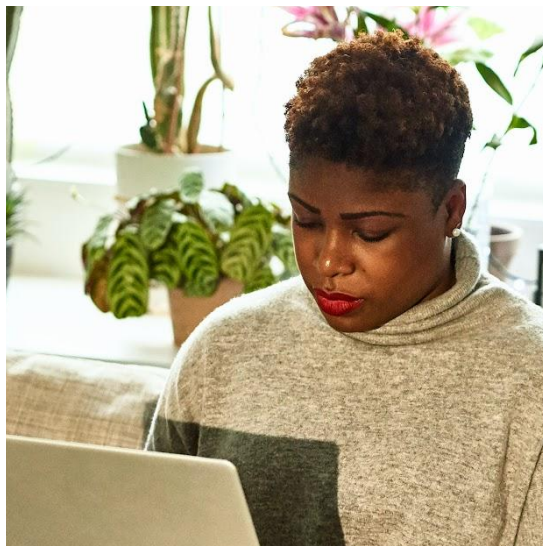


Chief Executives' Forum

Beyond PwC working with
our clients

October 2021



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pwc.co.uk/beyondchange



The world has changed

What we are seeing



Preferences on working are very personal.



The hybrid model of working is here to stay.



There is divergence



Once in a lifetime opportunity to transform



Employee expectations are high

Headlines



Do young people really need the office?



Young people will see their careers benefit by working in the office, the Chancellor, Rishi Sunak, has said



The TUC is worried by the new class divide emerging, with those who can work from home getting more flexible working options, and those who must be in a workplace missing out



Hybrid working model is a 'huge opportunity' post-pandemic - Direct Line Group's Penny James



Goldman Sachs: Bank boss rejects work from home as the 'new normal'



Downing Street has confirmed the government is considering legislating to make working from home the "default" option by giving employees the right to request it.



Civil servants have been told to "get off their Pelotons" and go back to the office

What are CEOs saying?

“

The more successful organisations will be those that are fleet of foot and ready to move fast in a different direction.

Katherine Garrett-Cox CBE, **CEO of GIB Asset Management**

“

45% of CEOs are making changes to their workplace culture and behaviours in order to drive competitiveness

PwC, **24th Global CEO Survey**






“

What we've done in five months would have easily taken two and a half years. If you're down 13% on revenue, you've got no choice but to create change.

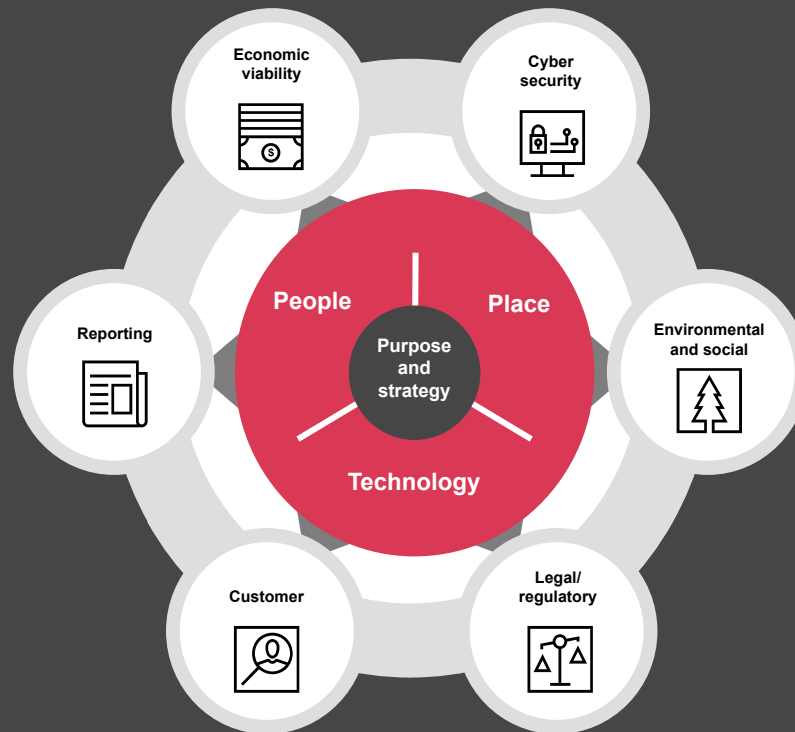
Wendy Clark, **CEO of Dentsu International**

