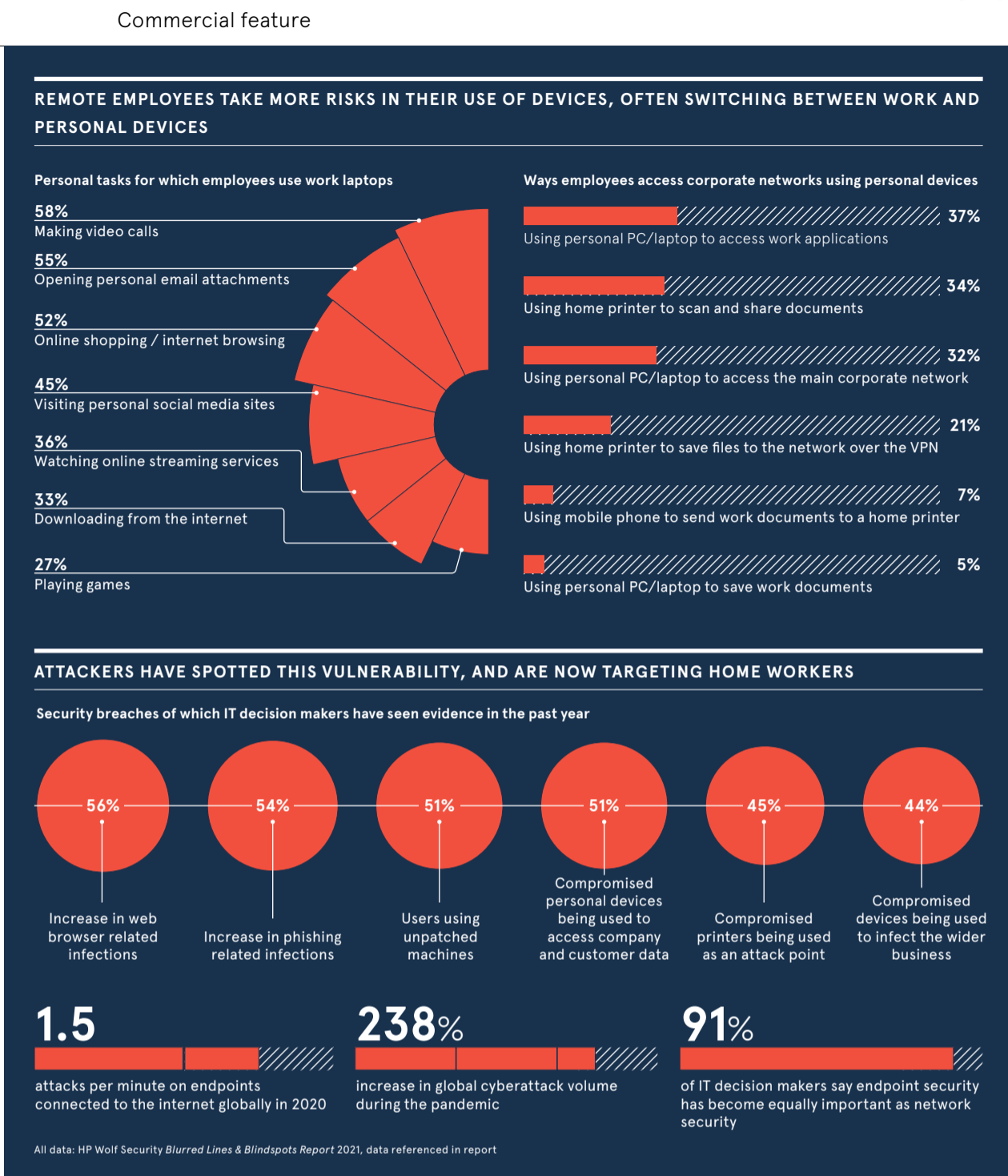
Businesses are beginning to witness the impacts. "In the past year, more than half of IT decision-makers have seen evidence in their company of compromised personal PCs being used to access company and customer data. This is a huge risk that could lead to exposed company data, reputational damage, non-compliance and loss of customer trust," warns David Prezzano, UK and Ireland managing director at HP.

As employees take more risks, a surge in email phishing attacks and web browser download infections means 44% of 1,100 decision-makers interviewed have witnessed compromised devices infecting their wider businesses. Research firm KuppingerCole highlights a 238% increase in cyberattacks during the pandemic, with employees' connected devices contributing to a breakdown of the traditional corporate IT infrastructure and network. Clearly, hackers are taking advantage of the new setup.

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The growing demands on IT infrastructure have increased the focus on endpoints, including mobile phones, tablets, laptops and even connected printers, so that threats can be tackled sooner. As organisations become 'perimeter-less', nine in 10 IT leaders say getting endpoint security right is now as important as having strong network security.

"Users are the point of entry for most attacks and that's why endpoints account for 70% of successful breaches, with malware almost always being delivered via email attachments, web links and downloadable files," says Pratt. "Phishing is of particular concern, with attackers using new techniques including AI-automation and personalisation." Evolving security dangers demand more robust defences. Companies are increasingly using HP Wolf Security,

**“Users are the point of entry for most attacks and that's why endpoints account for 70% of successful breaches**

a new breed of endpoint security. The portfolio includes the world's most secure PCs and printers\*, hardware-enforced endpoint security software and advanced services, offering comprehensive cyber resilience that intelligently protects against the many emerging endpoint threats.

Using HP Wolf Security, organisations are taking a 'zero trust' approach, meaning every device is considered a potential threat and can be automatically protected. They are also taking advantage of self-healing firmware, in-memory breach detection, threat containment via virtualisation and cloud-based intelligence.

Given that the new world of remote work is here to stay, companies can no longer afford to remain focused on traditional network perimeters that miss the dispersed points where data is accessed. Smart endpoint security enables businesses to tackle evolving threats on myriad dispersed devices, while reducing operational impact and empowering flexible productivity. Getting this right is essential to the future of their operations.

