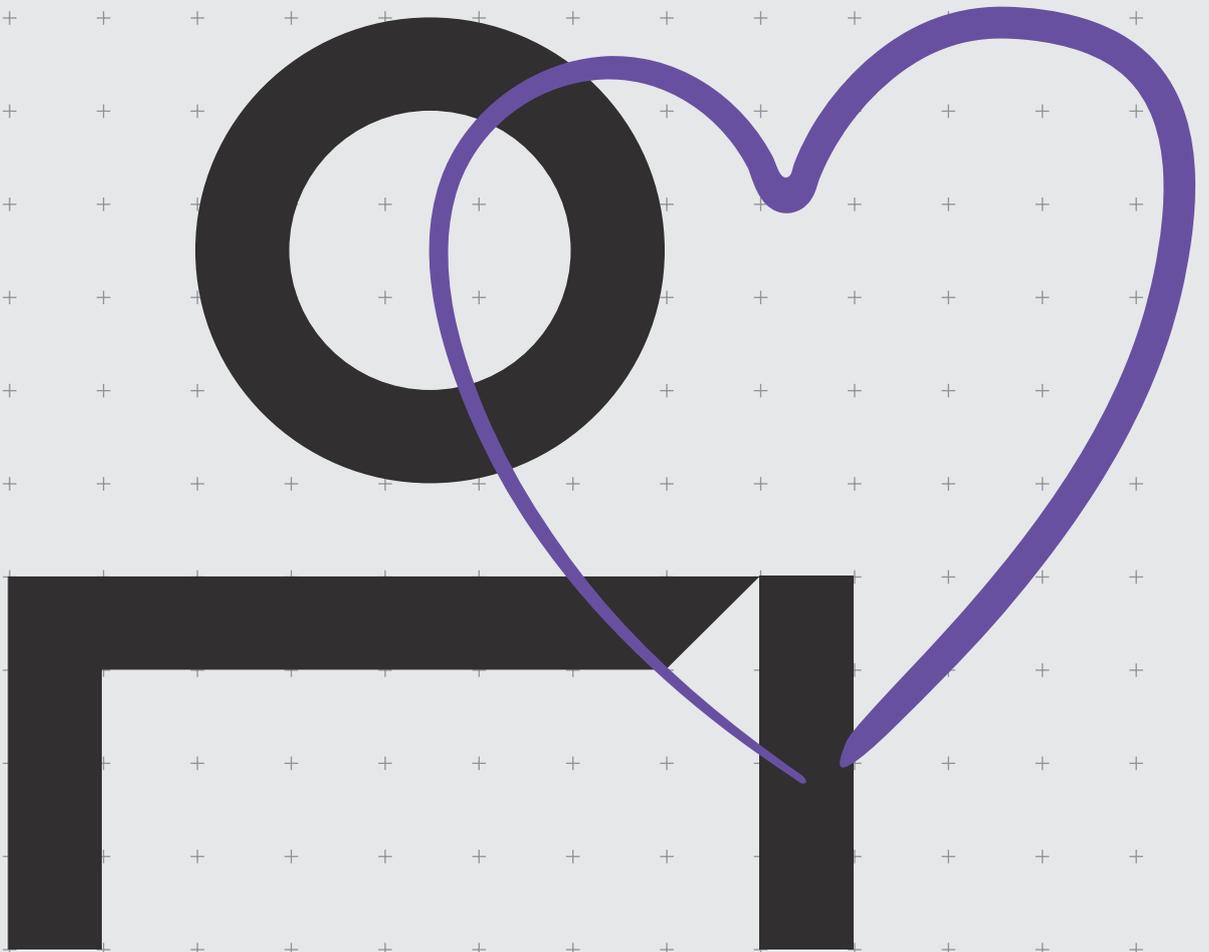


Smarter workspaces.