Where and how we work is becoming more personalised

Organisations need new strategies to reflect the personalisation of work and how individuals and teams 'consume' work using real-time tools and leveraging advanced insights from human sciences; the interaction of people, place and technology.

2000 – 2009	2010 – 2019	2020 – 2021	2021+	2023+
 Wellness age Focus on well-being and work-life balance initiatives. Beginning to accept working from home for set days	 Digital age Focus on creativity and collaboration to drive digital innovation. Coworking and hoteling become the norm	 Virtual age Focus on COVID return to work approaches and defining permanent future work virtual/flexible/remote model	 Personalised age Work empowers the individual employee to satisfy their preferences to 'consume' work where and how they perform best	 Intelligent age Work empowers individual, team and organisational performance through real-time scientific intelligent analytics
Organisations should be focusing here now				

The concept



The role of the office is no longer seen as just a workplace, but to enable an overall 'workplace experience' that is not tied to a physical location rather through a convergence of behavioural science and human decision making, alongside the convergence of people, place and technology

Holistic analysis is critical to success

Traditional Analysis

What will happen if we make the workforce return to the office 4 days p/w?

Productivity ▲

Engagement ▼

Wellbeing ▼

Hybrid

What will happen if we make the workforce return to the office 4 days p/w?

Collaboration ▲

Wellbeing ▼

Carbon Footprint ▲

Office Space Utilization ▲

Cyber Security risk ▼

Real Estate Costs ▲

Productivity - Team 1 ▲

Productivity - Team 2 ▼

Productivity - Team 3 ▲

Team Cohesion ▲

Engagement - Team 1 ▲

Engagement - Team 2 ▼

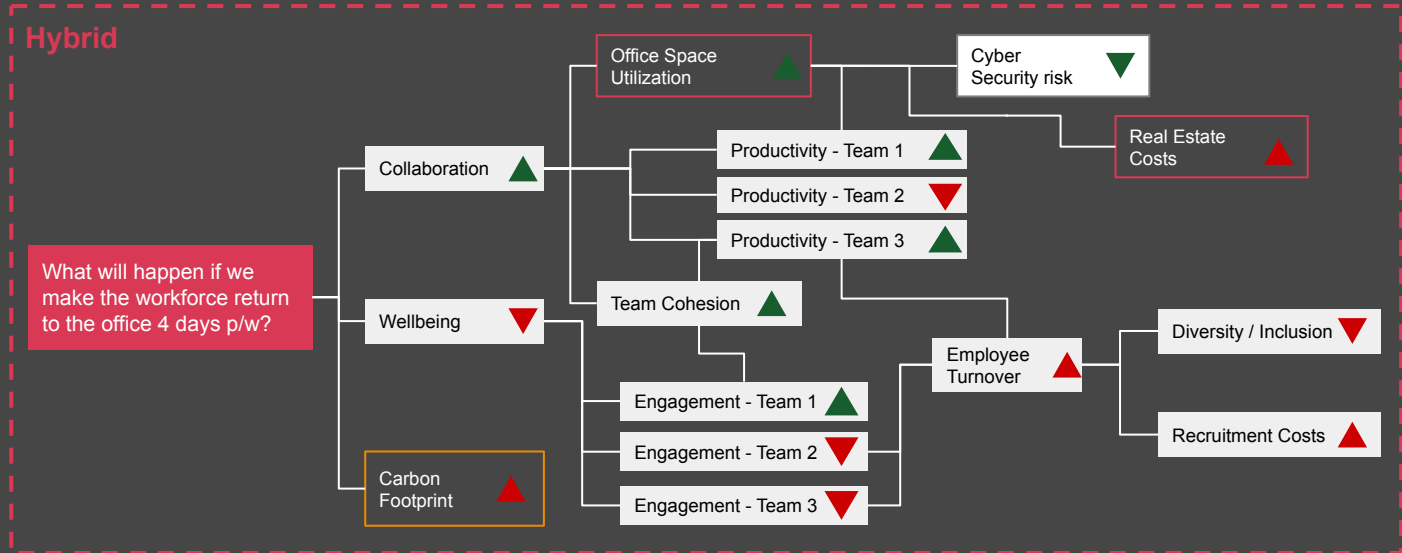
Engagement - Team 3 ▼

Employee Turnover ▲

Diversity / Inclusion ▼

Recruitment Costs ▲

Holistic analysis is critical to success

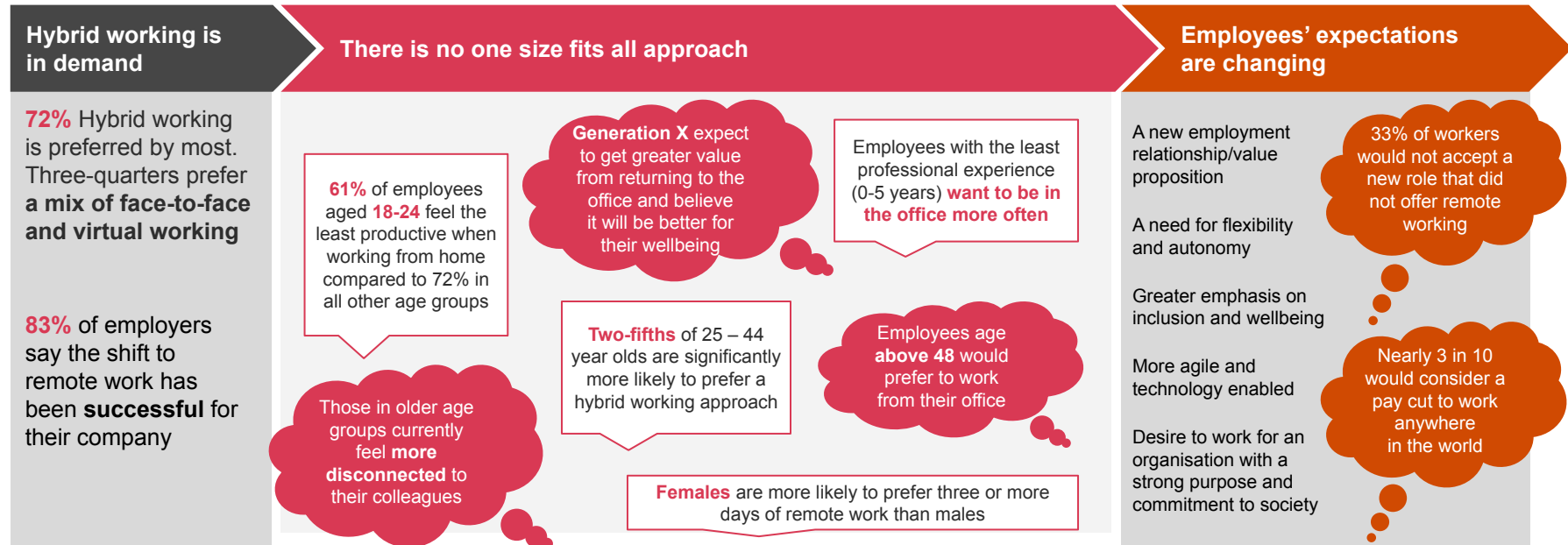


We need to move away from what I've heard referred to as the “Martini” approach to smart working (i.e. “anytime, anyplace, anywhere” for those who remember the advert), and consider what kind of workplace will truly represent our business principles and deliver our business goals.