**To find out more about HP Wolf Security in the fast-changing remote working world, visit [www.hp.com/wolf](http://www.hp.com/wolf)**



HP WOLF SECURITY

\*Disclaimer: PCs: Based on HP's unique and comprehensive security capabilities at no additional cost among vendors on HP Elite PCs and HP Workstations with Windows and 8th Gen and higher Intel® processors or AMD Ryzen™ 4000 processors and higher; HP ProDesk 600 G6 with Intel® 10th Gen and higher processors; and HP ProBook 600 with AMD Ryzen™ 4000 or Intel® 11th Gen processors and higher.

Printers: Claim includes HP's most advanced embedded security features which are available on HP Enterprise and HP Managed devices with HP FutureSmart firmware 4.5 or above. The claim is based on HP review of 2019 published features of competitive in-class printers. Only HP offers a combination of security features to automatically detect, stop, and recover from attacks with a self-healing reboot. In alignment with NIST SP 800-193 guidelines for device cyber resiliency.

HP Security is now HP Wolf Security. Security features vary by platform.



INTERVIEW

# ‘Just do it’: lessons from Estonia

The Baltic state is a digital trailblazer, having made 99% of its public services available online. The government’s CIO, **Siim Sikkut**, offers his advice for businesses contemplating their own transformations

Oliver Pickup

The smallest of the Baltic states by both area and population, Estonia has served as a political pawn in the hands of numerous neighbouring powers over the centuries. Since regaining its independence after the collapse of the Soviet Union 30 years ago, this enterprising republic has been punching massively above its weight in one respect: technological innovation.

In 2005, for instance, it was the first country to enable online voting. In 2012, it was the first to use blockchain technology for governance. By the time that *Wired* named Estonia the “most advanced digital society in the world” in 2016, almost all public spaces in the country had been served by free Wi-Fi for a decade. Today, under the state’s so-called e-Estonia programme, 99% of government services are accessible online, while 70% of the country’s 1.3 million citizens regularly use digital identity cards.

“We joke that our e-services are impossible only for marriages and divorces – you still have to leave the house for those,” says the man in charge of e-Estonia, Siim Sikkut, who has been the government’s chief information officer since 2017.

He explains that the country desperately needed a technological “reboot” after gaining its freedom from the debilitating constraints of Soviet rule in 1991. With this in mind, the state committed itself to electronic governance – a decision that established a digital-first approach on which the country’s pioneering innovations have been based ever since.

Sikkut, who also chairs the national task force on AI, graduated from Princeton University with a degree in public and international affairs in the same year that Estonia instigated online voting. He initially joined its Ministry of Finance before becoming a digital policy adviser at the Ministry of Economic Affairs and Communications, where he co-founded the country’s ground-breaking e-residency programme. Among other things, this offers entrepreneurs based anywhere in the world a digital ID granting them and their businesses remote access to markets in the EU.

Sikkut, 38, is modest about the role he has played in creating what the e-Estonia website calls “an efficient, secure and transparent ecosystem”. “I stand on many shoulders,” he says. “When I moved to my current

role, it wasn’t a question of what to digitise next. All the low-hanging fruit had been picked. It has been about how to keep going to the next level of digitisation. We need to keep everything we have running, while innovating and iterating.”

What might have been classed as a risky commitment to technology three decades ago has fostered a more progressive and open society, both online and offline, according to Sikkut. A Eurobarometer survey in 2018 found that 49% of Estonians trusted their government, compared with the EU-wide average of 34%, for instance.

Indeed, it is said that in Estonia you are only two calls away from the prime minister – the implication being that people in this small country are community spirited and willing to help each other out.

“It does help that there are few degrees of separation here,” Sikkut says. “With our small population, we get things done – both the connection and decision cycles are much shorter here than in other countries. But our talent pool is much smaller too, so our size is both a constraint and an opportunity.”

It’s no coincidence that the capital city, Tallinn – where Sikkut lives with



“I hope that our experience in Estonia shows that it’s not rocket science. Anyone with commitment can achieve a digital transformation

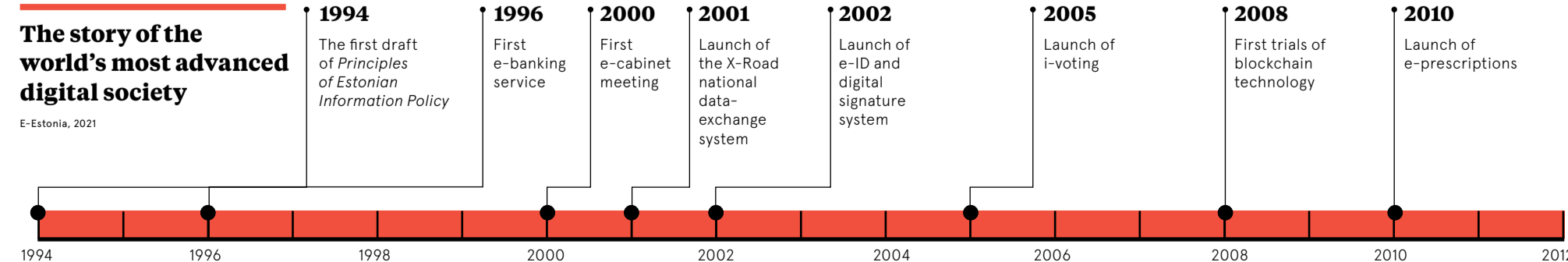
digital testbed framework, a collaboration model that will offer free access to the government’s tech stack, on which any business worldwide can build new products or services and gain proofs of concept.

“I would say to business leaders: ‘You have to be open for innovation and open to partnership,’ just like we are trying to be with our testbed framework. If someone comes to you with a good idea, take it on board, try it out and then perhaps you can move more quickly,” he says. “We’re looking to increase the speed of innovation in Estonia again by being open and encouraging experimentation with new ideas. The emergence of artificial intelligence has been a game-changer, for instance, as we embark on this new stage of digitisation.”

What other advice would Sikkut offer to business leaders looking to introduce new digital tools and services? “If you build something that saves people time, money or effort and offers them value, they are likely to use it and recommend it to others,” he says, adding that “you still might want to throw in incentives for people to start using them. For example, we offer much quicker tax reimbursements to those who complete their forms online rather than on paper.”

his wife and their three young children – is often referred to as Europe’s Silicon Valley. Estonia is estimated to have produced more start-ups per capita than any other European country in recent years. According to Startup Estonia’s online database, 1,104 enterprises have been established in the country since 2013 – including Uber rival Bolt and payment company Wise (TransferWise until it was renamed at the start of this year).