Digital transformation – the inside story

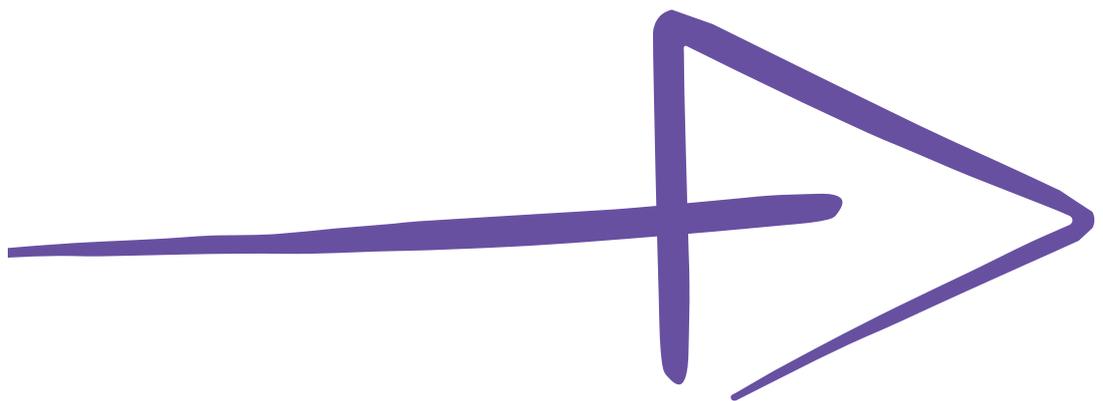


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Introduction.

The digital transformation of businesses and public sector organisations is entering a new phase, with the focus turning inwards to address the needs of employees and organisation's internal workings. In this paper we look at why that's happening, what's involved and how to make the most of this opportunity to transform the way your organisation works for the better.



Based on a study sponsored by Kyocera*

* This paper is based on research carried out by IDG Research on behalf of Kyocera Document Solutions, canvassing the CIOs of 150 European companies with more than 200 employees across six sectors.

Until recently digital transformation efforts tended to focus mainly on creating new channels of interaction with customers to improve their experience. However, once they have completed that exercise, organisations often realise that their current infrastructure, policies and procedures lack the agility, flexibility and innovation needed to support the transformation.

The logical progression is to go on to develop what are frequently referred to as “Smarter Workspaces”, leveraging digital technologies to reinvent the way things are done. This can bring a wide range of internal and external benefits; for example, it can lead to innovative new ways of doing things that make operations (e.g. sales order processing, accounts payable management, new employee onboarding, customer help desk) dramatically more efficient.

A variety of factors are encouraging companies to embrace the concept of digital transformation more fully:

- The predominance of digital technology in our personal lives is making employees more demanding, pushing for tools that facilitate collaboration and improve efficiency.
- Artificial intelligence and smart process automation is redefining jobs.
- Managers are realising that work processes built around fragmented tasks compromise efficiency, reducing their organisation’s ability to compete.

However, to be truly effective, a digital workplace transformation must:

- Work across the entire organisation, incorporating all departments, teams and functions.
- Be managed in a strategic way.
- Incorporate regular review and continuous improvement.

In 2018 Kyocera Document Solutions sponsored a study of European businesses to discover how far they had progressed in their journey to digital transformation. This paper is based on an analysis of the key findings.

Key findings:

- Smarter workspaces are already a reality for many companies
- True digital transformation is more than an IT project
- Smarter workspaces are constantly evolving
- Setting the order of priorities is important for an effective transformation
- Security should be a key consideration from the design phase
- Processes should be reengineered rather than simply optimised
- Smarter workspaces have real potential for minimising environmental impact
- Measuring effectiveness is a vital aspect of managing smarter workspaces
- The transformation should be centred around employees
- Don’t put all the weight on the IT department

Smarter workspaces are already a reality for many organisations.

In order to operate and compete effectively in the digital economy, many organisations are realising that they need to undergo a complete digital transformation. This will enable them to revolutionise the way their employees work, not just the way they interact with customers, increasing transparency, flexibility, collaboration and responsiveness.

Ideally organisations should aim to create effective and efficient workplaces, centred around people but facilitated by technology. At Kyocera we call this concept smarter workspaces.

Encouragingly, nearly half of the medium and large companies surveyed had already committed to digital transformation. 12% said they had already put a smarter workspace initiative in place and 36% said they were currently working on it. A further 26% were evaluating potential initiatives. (Figure 1.)

What does this mean for your organisation?

It seems clear from the responses and it makes sound business sense to assess how to make the best use of digital technologies to transform the internal workings of your organisation. An effective smarter workspace transformation will not only help boost operational efficiency but should also improve cost efficiency and competitiveness.

Fig 1.
What is your future outlook with respect to smarter workspaces initiatives?



True digital transformation is more than an IT project.