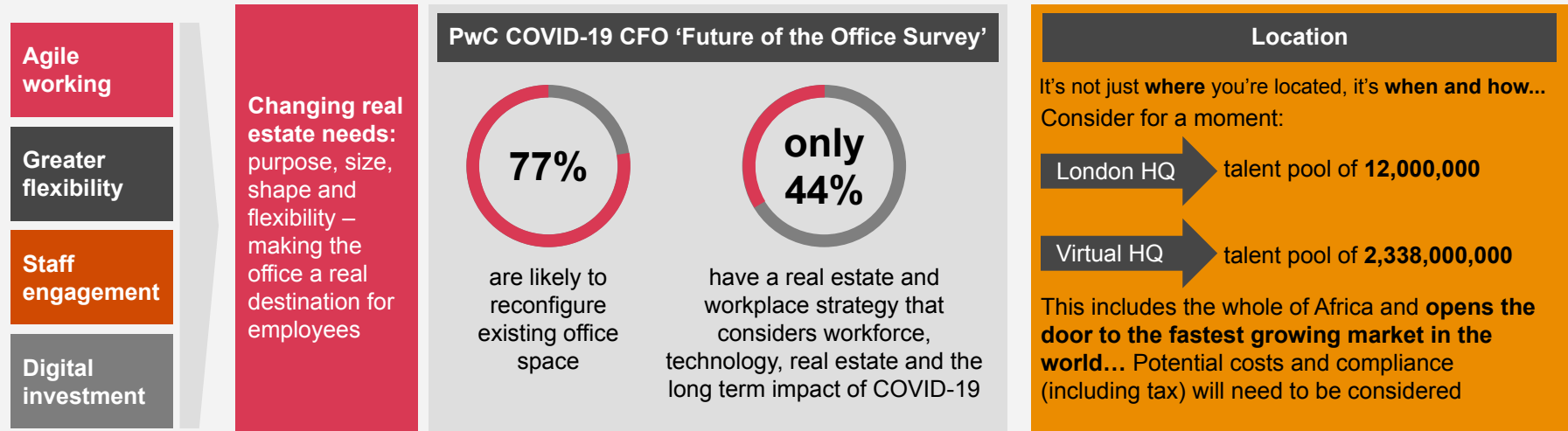
Naomi Cooke, Head of Workforce, LGA



People: What we have heard so far



Place: What we have heard so far



Place: How do we make the office a real destination

How do we create a workplace people want to be in? Through appropriate zoning of offices that gives consideration to:

Collaboration



Community



Concentration



Creativity



Coaching



Commitment

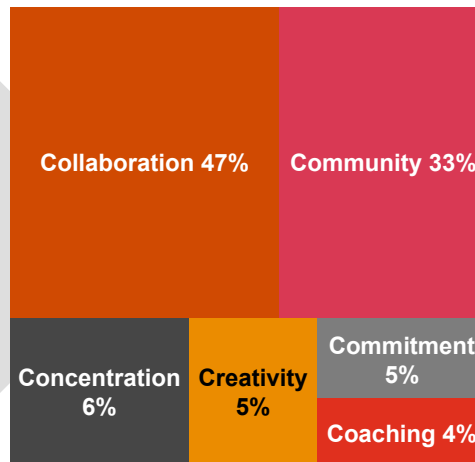


Inclusion, diversity, wellbeing and environmental sustainability should be part of the design of a new office space

Most important reasons to come into the office*



*illustrative



Meeting the needs of the **Distributed Workforce** through:

- Potentially significant portfolio changes in short/medium term, and more stable over long-term
- Move away from design based on business function to zones based on work type
- Reduced densification of the workplace
- Evolving workplaces responding quickly to changing needs - a “**living portfolio**” supported by data

Place: a changing market & key value/cost levers

There is a big change in demand for real estate, as well as a war on talent.