Any entrepreneur seeking to up the pace of their business’s digital transformation has much to learn from Estonia’s experience. Sikkut believes that strategic partnerships are key in this respect. He points to e-Estonia’s soon-to-be-launched



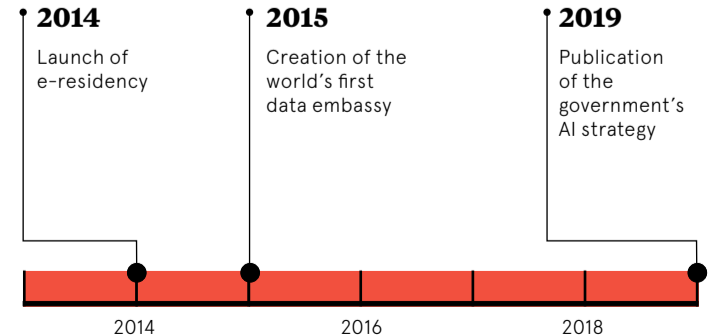
Sikkut stresses that it’s essential to spend an adequate amount on training people in how to use new digital tools. “We’ve invested in infrastructure and worked on skills to ensure that people can use our online services. You have to take care of your users so that you can bring them along with you,” he says.

His advice for any entrepreneur who may be approaching digital transformation with trepidation is to learn from his country’s success and stop dithering.

“Just do it,” Sikkut urges. “You will never have a perfect plan. Apply an engineer’s attitude to the process: try things out, fix them if they fail

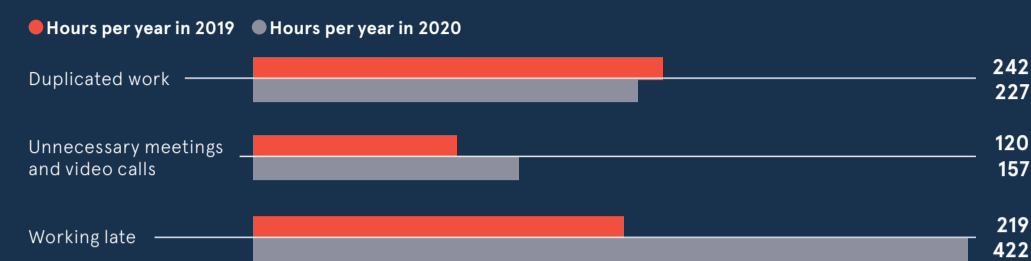
and then try them out again before scaling up your operations. I hope that our experience in Estonia shows that it’s not rocket science. Anyone with commitment can achieve a digital transformation. You don’t have to build everything from scratch – there are solutions out there that you can reuse. And you can partner people who’ve gone through it already – including us here in Estonia.”

He continues: “The latest technology will probably not solve all your problems. What matters most is being open to possibilities and open to partnerships. If you give bright people a conducive environment, magic will happen.”



Commercial feature

UK EMPLOYEES ARE WORKING SIGNIFICANTLY LATER THAN THEY WERE IN 2019, AND SPENDING MORE TIME IN UNNECESSARY MEETINGS



UK workers are spending 61% of their time on work about work, just above the global average of 60%



## How to keep distributed teams connected

Teams coped with the lockdown but productivity and employee engagement took a hit. With hybrid work bringing a new set of challenges, what will it take for workers to collaborate with ease as teams remain distributed?

Content and communications tools may have enabled a reasonably seamless transition to remote working during the Covid-19 pandemic, but the rapid shift has also fueled distraction and disruption. Message pings and meetings are at an all-time high, while focus time has fallen by the wayside. In fact, employees are not only spending more time on less valuable work, but they are also more likely to be feeling disconnected and disengaged, according to Asana’s Anatomy of Work Index.

The research, which surveys thousands of knowledge workers around the world each year, found that UK employees are spending 61% of their time on what Asana calls “work about work”. This is work that does not add value, such as pinging co-workers for an update on a project, attending status meetings or piecing together an end-of-week report. This means remote workers are spending less than half of their time on the deep knowledge work they were actually hired for.

“With the mental toll of continuous lockdowns and the uncertainty of the pandemic, workers are finding it harder than ever to remain aligned and connected to their team,” says Simon O’Kane, Head of EMEA at Asana, a work management platform that helps teams orchestrate their work. “In the next phase of distributed work, leaders have an opportunity, and a business imperative, to take action and redefine how they keep their teams engaged, aligned and on track.”

With most companies looking to adopt a hybrid working model post-pandemic, companies face the

difficult task of preparing their management to lead teams distributed across time zones and departments, with some in-office and others remaining remote. With some at home, some in the office, and most mixing and matching, organisations can expect new challenges around visibility and coordination, and the possible emergence of vastly different employee experiences at the same company.

“If they’re not careful, companies could see two tribes: those who work predominantly in the office versus those working predominantly at home,” says O’Kane. “What does that mean in terms of access to information? If there’s still an office culture where people get ad hoc updates at the coffee machine, home workers are going to be disadvantaged, and if home workers are more likely to be young parents, for instance, will that lead to new workplace inequalities? It’s a really complex topic and just underlines the need for task clarity and team visibility, regardless of where people work.”

For hybrid work to work, leaders must arm their employees with a single source of truth across the organisation. Asana achieves this by integrating with each department’s existing tools to streamline the tech stack, keeping employees productive, connected and engaged wherever they are working.

Earlier this month, Asana launched a number of new features to help employees eliminate distractions and boost productivity in a world of distributed work. In partnership with Vimeo, the new Video Messaging

feature gives users the chance to connect async, eradicating unnecessary meetings. Enabling Asana users to send embed video notes within the real-time context of work, projects and tasks, to create short videos of themselves and/or their screens. Transcripts of these videos will also be automatically available, allowing teams to exchange information in a silo-free and personalised way. Other features include ‘My Tasks’ a personal prioritisation system that combines an individual’s to-dos with their broader team’s work, and ‘Smart Calendar Assistant Integration’ with Clockwise, a leading smart calendar assistant, to easily schedule tasks into focus time without leaving Asana – helping employees manage their time to get meaningful work done.

