

Workplace (re-invented)

Understanding the next normal &
embracing hybrid work models

2020

Deloitte
Digital

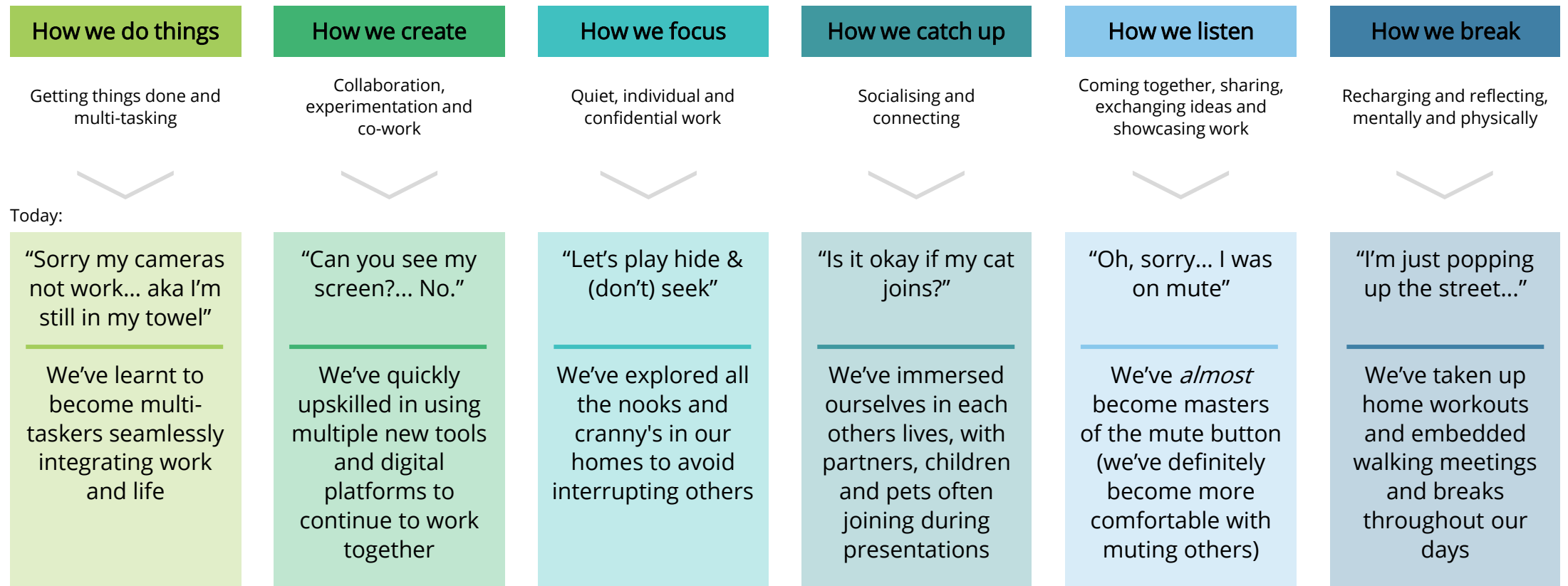
RE-INVENTING THE WORKPLACE

Here's a fact...



In the last few months we have transformed how we work

Our rush to remote has meant a rapid and adhoc adaptation of our typical working day



This transition has been tough, but we've made do

The ability to embrace digital and work virtually has provided a life-line to businesses through Covid-19 and benefits such as reduced carbon footprints, improved focussed work and more time spent with the family and doing exercise.

While the rush to remote has had benefits it has also resulted in sub-optimal work experiences, employee productivity and sacrifices being made.



And it has changed employee expectations.

DESIGN FOR WELL-BEING

Employees have heightened expectations for their physical, emotional, financial, digital and cyber safety.

2 out of 5 respondents said that their mental health has declined since the COVID-19 outbreak.

NEW TRUST EQUATION

Rapid transition to remote working shifted the trust paradigm, with people leaders and managers assuming trust that their teams will deliver outcomes.

Now, 85% of respondents in Australia believe that it is important that managers place trust in staff to get the job done.