Decrease in office demand: ranges of between **15%** up to **50%** with some organisations

Shift towards **low-density workplaces** likely to be enduring

Flight to quality and '**best and the rest**' office market

Significant interest in **flexible office market**, with incentives

Tenant demand for **shorter lease terms** to provide future flexibility



Technology: What we have heard so far

Organisations have had to rapidly adapt

Exploring new ways of tech working e.g. AI, digitisation, telematics and automation

To improve enterprise productivity, optimise customer experience and drive employee engagement

Hybrid working inherently places greater emphasis on IT and cyber security

64%

Of workers believe that technology provides **more opportunities than risks**

49%

Of CEO's plan to increase their rate of digital investment by **10% or more**

80%

Of workers are confident they can **adapt to new technology** entering their workplace

48%

Of Board members place **managing data and security** in their top 3 issues

Cyber is a people issue not just a technology issue – attackers are targeting people more than ever, at a time when people are more vulnerable and there is greater reliance on them.

Remote working has highlighted the cyber threat

91%

UK CEOs are concerned about cyber threats

PwC Global CEO survey

31%

Increase in cyber crime during the pandemic

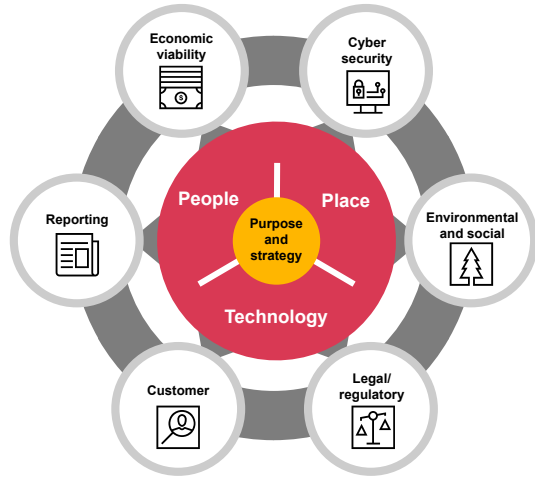
Security Magazine

90%

Data breaches involve human error

Analysis of ICO data

The interconnected hybrid challenge – considerations



We are supporting clients in preparing the ground for hybrid working

UK media organisation

- Developed their enterprise-wide Hybrid strategy and narrative around agility and flexibility
- Consolidated people, workplace and technology data and modelled potential impacts of Hybrid ways of working on specific worker types
- Developed an integrated roadmap for people, place and technology changes to optimise ways of working across desk based and complex operational teams
- Designed and facilitated a series of catalytic workshops with senior divisional leaders to understand specific business needs

Public sector organisation

- Provision of guidance and insight into the collection of employee sentiment data on return to office and preferred working practices
- Provided support through advice and best practice guidance of the client crafted return to work plan based on the data outputs
- Provided assistance in crafting of a consistent message across leadership to be cascaded to the organisation

Leading UK Insurance company

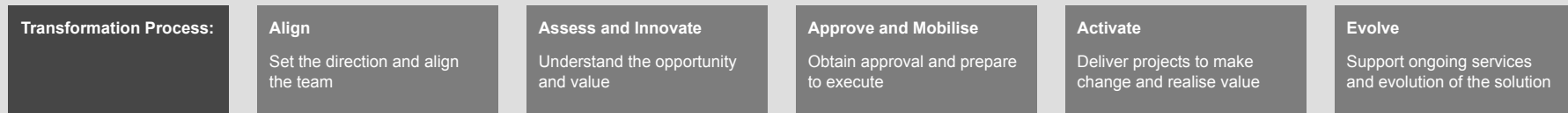
- Worked with key stakeholders across the organisation and supported the development and implementation of a vision for the future offices which included the transition to a Hybrid working model
- Conducted extensive portfolio and workforce analysis and identified future space requirements
- Provided deal structuring advice and support that enabled the client to exit long term, complex and onerous inherited leases

