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Whitepaper

Smart services for an agile organization

### Introduction

The concept of working in an agile way to address the complex and unpredictable demands of the global economy is not a new one—but it's increasingly attracting the attention of every type of organization from small start-ups to large corporates. Agile working depends on changes to the IT infrastructure, and on the delivery of smart technologies and services in support of changes in workplace systems and behavior, as a key part of a broader approach to corporate agility.

The concept of agile working is currently being tested on a global scale amid the COVID-19 pandemic. A massive involuntary experiment in home working has been an eye-opening experience for many organizations who are only now understanding what agile working really means to their workforce. Before the virus, agile working primarily referred to the agile use of space by people working inside the office; now the definition of agile casts its net much farther. And more than ever, it has become apparent that the underlying foundation of agile working is a strong IT infrastructure.

But if organizations facing the fallout of the pandemic now fully understand the urgency to become agile, the steps to implementation remain hazy and vague, leaving companies without a clear direction. This often means that organizations commit to facilitate agile working but fail to make the full transformation to an agile organization.

A report by McKinsey, <u>The journey to an agile organization</u> (May 2019), outlines the journey organizations have to undergo to achieve full agile transformation. The report characterizes agile organizations as a "network of teams operating in rapid learning and decision-making cycles." This is a far cry from traditional organizations, which can become stuck in the rut of hierarchical models and siloed communication. Organizations must take an integrated approach to agile transformation whereby culture, technology, and space are considered in the round.

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## Drivers for agile transformation

Even before COVID-19, arguments for transitioning to an agile organization were widely aired. Big tech giants such as Facebook and Google publicly championed agile work styles over several years. But today, as the pace of change intensifies, agile working strategies are no longer reserved for the forward-thinking tech companies. Demographic shifts, cultural transformation, and emerging technologiesare accelerating the pace of workplace change alongside public health considerations.

In today's volatile, shifting climate, companies need to continuously evolve to remain competitive. A big part of this strategy is attracting and retaining the best talent. As the nature of work changes, so do the required skillsets; this has seen more companies fight for the same talent. Traditional industries such as finance, life science, and law are now in competition with start-ups and tech giants for data analysts, for example. In order to stay in the running, large corporates need to re-evaluate how they organize work and the environment in which they conduct it.

The leadership culture of organizations is also changing, driven by the rising expectations of new talent and younger generations coming into the workforce. Agile working can only be achieved with high levels of trust and a culturebased on performance and accomplishment of goals.





This involves having new management skills which allow teams to work more effectively, communicate better, and collaborate more closely. This leadership style is being put to the test as leaders are no longer physically present to oversee their employees, so they have to rely on digital networks to ensure their employees are productive and well.

The emergence of new technologies is a critical ingredient in the move to agile. Mobile devices have become the pivot of the workplace, with employees relying on their smartphones and tablets to engage with their working environment. This untethers employees from fixed desks and, coupled with 5G capabilities and faster Wi-Fi connectivity, gives people greater mobility within and beyond the office. The emphasis has shifted from connecting desks to connecting people.

Mobile devices are also becoming the lifeline that tethers us back to our colleagues and our organization in the new normal. Where the serendipitous "catch-up" is no longer viable in an office setting, employees are relying on their smart devices to provide the sense of belonging that was traditionally reserved for the physical workplace. Employees are not only using their devices to conduct their work efficiently, but also as their only source of social interaction. This is placing a greater strain on the technology infrastructures that are currently in place within organizations.



# The key elements of agile transformation

There is a growing body of research which highlights the benefits of agile working and is driving the agile movement forward. But while this research can help build the business case for agile transformation within an organization, it cannot dictate or facilitate the implementation.

The McKinsey report outlines four key elements which need to be considered when creating a robust and comprehensive strategy for agile transformation: people, process, structure, and technology. This strategy clearly outlines the four core considerations that organizations need to understand about their business before implementing an agile transformation.

#### People

Agile working is a form of work based on giving autonomy, trust, and flexibility to people so that they can complete their tasks in the way they consider most effective and suitable. In order to ensure that people have complete control over how they conduct their work, there are core elements that need to be put in place: the right leadership, good talent, a network of clear communication, and an accepting culture. A successful leadership team will trust their employees to do the work that they are paid to do. Instead of dictating their employees' time, the leader's role will be to inspire and provide vision for the team. They will act as a model, mentor, and a coach to their team. This is only possible if the talent is right. Good leadership can be a mechanism to attract the best talent into the team. Once the right people are assembled, the team will organically work together and the leader will be able to trust the team to do their job effectively.