VIRTUAL TEAMING

Virtual teaming has exploded in response to business continuity plans, resulting in a 15% increase in intra and inter-term collaboration.

Employees hold the expectation that there will be a clear path to support remote working going forward.

RESILIENT LEADERSHIP

With incredulous uncertainties, employees are turning to their leaders expecting more empathetic and compassionate leadership styles.

74% of respondents to a recent global survey say that it is important for managers to have a leadership style focused on empathy and a supportive attitude.

Sources: Deloitte, Gartner, Qualtrics and Adecco research and reports.



The reality is, that these changes are here to stay

As the world goes back to normal, the new places and ways we work today will remain, becoming part of a broader office ecosystem that challenges current perceptions of *how* and *why* we use space. What this might look like:



Working From Home

Supporting employees with the choice and ability to work from home by ensuring they have an ergonomic setup, the right tools & technologies to support collaboration & connection and the right training in digital practices & virtual etiquette.



On-the-go

Leveraging the technology we use everyday to enable productivity anytime, anywhere, enabling employees to maximise effectiveness during all of the in-between moments using their own personal device.



The Distributed Office

Regional co-working or satellite offices enabling closer-to-home working and supporting a more permanent shift to flexible work practices that safeguard employee safety and wellbeing, improve experience, and reduce carbon footprint.



The Hub

A CDB location dedicated to bringing together large groups of employees to collaborate and connect. It is an anchor for the brand and drives organisational cohesion, whilst providing bespoke spaces & equipment and employee support touchpoints.



The Workplace Village

Leveraging the existing branch network to provide spaces for the co-location of employees, customers and partners to test and iterate new commercial concepts and collaborative offers.