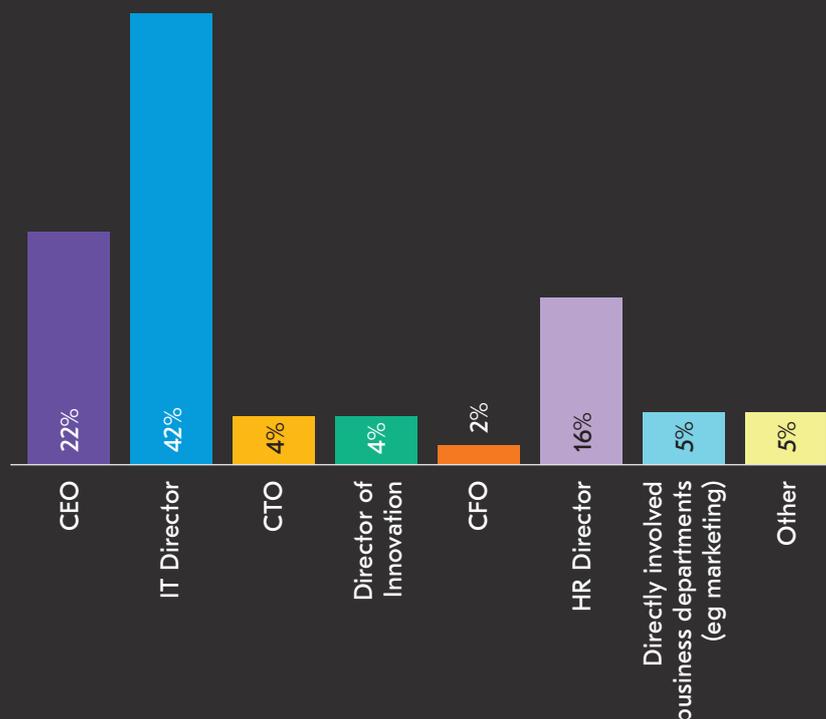
While the IT department will inevitably take a leading role in any digital transformation, creating true smarter workspaces is a multi-dimensional, multi-departmental project.

The process of internal digital transformation can be driven by needs arising in various areas of the business. For example, HR may be motivated to provide employees with a more flexible compensation and incentive scheme, whilst operations may be keen to enable give staff greater decision-making autonomy. However, the impetus generally comes from operational managers (the ones that 'feel the pain') that have gained support from stakeholders residing in the C-suite.

Of the organisation surveyed that had already embarked on a smarter workspaces initiative, 42% said their CIO had led the way, while 22% credited their CEO and 16% said their HR department was the key driver (Figure 2.)

For maximum impact, the transformation should not be focused on just one department. While the rollout may be gradual, the ideal route would be to take the opportunity to transform all connected and affected areas of the business.

Fig 2.
Who leads a smarter workspaces initiative?



Inevitably any meaningful transformation will involve change that goes beyond just the application of technology, impacting on corporate culture as well as business processes. With this in mind, it's best to involve all affected departments in the initial consultation. This will both enable the needs and opinions of a diverse range of employee profiles to be taken into account and facilitate a cohesive approach that will maximise the overall benefits to the organisation.

What does this mean for an organisation?

Whoever instigates an internal digital transformation, should aim to instil a uniform digital mindset throughout the business.

Taking a consultative rather than dictatorial approach is the best way to achieve this and should facilitate the rollout of smarter workspaces across an organisation in a coherent and collaborative manner.

While the IT department may not be leading the transformation, they will obviously play an integral role in the process.

Smarter workspaces are constantly evolving.

The first digital transformation initiatives were isolated projects, with a beginning and an end and little overall vision. However new generations of employees, new technologies and new ways of working are now driving digital transformation on a much broader scale.

Although taking a strategic approach at the outset is the ideal, smarter workspaces should naturally evolve to incorporate new initiatives, sparking an ongoing transformative process.