Mutual trust in an agile organization is crucial because it informs how networks of communication are built. A truly agile structure creates opportunities for employees to form organic networks across the entire organization, not just within individual teams. If all these components are considered in the round, it challenges the traditional results-oriented management culture of most office jobs and cultivates a new culture of openness and autonomy. This culture is the foundation of a successful agile transformation.





#### Process

Legacy processes are one of the biggest blockers of agile working in today's offices. Processes need to be re-evaluated

for the agile organization to free up a team's time to work on value-creating activities. The absence of time-consuming legacy processes allows the planning and decision-making process to speed up, which means that there is more opportunity to plan, trial, fail, learn, amend, and re-test. This creates a more innovative environment where ideas can thrive in a collaborative space which is open to learning and not solely focused on risk aversion. Adoption of new agile processes also means the organization can structure performance management based on real outcomes.

#### Structure

Agile transformation is not the same for every organization, so there needs to be flexibility on structure. The size and location of the business needs to be carefully considered. Smaller organizations tend to have flatter structures, whereas legacy hierarchies typically exist in bigger companies. The key considerations in structure are taking a mission-oriented approach to workplace sizing and location, simplifying the reporting structure, and adopting a more streamlined approach to decision-making. Working from home is already shaking up legacy processes in many cases. Hierarchical working models have been broken down by company-wide Microsoft Teams briefings and virtual collaboration. Instead of going through several leadership layers, digital collaboration makes the process more direct and inclusive. Now that many companies have been forced to trial different processes and structures for a remote workforce, it is likely that these will return to the workplace with us.

#### Technology

The physical workplace has a major part to play in the successful agile transformation of any organization; the design and architecture of the workplace has to reflect different environments to enable agile working, including a mix of spaces from breakout areas and quiet areas to shared desks, project, and meeting rooms. But equally important is the provision of new technologies to support an agile way of working. If appropriate, an agile organization might consider automating certain processes to free up employees' time for value-creating activities. This could include automating testing and integrating processes. In order for this to be possible, the appropriate infrastructure and operations need to be put in place to support continuous and fast-paced change.



### Smart services for the agile organization

The four pillars of agile transformation—people, process, structure, and technology—are shaping changes to infrastructure and environment in the workplace and beyond it. The emergence of smart technology plays a key role in any agile working strategy—smart services underpin the "people" and "process" elements of an agile organization as they allow people autonomy over where and how they work.

The staples of an agile organization are undoubtedly clear communication channels, fluid networks, open culture, the right talent, and strong leadership skills—but it is the emergence of smart technologies, the evolution of workplace design, and changes to IT infrastructure that create the right conditions for companies to successfully go on the agile journey.

#### Smart infrastructure

Smart technology is too often implemented as an afterthought in agile working strategies, but it is crucial that smart systems are placed in the infrastructure of the building to allow for future agility and flexibility, both in the organization and in the office building. The emergence of new technologies such as

LiFi is set to change the game for agile working.

LiFi leverages existing LED lighting infrastructures and uses light waves to enable two-way communications at speeds

above most conventional workplace wireless technologies. As data demands grow in the workplace, LiFi will become an essential part of connectivity for fast data sharing because it can withstand high connectivity at peak times. This type of smart connectivity will enable more devices to be connected through the Internet of Things, which is set to explode with the introduction of 5G networks.

There is potential for LiFi to spill into the urban fabric of a city as LED street lights are adopted. This development will mean that employees are not bound to the office as they will have high-speed connections throughout the city. While this is not yet widely implemented, it will become of critical importance to agile working as more devices are connected via IoT and expectations demand faster and more secure connections across the city.

Not only can the lighting infrastructure provide more reliable and secure connectivity within the office, it can also connect building systems to activate the entire workplace. Connected lighting systems can be partnered with IoT sensors which gather information that can be used to create customizable and highly adaptable environments for employees. These systems can be integrated and the data can be projected onto user-friendly interfaces such as an app.

#### **Smart technologies**

The mobile phone is quickly becoming the pivot of the workplace. According to most studies, the average smartphone user has more than 80 apps on their phone and uses around 40 of them each month. As the capabilities of smartphones mimic those of laptops, the opportunity to use workplace apps will be greater than ever before. While this could present a challenge for developers to provide spaces with constant mobile connectivity, the emergence of 5G in the workplace will combat this. The emergence of 5G networks in the workplace will enable more connected devices, greater speed in transmission, and greater capacity for remote execution.