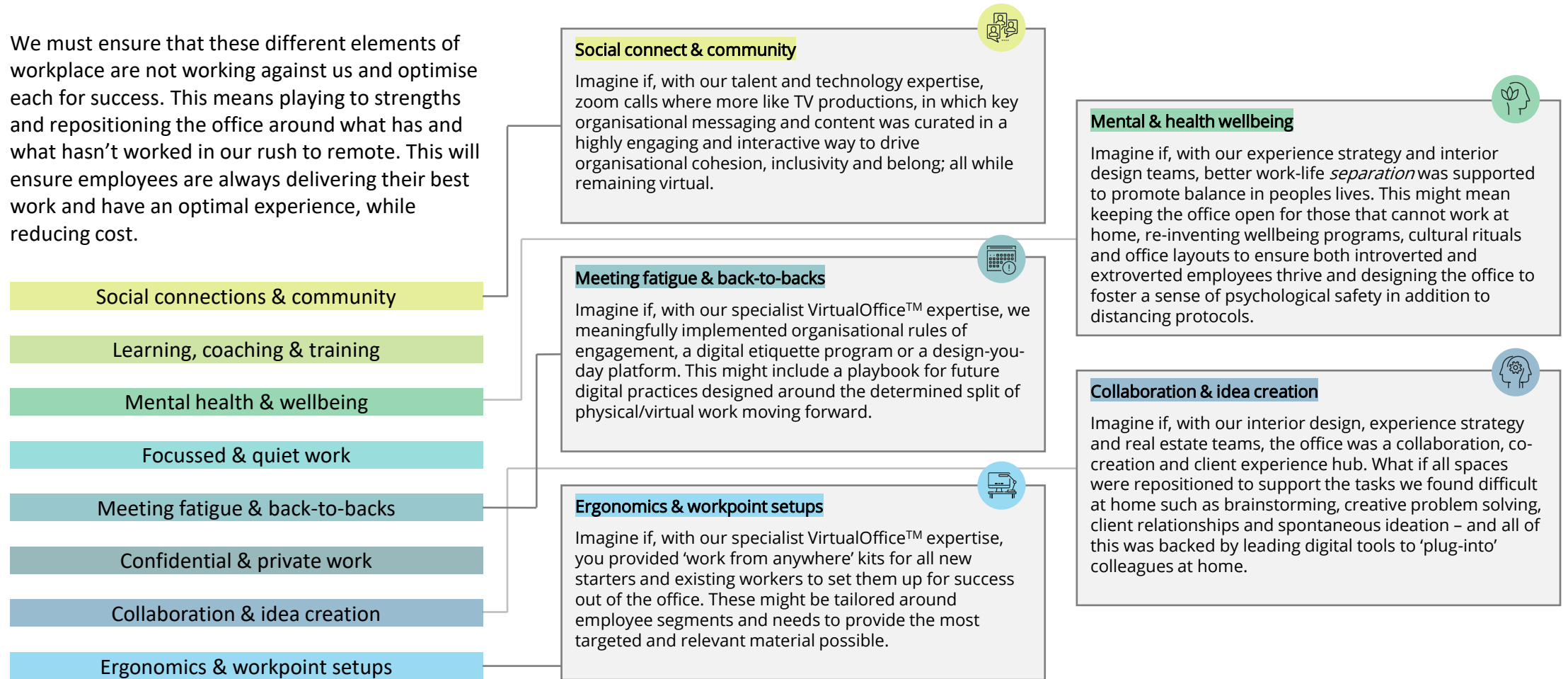


The Virtual Office

Leveraging technological capabilities to create entirely digital office experiences, allowing for 24/7 access to traditional workplace services through an immersive digital platform.

