

A SUCCESSFUL JOURNEY TO THE DIGITAL WORKPLACE

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This article presents the Digital Workplace, and how the transformational journey has impacted the workplace, focusing on today's key trends within the will address the 2018 sourcing trends and the key takeaways to consider when designing, sourcing and implementing a successful digital workplace initiative.

THE NEW CHALLENGES OF THE WORKPLACE

The workplace is not only a place of employment, it is a working environment combined with a set of tools and processes enabling employees to get their work done. Traditionally regarded as a cost centre and a mere component of IT infrastructure, the workplace has now become a differentiating company asset contributing to business value, employee engagement and IT performance.

Business value

In the context of digital transformation, the workplace brings new tools and instills new ways of working, which significantly fosters business agility and efficiency. For example, the workplace should:

- / enable interdisciplinarity and collaboration enabling teams to work together beyond organisational silos;
- / create an environment conducive to ideation, creativity and innovation;
- / allow seamless mobility for the employee to use any device, anytime, anywhere;
- / leverage artificial intelligence and smart assistants to allow employees to focus on their core tasks and to be more productive;
- / enrich the customer relationship by offering real-time communication channels.

Employee experience

More and more, the workplace becomes an essential factor conditioning employees' satisfaction, looking for simplicity of use and quality of service. Workplace initiatives should not only be a response to the "symmetry of attention" (i.e. concept emphasising the need to focus on employee experience as much as on client experience) but it can no longer be a barrier to the consumerisation of IT. The quality of the employee experience must significantly evolve towards a simple and fluid experience and employees should try to improve their level of adoption and mastering of new uses. This will in turn drive employee engagement and employer branding to attract the best talents.

IT performance

IT should leverage technologies such as cloud, Artificial Intelligence and analytics to bring simplification, agility and automation to the workplace. Workplace projects also introduce new challenges for IT Managers. They must be agile and efficient, exploit technological innovations and organisational opportunities to reduce time-to-market, while remaining compliant with regulations and security requirements.

In a digitised and fast-moving world, the role of the Workplace Manager evolves from a purely tactical role, centred on operational priorities towards a strategic role, connected to business and HR. The new challenges of the workplace lead to the need to have a brand-new definition of this concept, shifting towards a digital workplace.

DEFINING THE DIGITAL WORKPLACE

A Digital Workplace is a business strategy which aims at fostering agility, productivity and engagement by leveraging new tools and transformational ways of working.

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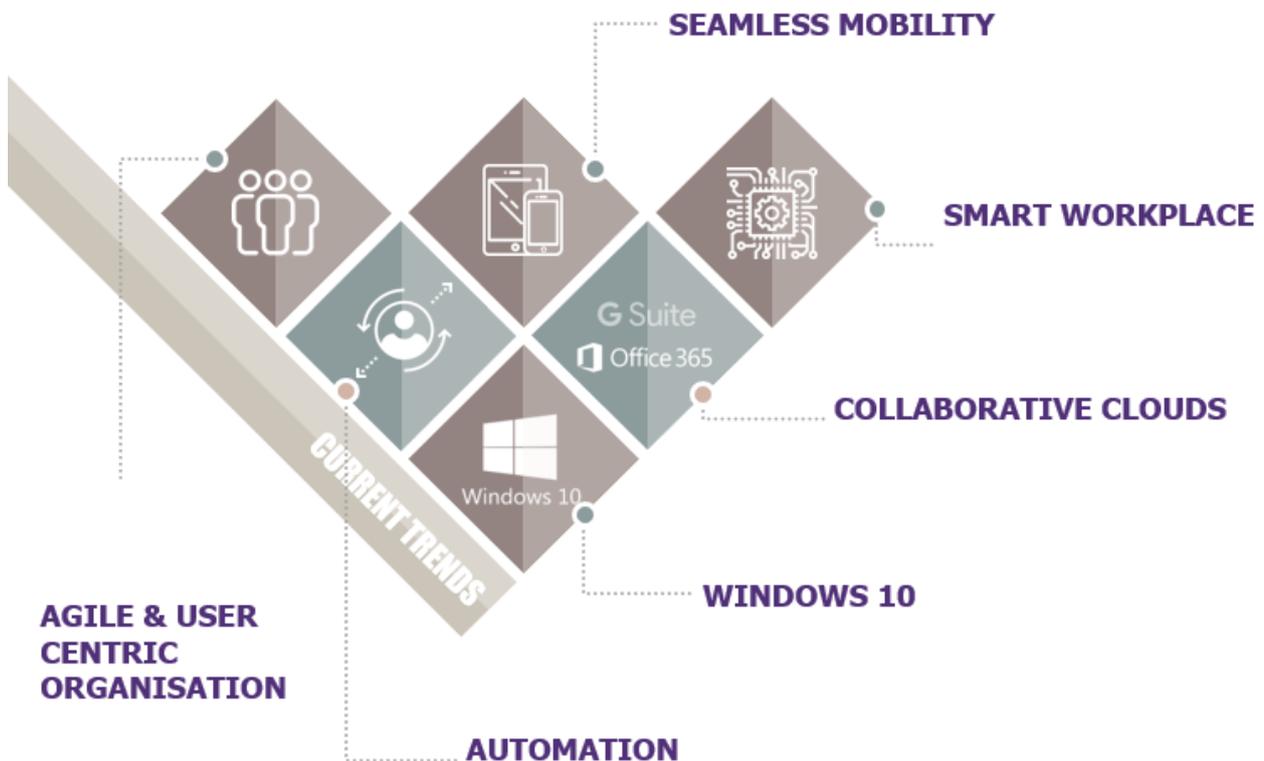
Our vision of a digital workplace focuses on 5 key components:

- / **People:** developing individual and group working practices;
- / **Process:** encouraging and promoting new approaches and methods;
- / **Tools:** implementing digital tools;
- / **Benefits:** delivering business value through a test and learn approach;
- / **Culture:** developing a digital culture.

This new definition of the digital workplace and its related initiatives impact companies' foundations:

- / **IT capabilities** (IT assets, platforms, tools, know-how, etc.);
- / **IT operating model** (roles and processes, cost model, providers, centralisation, delivery, etc.);
- / **Ways of working** (new technologies, new spaces, flexibility, mobility, collaboration, telecommuting, etc.).

Trends for the digital workplace are constantly evolving but we can identify the main ones for 2018



/ **Seamless mobility**

Seamless mobility and contextual access to enterprise resources is now a reality as witnessed by recent market moves. Microsoft W10 OS is now adapted to all devices and virtualisation leaders such as Citrix or VMware take a significant position in the Mobile Device Management market (Citrix XenMobile and VMware Airwatch).

/ Smart Workplace

Emerging in SaaS applications such as in Office 365 Delve, AI-based tools will go mainstream. The Apple's new Bionic Chip with Neural Engine is claimed to be used for AI-related tasks (such as Face ID).

/ Collaborative Clouds

Office 365 is deployed in more than a third of organisations while G Suite is used by 25% of them¹. Microsoft leading position will not only be challenged by Google or Facebook (Facebook Workplace offer being deployed) but also by other sovereign cloud providers due to e-privacy and IT security related regulatory constraints.

/ Windows 10

Most enterprises have planned pluriannual W10 projects deployments and adapt their governance and operating models to the continuous update. Windows 10 represented more than 50% of Microsoft OS install base in February 2017 and 60% of businesses worldwide had installed Windows 10 on one or more computers on their network in June 2017.²

/ Automation

As self-service options explode within enterprises, workplace services will become programmable as code. More and more, workplace services will be integrated into existing workflows thanks to the power of APIs, custom or not. Enabled by WebRTC technology, real-time communication APIs are becoming popular.

/ Agile and user centric organisation

Organisations move from endpoint and collaboration silos to one End User Services department (end-points and collaborations). "User Experience and Change" teams are mandated to understand business and employees needs and drive adoption. Feature teams are organised to develop new workplace functionalities.

Workplace Strategic Sourcing Trends 2018

To date, a majority of outsourcing deals have mainly focused on cost reduction business drivers. Initially this was possibly due to the economies of scale and service consolidation with legacy business models. Until recently offshoring has been the key to driving even greater efficiencies with labour rates, and physical building workplace locations playing a fundamental role in delivering substantial cost savings to clients.

From addressing the technological, organisational, and cultural changes, it can be a given that contracts are now required to adapt to the multi-source arrangements we require today. This journey has evolved since the millennium, however business models have remained largely stagnant and it is this persistent short coming which leads sourcing to play an ever more evolving role in 2018.

2018 will see four key strategic drivers impacting the sourcing agenda:

Workplace strategies

During 2018 more and more companies will start defining the comprehensive digital workplace strategy, that is fully aligned with business vision, values, and objectives. The digital workplace transformations are now on the agendas of executive leaders.