“We make that coordination layer very democratised and open,” O’Kane adds. “You don’t need to be an expert – it’s intuitive and simple to use, and you can access it from home, on the move and in the office. Now with our newest features, it is even easier to reduce distractions and improve focus. With Asana, organisations can eliminate ‘work about work’ no matter which model they choose as we enter the hybrid age.”

For more information, visit [asana.com](https://asana.com)



MENTAL HEALTH

# Why it's time to capture hearts and minds

After a particularly stressful year, organisations seeking to transform themselves should first ensure that employees are feeling well enough to endure further upheavals. But how best to do this?



Peter Crush

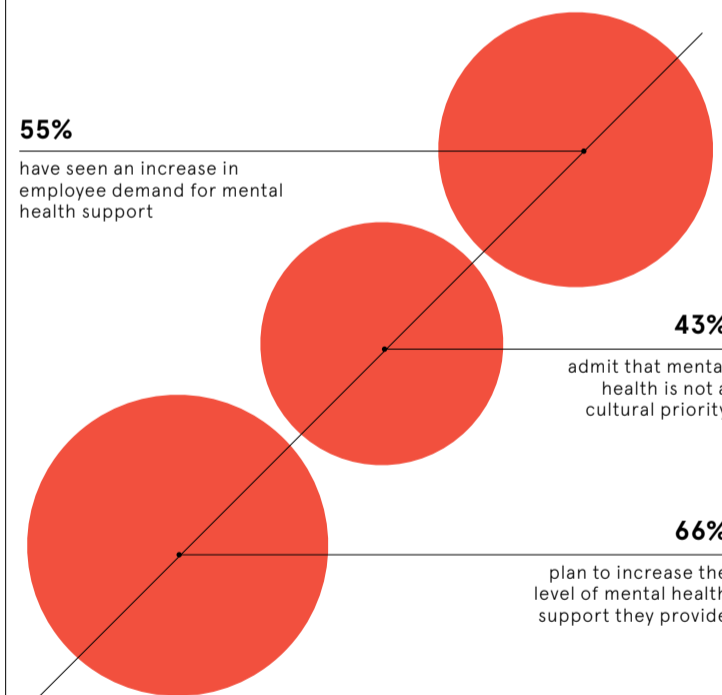
Five years ago, Deepak Shukla became so depressed that he called the Samaritans for his own protection. Some 250 hours of therapy later, the founder of marketing agency Pearl Lemon is acutely aware that many people around him are in a fragile state of mental health, not least because it's having a detrimental effect on his organisation.

"The business is far more inconsistent than it was. We are still performing, but not up to the standard I want us to be at," he admits. "People are struggling a lot more, which is difficult to know for someone who's been through it himself." Shukla's observation will undoubtedly resonate with many business leaders. Employees are surviving rather than thriving, as more than a year of being disconnected from their workplaces takes its toll.

In December 2020, 65% of respondents to a YouGov survey reported that their mental health had worsened over the year. Almost a third (30%) said that they had experienced disorders such as depression and anxiety. More than half (56%) of the UK enterprises surveyed for Koa Health's recent Wellbeing at Work research report said that they had seen an increase in employee demand for support in this area,

## MENTAL HEALTH IS STILL NOT A PRIORITY IN MANY WORKPLACES

Survey of UK organisations



yet 43% admitted that looking after their people's mental health was still not a cultural priority for them. Shukla believes that poor mental health among his employees has cost the business between £25,000 and £40,000 in lost contracts, plus a further £200,000 in potential new business. But he knows that there are no easy answers.

"When people aren't well, it feels like constant anxiety and nihilism," he says. "All I can do is help my staff, talk to them about mental health and offer them the tools they need." Richard Latham, the co-founder and CEO of Wellmind Health, argues that the problem requires a stronger intervention than "simply creating a few mental health first-aiders [employees who've had some training on the subject]. That's the last thing that employers need to be pushing on those with real mental health issues."

But poor mental health is not only about diagnosed disorders, according to Dr Nick Earley, head of psychology at wellbeing company Happence. Many people have experienced what he calls a feeling of

"languishing rather than flourishing". This "listless state" should not be underestimated.

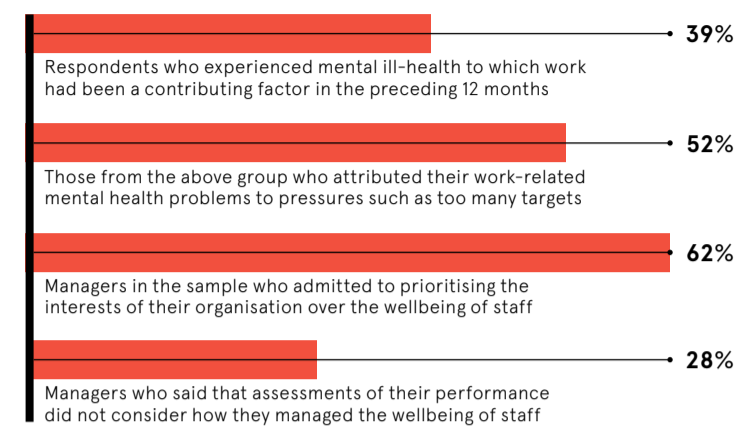
"When our threat-response system is heightened all the time, our ability to make complex decisions becomes markedly impaired. That is how transformations risk being derailed," Earley explains. "Right now, the problem is being magnified because the once-thought temporary nature of remote working is turning into a permanent reality for many people."

Lucie Mills, head of business transformation at private equity house NorthEdge, agrees. "My sense is that

**“The link between good mental health and business transformation is undeniable if you're hoping for change**

## WORK IS A MAJOR CAUSE OF MENTAL HEALTH PROBLEMS

Based on a survey of more than 4,200 UK employees



Business in the Community, 2019

most people are experiencing milder issues of disengagement rather than clinical depression," she says.