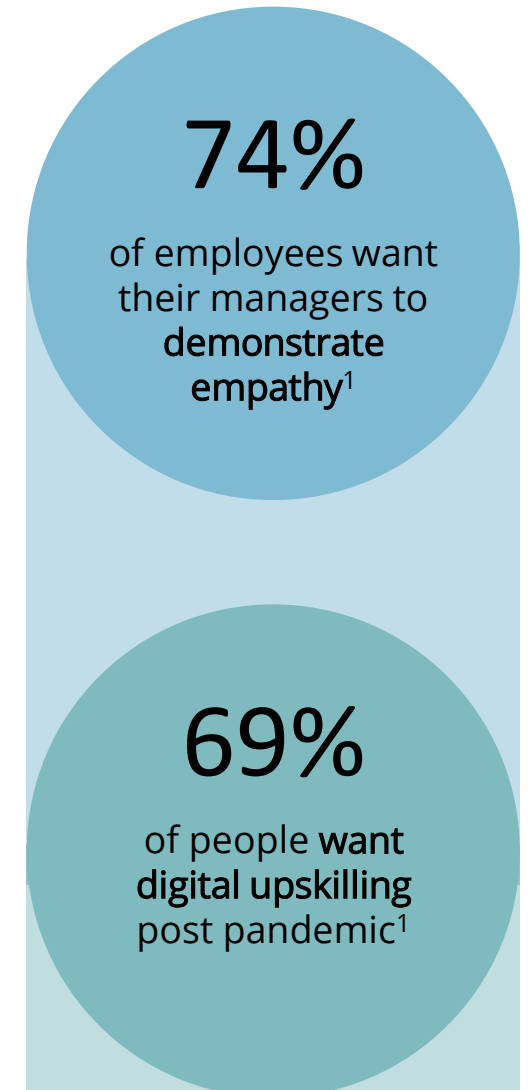
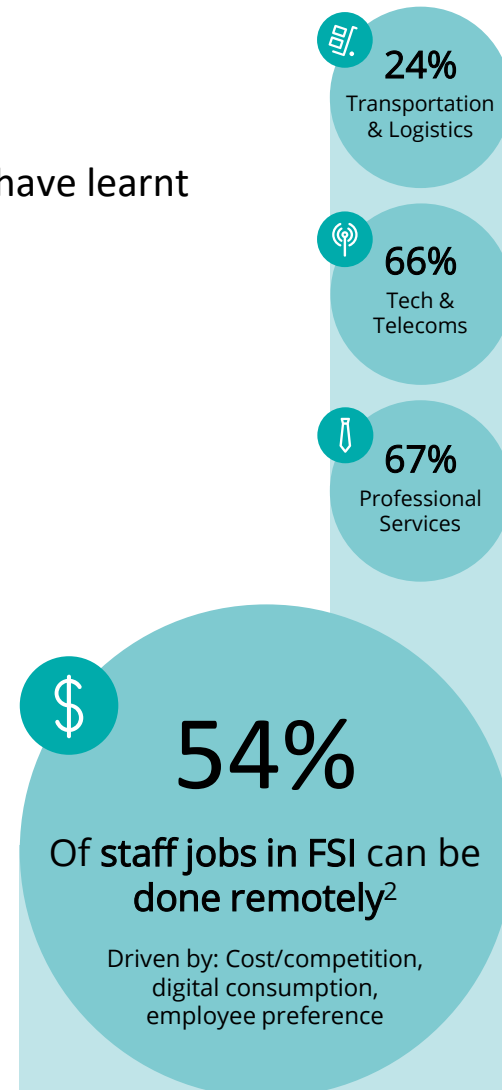
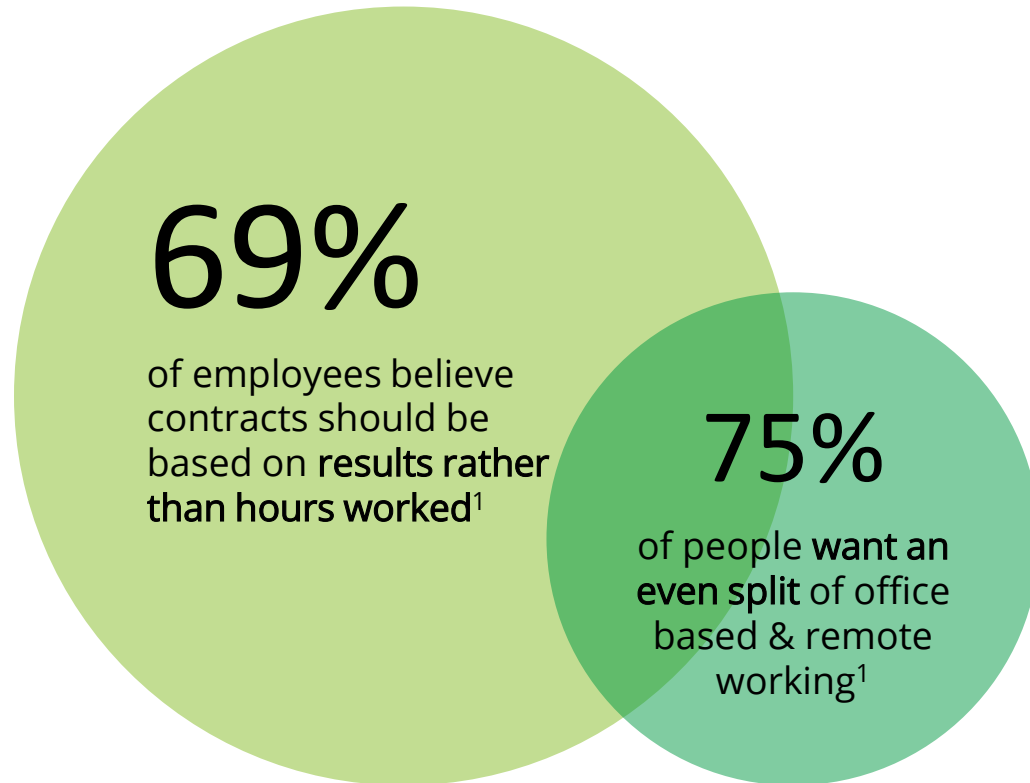
So we must optimise this network and reposition the office

We must ensure that these different elements of workplace are not working against us and optimise each for success. This means playing to strengths and repositioning the office around what has and what hasn't worked in our rush to remote. This will ensure employees are always delivering their best work and have an optimal experience, while reducing cost.



The need to do this is real

COVID-19 has acted as an incubation period through which we have learnt what our employees truly value from our workplaces.