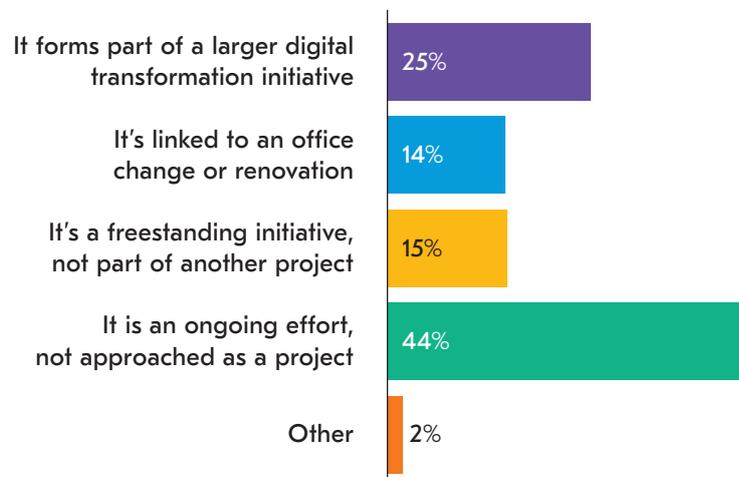
The majority of survey participants (44%) agreed that the development of smarter workspaces should be an ongoing effort. A quarter indicated that they see it as part of a wider digital transformation. Interestingly, 14% linked smarter workspaces initiatives with physical infrastructure changes. (Figure 3.)

15% said they saw the implementation of a smarter workspaces initiative as a one one-off effort. We would expect that figure to reduce if we carried out the survey again in the future.

What does this mean for your organisation?

While there may be a variety of motivations behind the decision to embark on a digital transformation within an organisation, it should be planned with flexibility in mind. Smarter workspace initiatives should be able to evolve to incorporate future developments and to meet future needs.

Fig 3.
How does a smarter workspaces initiative begin?



Setting the order of priorities is important for an effective transformation.

A true smarter workspaces transformation will be multi-dimensional and will inevitably address multiple priorities. These might include enhancing agility, flexibility and collaboration between colleagues and to boosting productivity. However, having too many declared objectives without a clear sense of which are the most important can be confusing and impede progress.

Our survey showed that enhancing staff productivity was the top motivating factor for embarking on a digital workplace transformation. However, all the other priorities listed were rated almost as highly. (Figure 4.)

This highlights a possible danger – the resulting lack of focus could have a negative impact on the effectiveness of the initiative.

The logical order of priorities will be different for each organisation. While for some the most important aspect will be employee productivity, for others it will be increasing speed and agility or empowering staff to make better decisions. Once the top priority objectives are clear it will be easier to plan the transformation in a way that will actually help achieve them.

The objectives should be organised around the business's core values, such as employee productivity or customer satisfaction. The values can also provide a helpful framework to assess the merits of potential approaches.

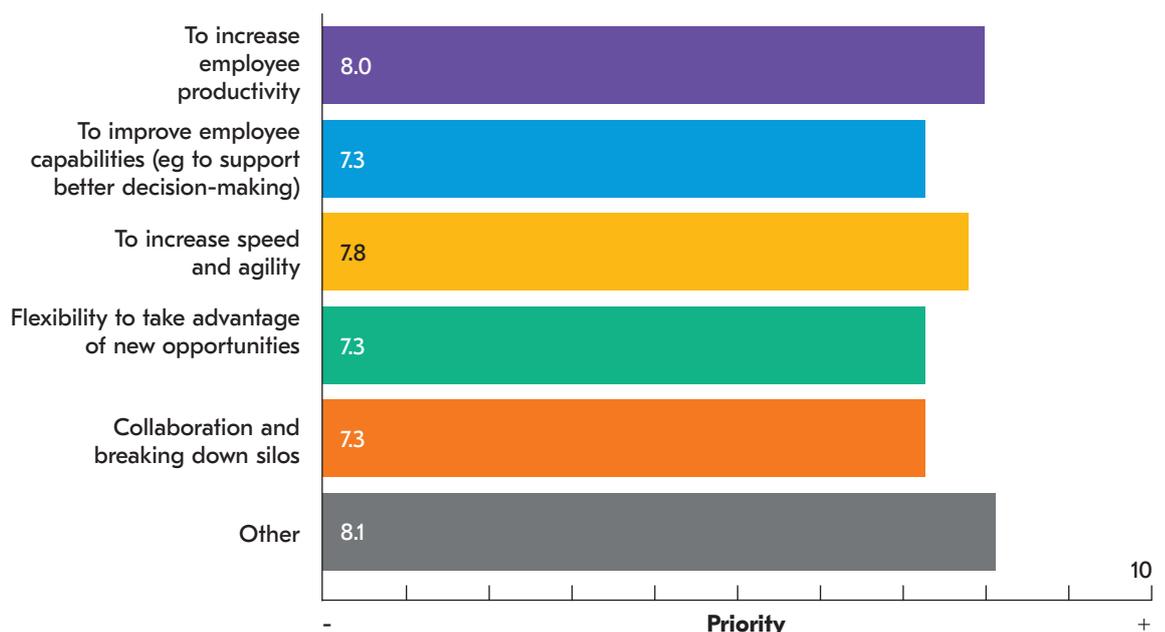
What does this mean for your organisation?