Her business has made the mental health of employees in its investment targets "a top priority, even to the extent of analysing their business plans from the perspective of how these would tackle mental health problems to meet performance promises. We've also started distributing wellbeing guides to all the firms we invest in and take a strong stance, measuring their net promoter scores and doing regular 'temperature checks'."

But is this level of intervention enough? Latham argues that people with poor mental health need to be offered "proper therapies - cognitive behavioural mindfulness, for instance - in clinical settings".

Despite this, many employers believe that the assistance they offer should stay away from the psychologist's couch. They prefer to focus on softer methods, such as leading by example when it comes to ensuring that their employees have a healthy work/life balance.

"The link between good mental health and business transformation is undeniable if you're hoping for change, but that doesn't mean we can't give people demanding jobs," says Jason Fowler, vice-president and HR director at Fujitsu in the UK. "It simply means that we need to equip them better, because each individual's experience of mental health is different."

The most important thing, Fowler argues, is that mental health is made part of the company's daily discourse

and not something that feels awkward for employees to talk about.

Achieving that kind of cultural openness requires strong leadership, notes Jeremy Blain, founder and CEO of Performance Works International. "Leaders need to change first if they want to drive change. They need to understand - and demonstrate - that they know that poor mental health will leak the transformation out of a business," he says.

The evidence suggests that organisations can turn things around if they "create interventions allowing their people to realise that they have choices about their ways of thinking and what their responses to events should be". So says Jodie Rogers, a mental health consultant and the author of *The Hidden Edge: why mental fitness is the only advantage that matters in business* (Wiley, 2021).

"The more we realise that companies' most important assets are the minds of their people, the better. Companies don't have to be responsible for their employees' mental health; they just need to help them be the best they can be," Rogers argues. "We know that organisations are significantly more likely to be successful in transformation if they put a bit of effort into people's mindsets, allowing them to create new neuro-psychological responses to everyday issues."

At a time when the issue is becoming ever more pressing, those businesses that at least recognise its seriousness and are ready to address it will be the ones to bring their employees along with them on a successful transformation. ●

# 828,000

workers in the UK suffered from work-related stress, depression or anxiety in 2019-20

# 17.9 million

working days in the UK were lost to occupational stress, depression or anxiety in 2019-20

Labour Force Survey, 2020

health assured

## 91% of organisation's suffer from stress-related absences<sup>1</sup>

Is mental wellbeing part of your organisation's future plans?

- ✓ We provide 24/7 compassionate support via UK and Ireland based qualified counsellors
- ✓ Access to our industry-leading mental health and wellbeing app
- ✓ We can help overcome physical, mental, social and financial challenges

53%

Improvement in feelings of anxiety

72%

Back in work after using our services

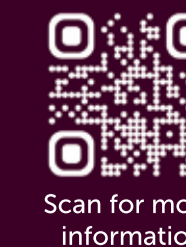


<sup>1</sup> CIPD survey report 2021 - More than 250 employees

For every £1.00 spent on an EAP in the UK, employers see an average ROI of £7.27.

## £7.27 per £1 spent\*

\*EAPA UK, Financial return on EAPs 2020 (2020)



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## RECOVERY

# E-ticket to ride

One silver lining for the beleaguered travel industry is that it has already adopted the kind of digital technology that should prepare it well for life after the pandemic

Megan Tatum

Few industries have suffered more at the hands of the Covid-19 pandemic than international travel, which ground to a halt in early 2020 as borders closed and millions of people were ordered to stay at home. Last year saw the sharpest annual decline in air traffic on record: passenger demand was down 65.9% on 2019's total, according to the International Air Transport Association. The UN World Tourism Organization estimates that the economic impact on the industry in 2020 alone was \$1tn (£710bn) – a loss that put about 120 million jobs at risk.

Even as economies have started to reopen in recent months, travel remains one of the last sectors to benefit from the easing of restrictions. Early in June 2021, operators were dismayed when the UK government downgraded Portugal to its so-called amber list at short notice (meaning that people returning from the country would need to quarantine at home for 10 days). The move forced thousands of British tourists who'd booked holidays in Portugal while it was on the green list to cut short their trips before the restrictions kicked in.

Although the travel industry might have sustained the biggest blow, it may be better equipped than

most to recover from it. While businesses in several sectors have been obliged to spend millions of pounds on converting themselves quickly into ecommerce operations, at least travel hasn't had that problem. The industry was undergoing its own digital transformation for several years before the pandemic.

For proof of its transformation, consider the decline of the high-street travel agent. According to a survey conducted in 2019 by online travel agency Kayak, 47% of British adults hadn't set foot inside a travel agency for a decade. One-fifth of respondents had never used one at all – a figure that grew to one-third for under-35s. Instead, travellers have hundreds of online booking tools (OBTs) at their disposal.

Enabling users to arrange transport, accommodation and activities for themselves, often all in a one-stop shop, OBTs have developed to deliver greater convenience and choice at a lower cost. As a result, they have almost eradicated bricks-and-mortar travel agencies. Three-quarters of British consumers booked their most recent trip online.

"The great shift to digital that occurred over the past decade has transformed the competitive landscape in travel, leisure and hospitality," says Tim Davis, MD of Pace



“Companies that compete with each other are also cooperating to improve the infrastructure on which they all rely

Dimensions, a management consultancy specialising in those sectors.

This has since extended far beyond booking and payment, he adds. Almost all big airlines now offer mobile check-ins, for instance, while many hotel chains have adopted keyless entry systems. Davis also points to the growth of loyalty schemes, which have in most cases been combined with mobile apps to give users access to enhanced services.

Singapore Changi Airport has managed to automate so many

processes for users that it's "well on the way to making the passenger's journey from check-in to boarding frictionless", notes Gary Bowerman, director of marketing consultancy Check-in Asia.

"This has been driven by two factors," he says. "First, using technology eliminates human error and improves the customer experience. Second, it enhances the airport's handling capacity, which will help it to manage the significant anticipated growth in passenger numbers. Other Asian airports and primary global hubs, such as Dubai International and Hamad International in Doha, have also been following this path."

Newer players in particular are using the convenience offered by their digital tech as a selling point. At House of Gods, a hotel that opened in Edinburgh in 2019, guests can use the ubiquitous WhatsApp mobile messaging service to book their accommodation, check in and out, order room service and submit queries to its staff.