Sources:

1. *Reset Normal - The Adecco Group (2020)*
2. *Report: Remote work in the age of Covid-19, Slack (2020)*

And we must think holistically about real estate in response

Rethinking bricks-and-mortar



Financially, these are tough times, in which investment decisions are challenging. Our approach focusses on reducing your bottom line so you can re-invest these savings on what matters most to you now.

The breadth of today's workplace ecosystem presents a unique opportunity to strategically spread the load of employee activities to other locations, provide targeted spaces in the office and reduce overall floorspace across your real estate portfolio.

As the second biggest line item on a companies P&L, this presents a highly impactful cost saving potential while improving the overall employee experience in a changing landscape.

Looking at real estate holistically



From working at home, to on-the-go, in an office or in a virtual environment, we know that delivering on this re-adjustment is complex.

To properly address this complexity, real estate portfolios must be considered holistically, to rethink how they function as a collective. This includes not just reducing floorspace but also designing adaptability into remaining stock to ensure it can deliver in an uncertain future.

As an established bank, this includes the large number of retail branches under management and the strategic role that they play in your portfolio as both the needs and behaviours of customers and employees shift.



Here's how we approach the opportunity

Reflect



We will listen to what your people & organisation need to reduce real estate costs and improve employee experience.

- Understand how COVID-19 has affected the business to date
- Understand employee sentiment, key workplace enablers & headcount
- Define current state; including market conditions and the assessment of leasing and sub-leasing opportunities
- Identify preferred ways of working

Walk in your shoes

To create exceptional experiences, and design outcomes that best fit employees we will walk in their shoes. We will create working style personas to guide us through our work. We will pulse your people on their experience and appetite for working flexibly to understand demand.

Re-imagine



We will explore the art of the possible to co-design and redefine workplace for your organisation.

- Explore leading practice, review workforce strategy & capability
- Identify new modes of working & impact of workplace accommodation requirements
- Define the new strategic role workplace
- Develop use case scenarios and analyse the size, use and location of the real estate portfolio
- Create a 'hybrid working' kit of parts

Phy-gital Future Fireside Chats

Along with sharing external practices across other leading virtual/physical hybrid organisations we will share our own journey.

We will host a virtual fireside chat with our experts in Virtual Offices, Spatial Design and the Future of Work and share lessons learnt from hybrid work models and insights on how future adaptability can be 'built-in'.

Re-invent



We will plan for your new road ahead & support you in implementing a hybrid work practice.

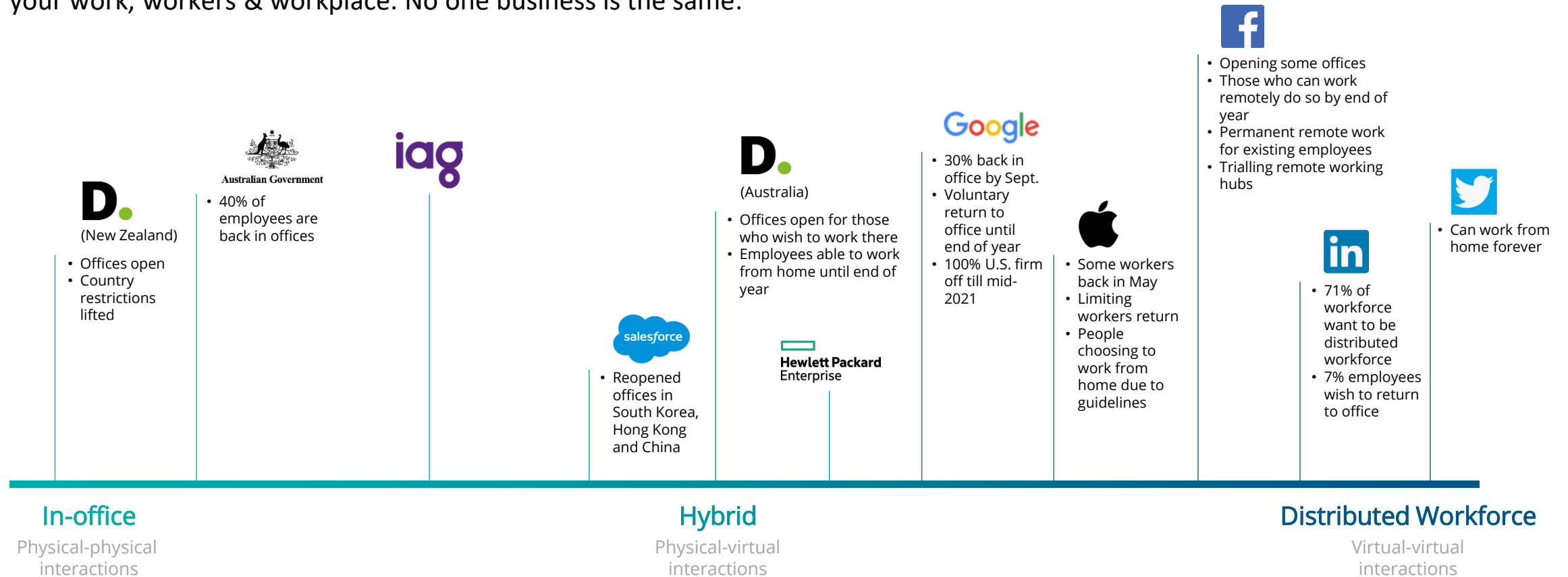
- Agree and model preferred scenarios
- Develop spatial budgets and define the barriers and enablers
- High level design brief for retro-fit, refurbish or redesign of new/existing spaces
- Articulate the benefits (cost or otherwise) of making change
- Propose workplace evolution roadmap
- Identify change readiness & drivers of success