There is also the possibility of implementing virtual networks whereby subnets can be created to provide connectivity more adjusted to specific groups for specific needs. Subnetworks give specific characteristics to part of the network so that certain connections can be prioritized, protecting them from possible overloads of the mobile network. This customizable aspect of 5G allows certain teams in the workplace to virtually collaborate seamlessly despite peak office hours. This, in tandem with greater speed in transmissions, means that employees can seamlessly collaborate without having to allow for buffering time or file downloads.

Although 5G is still in its preliminary phase, it is important for organizations to consider its impact on business in the future. Ericsson predicts that, by 2024, up to 65 percent of the world's population will have access to 5G internet. Portable technologies and the cloud already enable employees to work remotely and collaborate with colleagues in different geographies across the world. 5G will accelerate this shift, and the workplace will no longer be defined by a physical location. It will transcend many of the current pain points of today's technology such as lagging video conferences and lengthy waiting times for file downloads. This makes work more productive and potentially frees up time for employees to innovate.

#### **Smart spaces**

To work effectively, smart services must be complemented by the right space typologies. In order for LiFi technologies and connected systems to work, appropriate spatial layouts and the right variation of work areas need to be provided. A variety of spaces need to be considered to implement an agile working strategy. Breakout areas offer multifunctional spaces where people can chat, collaborate, relax, eat, and organize meetings with their work teams. Quiet areas provide spaces where employees can perform tasks that require concentration and focus without distractions. Shared desks are ideal for employees who are intermittently in the office or who frequently cluster in teams to perform quick brainstorming activities. Traditional meeting rooms provide space for project work or confidential meetings. Even as social distancing measures are introduced in offices, the concept of a mix of different spaces remains relevant amid new protocols around sharing and hygiene.

Spaces can be identified and defined using design concepts which involve changes in materials, colors, or lighting. Task lighting can be activated to differentiate particular spaces or types of work. For example, in a quiet area more bright light might be used to enhance alertness and concentration, whereas in more relaxed breakout spaces warmer light might be used. Lighting can be used to indicate whether spaces are occupied, while can be users can be given control to change the color of lighting in a space depending on the tasks they are completing.

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# Smart designs for the agile organization

Whatever design strategy is adopted, it is apparent that smart services are fast becoming the backbone of implementing agile working. When the concept was first discussed, it was in the context of the first wave of portable devices which enabled people to operate independently of space. Today the future of the agile organization is all about considering innovative smart technologies in tandem with workplace design and job redesign.

The journey to becoming an agile organization will be different for every organization but the steps to get there are clear: every organization should consider **who** they are adopting agile for (people), **how** they will implement agile working most effectively (process and structure), and **what** tools are needed to support agile working (technology).

The end result will be highly customized to each organization, but one consistent ingredient will be the implementation of smart technologies and services from the outset of the transition and how these will be deployed to encourage desired behaviors.



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### Smart services for an agile organization: Where it's happening

Steelcase WorkLife, Atlanta, USA

Steelcase is collaborating with Ericsson and Sprint to investigate how 5G networks and IoT will impact the office of the future by deploying Sprint's 5G service in its Atlanta WorkLife Center. The center has transformed into a testbed of innovation as the companies are jointly testing new use cases for the workplace that will allow team members to collaborate more efficiently and effectively. Steelcase is piloting 5G to overcome the shortcomings of legacy short-range wireless technology but it is still in the early stages of exploring. From the research Steelcase hopes to create smarter solutions that can support digital wayfinding and new ways of working for an increasingly mobile workforce.



#### Sogeprom, Paris

The Sogeprom development in Paris marks the first office building to implement LiFi technology. LiFi allows for more robust, faster, and secure connections for portable devices using visible light. The system has the capability to replace Wi-Fi in environments which require higher security and bandwidth, as the connection is through line of sight and cannot penetrate walls. Since LiFi makes use of visible light spectrum, it cannot penetrate through optically opaque objects such as walls, making it difficult for unauthorized access—unlike present Wi-Fi, which can be accessed from beyond walls, making it vulnerable to unauthorized access.

#### **R/GA**, New York

Advertising firm R/GA implemented a novel lighting solution for its innovative workplace in Hudson Yards, New York. The strategy involved grouping approximately 10,500 surfacemounted, tunable LED lamps into groups of four, an approach which factored in both project schedule and budgetary limitations. As a result, employees can locally adjust their individual workspaces with color, indicate the occupancy of meeting rooms, or match the lighting above individual workrooms and huddle spaces. This allows employees to control the lighting to identify different workspaces. The lights can be adjusted to align with human circadian rhythms based on the results of scientific research. This maximizes the impact of natural lighting in the office.







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