"Using WhatsApp makes everything as simple as possible," explains the hotel's general manager, Ian Stokes. "Our typical guests are heavy users of technology, so we can communicate with them in a way that they respond to positively."

Digital check-ins and keyless entry systems are part of the tech offering at apart-hotel company Sonder. Its vice-president for EMEA, Harsh Mehta, says: "These are essential hallmarks of a desirable stay as a result of the pandemic, where separation has become synonymous with health and safety."

The travel sector's early adoption of digital tech means that it's relatively well placed to provide the type of contactless, socially distanced experience that many travellers will

require, says Martin Alcock, director of Travel Trade Consultancy.

"Technology has a key role to play in getting people travelling again," he says. "When it comes to providing reassurance, through aspects such as digital vaccine passports; passenger locator forms; a contactless airport experience; and regular notifications and updates, the tech will be vital in enabling hotels and resorts to deliver services in a legally compliant way."

Decius Valmorbidia, president of travel at the Amadeus IT Group, a provider of technology to the tourism sector, agrees. He believes that digital tech will not only support the industry's recovery; it will also provide "an opportunity to rebuild a better industry".

One of the key lessons the industry can offer sectors that have been slower to adopt digital tech, but will need to step up their efforts if they are to meet demand after the pandemic, is the importance of collaboration. Valmorbidia cites digital ID systems as one example of where even rival players in the travel industry have recognised the benefits of working together.

"The ability to identify individuals automatically using their biometric data at each stage of the trip means that travellers can check in at their hotel or hire a car, say, without the help of agents," he says. "Having realised its interconnected nature many years ago, the industry has embarked on a collaborative digital transformation, where companies that compete with each other are also cooperating to improve the infrastructure on which they all rely."

It's the kind of collaboration that could significantly accelerate their collective recovery from the trials and tribulations they have all suffered over the past 18 months. ●

# Match capability to customer expectations with scalable omnichannel technology

It can be tempting to invest in expensive and personalised technology solutions but often 'out of the box' solutions will provide the services needed without the risk

There remains much that is uncertain about the coronavirus pandemic but there are two facts about which we can be sure: one, there has been a massive acceleration of digital transformation efforts; and two, post-pandemic customer behaviours will be more omnichannel and need more online and offline integration than ever before. Customers are going to make even bigger demands of brands and organisations are worried they won't match up.

Research from Precisely illustrates the challenge. Increasingly, customers are replacing in-person interactions with online alternatives. More than three-quarters (79%) of executives surveyed stated that the volume of their website interactions had increased, while 59% saw more activity in apps and 57% on messaging platforms or via chatbot.

However, 67% agreed that customers generally still want to speak directly to a human and 64% believed their customers were overwhelmed by the volume of communications they receive. There is clearly a need to make sure companies are interacting with customers wherever they are, with messaging that is appropriate and in a format that's easy to consume. It sounds simple but, as many organisations recognise, it can prove very complex to solve.

towards API-based technologies, organisations can make true omnichannel customer experiences a reality."

There is a perception that new technologies are difficult to onboard, adapt and train staff on. Newer, API-based solutions have none of the inflexibility, fewer redundancies and greater ease of integration, making them the obvious solution to the question of omnichannel transformation.

EngageOne Communicate is one such system that brings together standard customer communication channels – email and SMS – with more advanced methods such as chatbots and interactive video. It is also an example of what is called a low code technology.

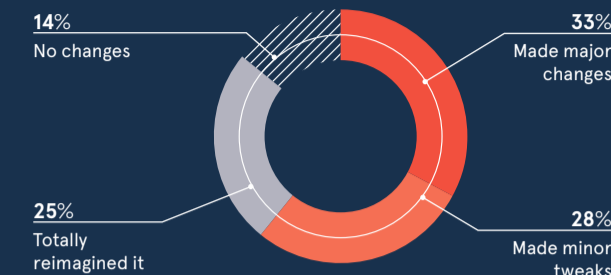
While it has the potential to be customised and adapted by a skilled internal IT team to meet very specific, advanced needs, it can also be used 'out of the box' by most employees. It is part of the generation of enterprise tools that have taken their cue from the consumer space, using recognisable features such as 'drag and drop'. Employees don't have to be power users of the system to get up and running with polished-looking communications, which also means they can get campaigns off the ground from idea to completion in days, rather than weeks or months.

**Integrate data for the complete picture**  
Of course, a slick campaign created on a slick interface is worth very little unless the message is meaningful to customers. Personalisation is also a key part of the omnichannel experience. Executives surveyed in the Precisely research concurred, with 60% stating their number one priority for 2021 was to invest in data integration, integrity or enrichment technologies.

## Commercial feature

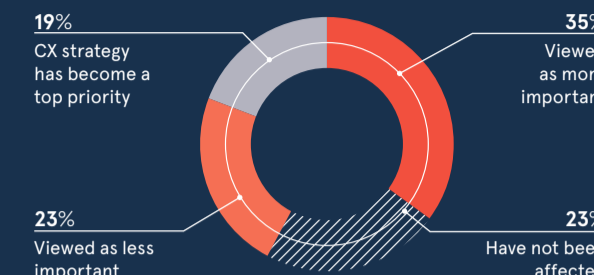
## THE PANDEMIC PROMPTED MOST BUSINESSES TO MAKE SIGNIFICANT CHANGES TO THEIR CX STRATEGY

Extent to which organisations have updated their CX strategy in light of the pandemic