Roadmap to getting Phy-gital

We will work with you to prioritize what matters most and will have the greatest impact for the employee experience and organizational performance. We will also identify quintessential business activities to understand the implications of hybrid working.

We know there is no one size fits all

The key is making sure you balance and create the right response mix across your work, workers & workplace. No one business is the same:



Thinking bigger (than the bricks-and-mortar)

To figure out what's right for you, you must look beyond your physical location and make targeted and strategic actions across the workplace ecosystem.



- What is the work being done and what are the desired outcomes?
- Is the work conducted by employees, teams or automation?
- What are the capabilities and technologies required to complete the work and how will these shift in the future?
- What activities and functions are best suited to physical environments & which are candidates for long term remote/virtual?



- What is the current size and profile of your workforce, how has COVID impacted its shape?
- What are their workstyles and preferences in ways of working?
- How do your teams collaborate and connect? What tools and equipment do they need to get work done?
- What values and cultural rituals characterize your teams and how is your workplace creating organizational cohesion?



- Where are your workplaces & branches located and how does this support your people and clients?
- What data do you have on utilisation and demand of space/settings?
- What teams/activities must be prioritized in the allocation of physical space and where will your people work if space is reduced?



- How are market dynamics dictating the nature of your work & workers?
- What are the local norms and client expectations of workplace?
- Are there specific political or economic factors which can/will impact your decision making?



For example, a reduction in overall occupancy across one or many sites must be considered in light of people, teams, location and market without making a negative quality impact on your work, workers and workplaces.



These lenses should be considered with an iterative mindset. All of tomorrow's answers cannot be known today; this has never been more true. By regularly taking stock of business needs, changing market conditions and employee sentiment through design sprints the workplace can grow with change and pivot when needed.

Our diverse capability will help identify the path forward

We recognise workplace isn't just about experience and design – that's why we leverage our collective experience to bring together the right experts to overcome your workplace challenges.

Virtual Office in a box	Ways of working assessment & virtual team identification	Employee sentiment analysis & ethnographic research
Virtual teams, training and leadership	Workplace risk assessment & impacts	Workplace transformation strategies & design
Return to work communications & narrative	Real estate strategy & cost analysis	Virtual events & experiences
Operational planning and facilities management	Virtual office maturity assessment	Cybersecurity awareness & safety



Set and reach the future you want

The action or inaction of businesses now will have long-lasting impacts on their operations, talent attraction & retention and their workplace and real estate costs.