¹ Betanews, Office 365 and G Suite now in 59 percent of organizations worldwide, Ian Barker, 15/11/16, <https://betanews.com/2016/11/15/office-365-g-suite/>

² Spiceworks, Windows 10 adoption: who's using it two years after launch, 24/07/17, <https://community.spiceworks.com/networking/articles/2719-windows-10-adoption-who-s-using-it-two-years-after-launch>

These transformations require higher-order IT capabilities and a set of new talents to develop and manage digital workplace services. The distinctive experts needed to design new offerings and reshape employees' experiences might include product owners, user experience experts or design-oriented content managers.

In that context, companies must think of unlocking win-win value from workplace sourcing relationships and involve strategic partnerships with providers that supply new technologies, support services, and expertise.

These companies must create a sustainable strategy for sourcing the right talents, services and tools, and define a set of vendors committed to support their transformation on the long-term.

Collaborative clouds

Cloud, especially public cloud, is now officially beyond hype. This trend is being confirmed by market leaders such as Microsoft that promotes their cloud applications over their "on-premises" options. In the short-term, Microsoft will remain the biggest provider of collaboration, intranet and digital workplace services, but its position will be challenged persistently by Google, Facebook (new offering from Facebook recently deployed within an international bank), Adobe and Jive and also an increasing number of enterprise technology cloud vendors. The competition and therefore the number of solutions available will significantly increase during 2018.

The major impacts of cloud adoption have begun to force the business to reconsider current IT operating models, and in turn analyse the new talents and skills required to operate the cloud-based workplace delivery model. The most pertinent challenge around cloud for 2018 is the requirement for sourcing professionals to consider new cloud-centric vendor management, particularly in complex multi-vendor ecosystems. The fast-changing and highly diverse supplier landscape requires guard-rails for cloud strategy. First and foremost regulatory and security compliance frameworks will need to be revisited, and secondly cloud monitoring will need stringent vendor SLA performance management to ensure the right use of cloud services.

Innovation

Digital users expect IT to manage new technological trends as soon as they are released in the consumer market. Some companies build industrialised innovation capabilities to leverage key technologies. One of the major workplace tech trends is undoubtedly artificial intelligence and predictive analytics which has and will continue to build through 2018.

To foster innovation, companies will need to partner with IT suppliers on innovative workplace projects. They will need to include adequate mechanisms for encouraging long-term innovation with established partners and deploy a more dynamic sourcing strategy. Companies will also need to facilitate a fragmented ecosystem of providers which gives them the opportunity to learn about new technologies. To do so, they will need to define new simplified frameworks dedicated to start-ups, with short time frames and a narrow performance scope.

Standardisation, simplification and process automation

In response to business need for agility and employees' expectations for cutting edge services, Digital Workplace leaders must look for ways to move faster. Many of the highly mature companies are deploying agile-development methodologies for workplace services and continual delivery capabilities. To enable agile delivery of workplace services, these companies rely, to a large degree, on best practices of adopting industry standard technologies, architecture simplification and process automation – for instance automating the delivery of new devices. Once standardisation, simplification and process automation have reached maturity, a higher share of activities consolidation, outsourcing and offshoring to low cost locations can occur. Activities that are the best candidates for this cost reduction are L1/L2 support, logistics and deployment activities, and application packaging.

Conclusion

The pace at which technology is evolving in the Digital Workplace is changing the way we as sourcing experts need to focus. Previously lengthy negotiations to deliver maximum cost savings were some of the key business drivers and indications of success. However with technology and product lifecycles becoming shorter and shorter the Business now wants to see reduced times for payback, and shorter serviceable lifecycles. The new agile approach to business means Sourcing needs to be able to become agile too, allowing simple break clauses, and considerations for future proofing (where the future is now only 1 or 2 years away).

The change in business direction has driven sourcing to become an ever more pertinent cog within the already complex transformational engine. Sourcing engagements in 2018 and beyond will need to consider a raft of complexity's which the business has never really had to deal with previous.

2018 Sourcing in the Digital Workplace needs to be value-focused and have the ability to be engaged throughout the whole transformation cycle to ensure the organisations business demands can be sourced in the right timeframe, for the right technology lifecycle, at the right cost, with the ability to adapt to future business requirements. Complexity in the sourcing world is undoubtedly increasing.

Business which fail to change their sourcing playbooks in 2018 will quickly find that they are impacting their evolution in the Digital Workplace race.



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