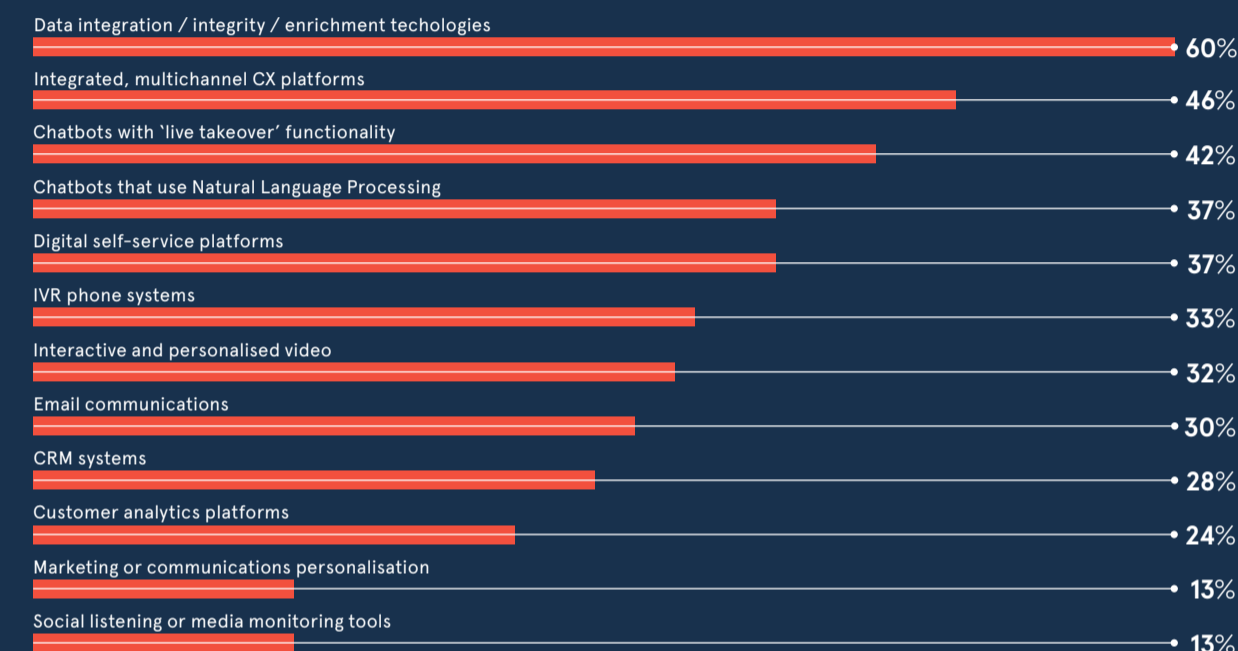
## ...AND CX STRATEGY HAS BECOME A TOP PRIORITY FOR MANY

How perceptions of CX have changed for organisations following COVID-19



## NEXT, CX LEADERS WILL PRIORITISE INVESTING IN DATA AND INTEGRATED CX PLATFORMS

CX technologies that business leaders are investing in as a result of COVID-19



Precisely and Corinium Intelligence 2021

There is a clear and immediate need for platforms that instantly connect to data in real time to allow personalised interactions across all channels. They also need to provide data access and analytics that allow companies to identify gaps in the customer journey.

The key to successful personalisation isn't just having that wealth of data at your fingertips, it's being able to use it. Training a wide swathe of employees in data analysis and onboarding is one option but it is time-consuming and successful organisations thrive when there is a balance of skills, not a large cohort of single-skilled members. Choosing platforms that make it easy to access data and understand the insights data provides, as well as the best next steps, is the most effective way of making the most of the workforce.

"The easier a system is to use, the more likely people are to use it," explains van den Heuvel. "This empowers the organisation to create effective campaigns across multiple channels without compromising on the level or precision of personalisation."

**More agility, more collaboration, more satisfaction**  
Unified platforms like EngageOne Communicate don't just deliver on speed and simplicity. Teams need to be able to collaborate, iterate and grow. For that, they need solutions that can evolve along with them.

"For companies used to email and SMS, the leap to video and chatbot can

seem daunting, but this is increasingly how customers choose to interact with businesses," continues van den Heuvel. "If the employee user experience is simplified, providing these next level experiences shouldn't prove challenging at all."

Blue Shield of California, a health insurance provider, initially launched a personalised interactive video service where customers could compare health insurance policies – a difficult task to complete without expert guidance. Video was not a 'nice to have', it was an elegant yet simple solution to a complex need.

Each Blue Shield video concludes with a survey, and 83% of prospective members have rated their video four or five stars (out of five). Most important, after interacting with their videos, 73% of viewers have indicated that they are likely to choose a Blue Shield plan.

Having seen how easily it could create interactive videos, even ones tailored to individual users' needs, the company then went on to add an integrated chatbot function.

This allows prospective members to find a doctor or ask detailed questions about their plan choices. There is still the option of allowing humans to step in, but this digitised, cross-channel, personalised journey shows how unified platforms can increase customer satisfaction and business efficiency.

Continuing to deliver on customer experience means maintaining an agile approach and open mindset to

emerging trends and the future needs of the business. For some companies, the goal is affordable scalability. This means acquiring a solution that doesn't just address a business's needs as it grows, but is also cost and feature-appropriate to its needs today.

The way forward from a vendor perspective is to design products that don't just help companies collaborate internally but can help them work at different speeds, acknowledging the varying levels of need in the organisation. Today's needs may be to support day-to-day marketing; tomorrow, more custom approaches designed in-house by IT specialists may be required.

"Future digital transformation is a given," van den Heuvel concludes, "but it should be evolutionary, not disruptive or painful. A platform like EngageOne Communicate is designed to allow companies to scale at their own pace – and that of their customers – whether they're an SME or FTSE 100 company. From low code to high tech, cost savings to deeper creativity, there is something for everyone."

To find out more, visit [www.precisely.com/product/engageone-communicate](http://www.precisely.com/product/engageone-communicate)

**precisely**



DIGITAL TRANSFORMATION

## DX factor: what makes a genuine transformation

Businesses have splurged on technology during the Covid crisis, but there are big differences between survival-driven 'digitalisation' and the true digital transformation that promises a lasting competitive edge

**Kenny MacIver**

"Playtime is over for digital transformation," declares Thierry Driesens, digital transformation officer at DHL Supply Chain. "The technology challenge is no longer about trying out digital innovations and seeing what works. This is about achieving a strategic change that delivers enhanced financial performance and a better experience for customers and employees."

Many companies have been forced to invest heavily in digital technology to solve the immediate operational problems posed by the Covid crisis, but much of that spending has been on enhancing or automating existing processes. Driesens' advice is to not let that tactical expenditure distract from the task of reimagining business models and building a long-term competitive advantage through a true digitally enabled transformation.