At the planning stage, organisations should carefully consider what they want a smarter workspace initiative to achieve. In line with business objectives, they should then identify which are the most important.

Care should be taken to ensure that objectives are compatible. For example, improved flexibility might compromise employee productivity. Or increasing collaboration between stakeholders might have a negative impact on speed and agility.

Once the hierarchy of objectives has been established and documented, it's important to communicate them to those involved or affected, so everyone has a full understanding of what's happening and why.

Fig 4.
What are the objectives of a smarter workspaces initiative?



Security should be a key consideration right from the design phase.

In order to ensure that a smarter workspaces initiative will actually achieve its objectives, security is an essential consideration, and it's vital to take it into account from the outset. This should go beyond complying with regulations, to genuinely protecting data and operational continuity.

The organisations that took part in the survey were clear that their digital transformation should not compromise or jeopardise security. This was a top consideration, which with a rating of 9.1, was the highest scoring response of the whole study. (Figure 5.)

Security should be the guiding thread in any digital transformation. It needs to be considered through every phase, from designing the technological solutions to their subsequent use and evolution.

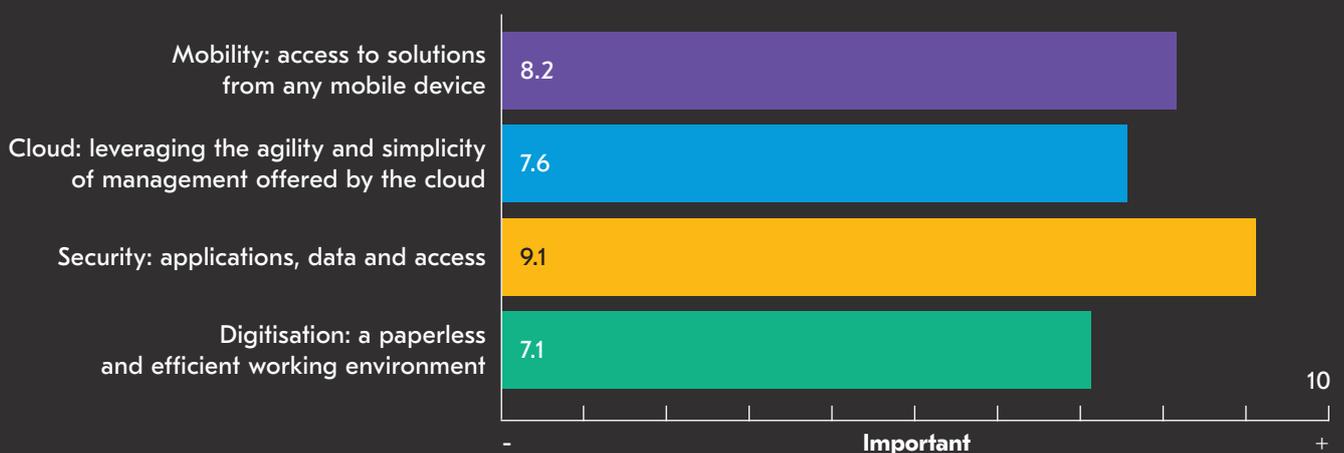
It's important to take into account the security and continuity of infrastructure as well as data and its use, handling, backup and traceability. Robust governance of data is essential, whether it's being accessed and handed by employees, partners or customers.

What does this mean for any organisation?

Security should never be an afterthought. It needs to be a key consideration from the moment planning starts on physical and technological architecture of a smarter workspace.

To future-proof a smarter workspace, the design should be managed in a way that enables new technologies to be incorporated later without compromising security.

Fig 5.
How important are these aspects of a smarter workspaces solution?



Processes should be reengineered rather than simply optimised.