UK Utilities

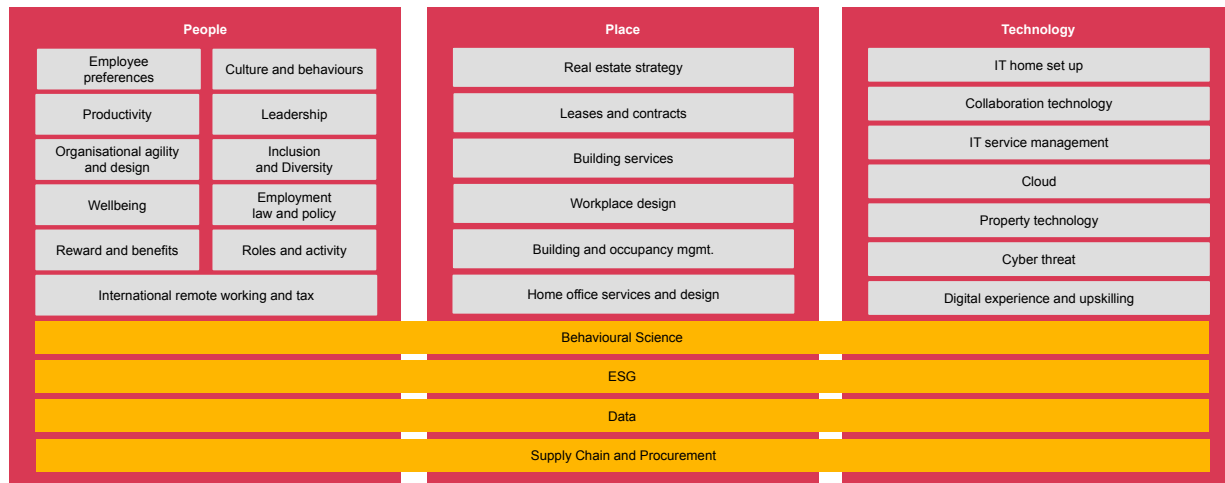
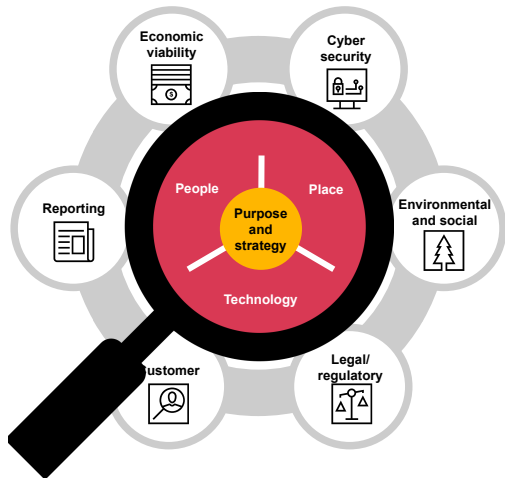
- Created a labour model of remotable working styles
- Scenario modelling under different scenarios of hybrid -to show impact of cost, gender impact and grades
- Working through potential working styles and personas to help frame policy and technical decisions
- Advising on global workforce issues around tax

What Hybrid Transformation looks like end to end

We start by understanding the value drivers and testing a business case for change and then help clients to develop their hybrid strategy and execute it. We can deliver end-to-end, or respond to specific areas of concern.



Strategic and operational levers we use to drive transformation



The world has changed

Leaders are facing a challenge that no leader has faced before.

Navigating through this disruption will be vital to the success of all organisations.

Addressing how and where people will work and delivering the technology, skills and spaces they need to do so is crucial.

This is not an issue HR, IT or Operations should deal with on their own.

Leaders must view the whole landscape, recognising the complex and intricate ways in which everything connects, analysing what must change to understand the associated costs and consequences.

Doing nothing is not an option. We can help you to create an organisation that doesn't just lead the way today, but has the agility and resilience to stay ahead into the future.

Together, we can see beyond change.



Thank you

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