Cost

Real estate is usually the second largest cost for any FSI occupier. Taking unnecessary cost out of the business, helping to mitigate risk and improve financial performance will be critical to maintaining the overall health of business through the upcoming downturn. This will be important across all geographies and markets, and can be done when lease events occur or during the course of the lease term (e.g. operational costs can be reduced by 'mothballing' un-used space).

Talent

It is increasingly clear that current and future employees expect flexibility and the ability to work in a way that works best for them - this will be critical to attracting and retaining talent moving forward. Adopting a network strategy (work from home, work near home and remote) will enable you to balance the needs of your the business with the needs of your people.

Future proofing

Taking unnecessary cost out of the business, and reinvesting in critical parts [of the business], will help you be future-work ready, financially stable through the economic downturn and ensure all funds are invested with a lens on medium to long term solutions, not reactive post-COVID measures which will need to be revisited in the short term.

The benefits of acting now:

Re-model

Review and remodel your global real estate portfolio to respond to the ongoing needs of the business



Reduce

Reduce footprint and ensure a maintainable cost base moving forward



Flex

Act now and work towards a more flexible portfolio that appeals to shifting employee expectations



Sustainability

A portfolio reduction is one of the most impactful ways to make reduce your environmental footprint



Shareholders

Reducing cost and future proofing real estate contributes to an on-going strong financial position



Talent

Employees needs and expectations have changed; business must provide the spaces and tactics to remain attractive



We are already helping people on this journey

Major Australian Supermarket

A case for change - workplace experience and new ways of working

In response to exceeding their current occupancy permit, a major Australian supermarket engaged Deloitte to understand how their Store Support Centre (SSC) could be improved to successfully accommodate their headcount and support the current and future needs of the team members who will occupy it for the remaining 10 year lease.



Working closely with the business we:

- Conducted a workplace strategy to define the future workplace experience
- built the case for change to transition to new ways of working
- Identified the space, people and technology enablers required for change.

As the workforce had recently adopted virtual working as a result of COVID-19, key to this workplace solution was providing a hybrid approach that combined physical and virtual work processes to be trialled and tested as the workforce transitions to their new normal. An occupancy model based on the adoption of these hybrid work practices gave the client confidence in their ability to successfully accommodate their headcount and meet the needs of a more mobile workforce.

Australian Government Department

COVID-19 impacts on real estate portfolio and delivery of space

An Australian Government department, on behalf of the Commonwealth, engaged Deloitte to better understand how COVID-19 is changing how, where and when people work and consider how these changes will impact the way that space is currently leased, designed, delivered and utilised, to inform both immediate decision making as well as policy.



A combined team of real estate, finance and design practitioners conducted 5 key phases of work including:

- How the workplace must change to accommodate the workforce post COVID-19
- Analysis of demand changes and the cost of increasing supply (an options analysis of financial and non-financial impacts of increasing seating)
- Advise on the most efficient ways to increase the supply of work points
- Advise on maximising value in future lease transactions, and the impact that changes to design would have on average fit out costs.

This was conducted through an in-dept analysis of the property portfolio and market trends as well as extensive stakeholder engagement with department senior leadership.

“The coronavirus, and its economic and social fallout, is a **time machine to the future.** Changes that many of us predicted would happen over decades are instead taking place in the span of weeks.”

Anne-Marie Slaughter, President of New America Foundation



Some things you can do

Key things to kick-start and safeguard your journey



Strengthen organisational culture, belonging and connectedness through [enhanced virtual events and experiences](#) that boost morale and provide support.



[Conduct employee surveys](#) to determine return-to-work sentiment and work-style preferences. This will inform projections on capacity requirements.



[Review current leases and portfolio strategy](#) to determine opportunities for consolidation and reduction based on use and lease expiration dates.



[Determine which jobs and activities are suited to in-office vs. other locations](#) to guide return to work program and ensure optimal performance.



[Take an iterative approach to the office](#) – conduct ongoing pulse checks with your business to determine changing behaviours, needs and effectiveness of initiatives.

We're here to help, just reach out.

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