It's clear that processes are the key focus for any smarter workspaces transformation. But in order for an initiative to achieve its efficiency goals, it's best to start with a blank slate and redesign processes, rather than attempting to simply optimise them.

An overwhelming majority of those surveyed (73%) agreed that processes are the main area of focus for efficiency gains. (Figure 6.)

When processes first began to be digitised, they were generally redesigned around legacy technologies and ways of doing things. To achieve real improvements in terms of speed, agility and automation, it's better to completely reengineer the processes, free of any limitations.

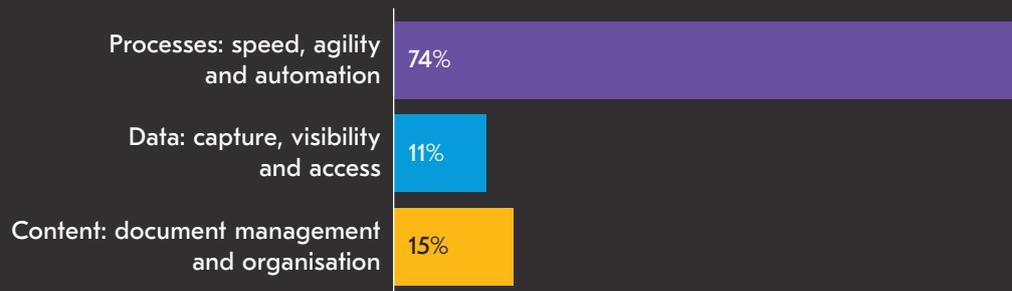
What does this mean for your organisation?

Taking a brand new, digital perspective to completely reimagine processes is the best way to ensure your internal digital transformation will actually boost efficiency.

It seems clear that best practice involves the consideration of introducing self-service elements, removing redundant stages or allowing different aspects to occur simultaneously. And project managers should look to break down barriers between departments by developing digital systems that can be used by several, maximising overall efficiency.

While reinventing processes it's important to take practicalities into account. For example, there is no point in designing an agile and collaborative process if employees lack access to the tools they would need for data sharing.

Fig 6.
In terms of efficiency, where should a smarter workspaces initiative have the most impact?



Smarter workspaces have real potential for improving sustainability.

While environmental sustainability is often a factor when making decisions about a smarter workspaces transformation, this is especially the case when it goes hand in hand with cost savings and efficiency improvements. However, there are greater gains to be achieved.

The survey revealed that although organisations do take environmental impact into account when considering a transformation, this is mainly due to the potential to achieve efficiency gains and cost savings. (Figure 7.)

While awareness of the need to minimise our impact on the planet is increasing, the reality is that the bottom line is still what counts most in the business world. And for many organisations, their main concern will be complying with environmental regulations. For them, potential efficiencies and cost savings will come as a bonus.

However, smarter workspaces initiatives offer the potential to dramatically decrease the impact of a business's operations on the environment.

It's already possible to introduce intelligent systems to minimise resource use. For example, smart building technologies can automatically control lights and manage HVAC (heating, ventilation air conditioning) systems depending on when they're needed. And of course, smart

printing technology and the adoption of digital document management can dramatically cut paper usage.

What does this mean for an organisation?

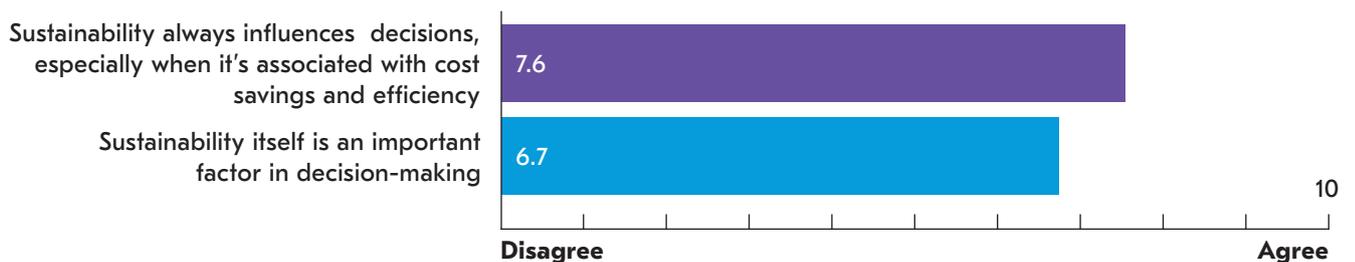
Smarter workspaces initiatives offer the potential to dramatically decrease the impact of your operations on the environment.