"The world has changed around us. Covid-19 has disrupted things even further and faster. If your aim is simply to digitalise activities in a traditional way rather than transforming your operations, you'll ultimately go out of business," he warns.

His belief is backed by evidence indicating that the pandemic has

forced companies in many industries to scale back their digital transformation (DX) ambitions. Although global spending on DX increased by 10% in 2020 to \$1.3tn, according to research by the International Data Corporation (IDC), that represented a significant deceleration compared with the 18% growth recorded in 2019.

IDC's global research director for DX strategies, Shawn Fitzgerald, observes that many business leaders have, understandably, adopted defensive tactics during the pandemic.

"They have been using tech to solve their firms' urgent challenges while also conserving cash," he says. "Despite the many bold statements we've been hearing about how the Covid crisis has been accelerating DX activities, much of what people are actually doing would be better termed 'digitalisation', rather than any broader strategic initiative that sets the foundation for a future digital enterprise."

So how can business leaders determine whether their firms are still on the right path in this respect? Experts in DX can identify several hallmarks of a solid transformation strategy that set it apart from previous waves of digital investment.

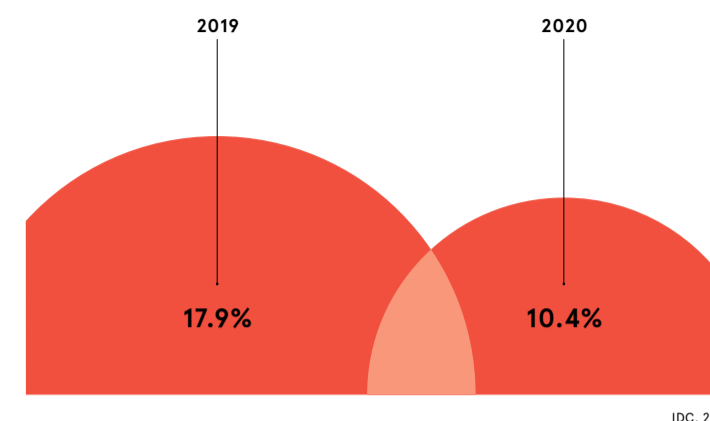
Driesens, for instance, argues that companies seeking true DX will be following a comprehensive implementation "roadmap" designed to take them all the way from planning to large-scale execution. DHL's own one is three years old, as the company works to fulfil its DX programme – to which it has committed £1.7bn – by 2025.

Its roadmap has included the rollout of autonomous forklift trucks and robots, which are already roaming many of its warehouses, picking packages for shipment. The company has also adopted a cloud-based risk-management tool called DHL Resilience360, which helps customers to predict and mitigate potential supply-chain disruptions.

“Much of what people are actually doing would be better termed 'digitalisation' rather than any broader strategic initiative that sets the foundation for a future digital enterprise

### GLOBAL EXPENDITURE ON DIGITAL TRANSFORMATION SLOWED IN 2020

Annual growth in spending on digital transformation technologies and services



Fitzgerald agrees that the absence of a detailed roadmap is a warning sign. While many businesses have formed a clear view of what their transformed state should be, they have failed in most cases to translate this vision into practical steps. IDC's research last year found that, while most mid-sized and large companies were intending to digitally transform themselves, only 27% had created any kind of roadmap for doing so.

DX agendas should differ markedly from previous rounds of digitalisation in another crucial way: while IT teams have typically led digitalisation efforts in discrete areas of the business, a true DX commitment must cover the whole organisation.

That is certainly the view at Standard Chartered, as its group CIO, Dr Michael Gorritz, explains. "Our transformation goes beyond automating functions to achieve cost savings. This is about becoming a bank that's customer-led, insight-driven, fast and connected. We are grabbing the opportunity to reinvent how we work and serve our clients," he says.

That commitment translates to a £1.1bn annual investment in technology, but Gorritz stresses that the most important factor in the success of any DX programme is effective "integration between business and technology teams". To this end, Standard Chartered has organised its teams into 1,000 "squads", which are working to the principles of agile project management.

Another hallmark of a genuine DX project is that it is driven by the whole leadership team, according to Driesens.

"Saying that the transformation is the job of the CIO simply isn't going to work," he argues. "Digital is no longer something that's done by the few. It needs to be part of the entire corporate culture."

He continues: "I cannot simply announce to the managers of a warehouse in, say, Singapore, that we're about to install robots that will change the work of hundreds of employees unless they already know that we're going in that direction. That's where you need a broader change-management plan from the top, which has to give people the necessary information in good time and convey to them a sense of excitement about the new way of doing things."

Dimitris Mavroyiannis, group COO at Piraeus Bank, agrees that a key focus of any DX project is cultural change, which requires clear communication with employees at all levels, explaining how it will affect them.

"The biggest challenge is to be ready for constant change, so a transformational culture has to be embedded in the organisation," he says. "There is an existential imperative to rethink business models, change cost structures and offer more relevant customer-focused solutions."

Mavroyiannis even goes so far as to suggest that the current DX wave may be seen as the "last full-scale transformation. After this, organisations will constantly need to rethink themselves and deliver change quickly and continuously."

Many of the core technologies that enable DX – from artificial intelligence to big data analytics – have the power to process vast amounts of information. Akira Mitsumasu, vice-president of global marketing at Japan Airlines, reports that these tools have helped his company to improve its customer service and so gain a competitive edge.

"Our digital transformation is enabling us to consume much more data," he says. "Operations data, together with information gathered from cabin crews and ground staff, has enabled us to identify key areas for improvement."

Its One ID concept, for instance, combines customer data with the facial-recognition technology that airports have adopted to streamline the progress of passengers from the check-in to the boarding gate.

Big data is also beginning to generate big value at DHL, as Driesens reports. "We are only just starting to unlock the potential of what we are learning from our warehouses, freight business, supply-chain operations and many more sources," he says. "But we're already seeing incredible insights that could help us to create value-added services for customers, from optimising their distribution networks to identifying the best locations for warehouses."

As economies start to recover from the pandemic, the upshot for companies whose DX strategies are coming to fruition is clear, according to Driesens. "It's giving us nothing less than an unfair competitive advantage," he says. ●

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