As public awareness and understanding of the pressures facing the environment increases, organisations that are seen to be taking a responsible and innovative approach to sustainability are likely to perform better and improve their public profile. This can support business development and retention strategies, customer loyalty as well as helping attract and retain top talent.

Organisations should grasp the opportunity to introduce lean principles that will minimise impacts on the planet while driving efficiency and providing a basis for differentiation.

This will demand a new mindset, where the focus on sustainability is not driven by the need to cut costs or to achieve compliance. Instead, using resources as efficiently as possible should be an end goal. That new mindset could help to shape a smarter workspace transformation.

Fig 7.
What impact does sustainability have on decisions regarding smarter workspaces?



Measuring effectiveness is a vital aspect of managing smarter workspaces.

In order to monitor the effectiveness of any digital workplace transformation initiative, it's important to assess it against agreed criteria.

In the early stages it is helpful to consider aspects such as how well users are learning to use the new solutions and how relevant and useful the solutions actually are. Going forward it will be essential to assess the benefits for individual users and the organisation as a whole.

Respondents to our survey rated all the above points around equal in importance, with the actual usefulness of the solutions edging slightly in front. (Figure 8.)

Once they have rolled out a smarter workspaces initiative, organisations need to be prepared to continually monitor its effectiveness against agreed criteria, based on the actual value gained by those involved.

What does this mean in practice?

In order to measure the effectiveness of the solutions implemented on an ongoing basis, it's necessary to agree metrics that assess the value gained by key stakeholders. These might include staff across various departments and the organisation as a whole as well as customers.

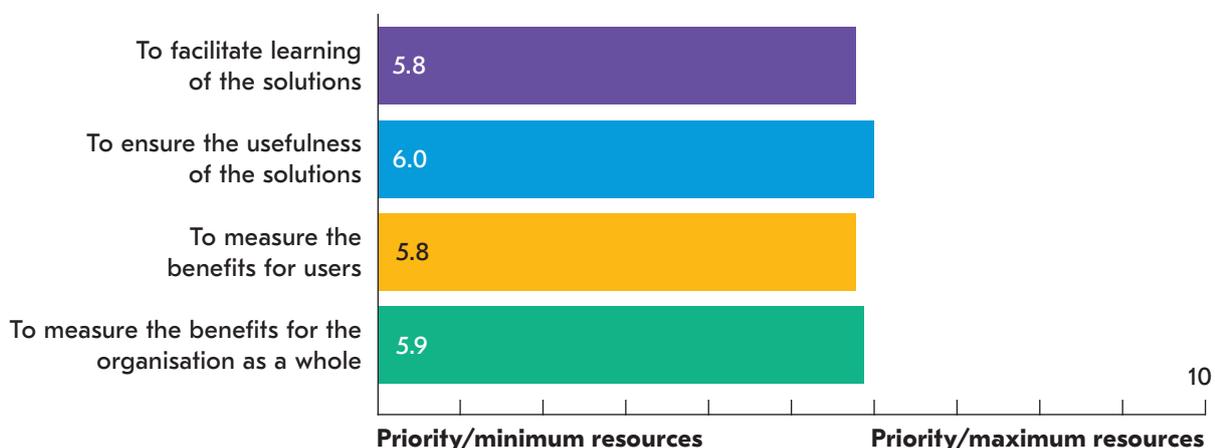
This should not be a one-off activity. Smarter workplaces evolve along with needs and technical developments, and continually assessing their effectiveness based on the value being delivered is a good way to monitor progress.

Consideration should be given to building a dashboard to make it as easy as possible to monitor all the metrics.

And managers should be ready to respond when certain ratings slip down, revealing a gap between expectations and results.

However, in a dynamic, constantly evolving environment, occasional gaps between expectations and reality are inevitable and it is best to be prepared to respond to address these imbalances in the most agile way possible, to minimise any negative impact.

Fig 8.
Priority



The transformation should be centred around employees.

Until recently, digital transformations have tended to focus on efficiency of processes. This has often been achieved through automation. However smarter workspaces are also about people, so the focus should come back to the needs of employees.

Organisations told us that collaborative tools, storage and shared access to data and new productivity tools were the most important aspects for creating a smarter workspace. In reality, they revealed that, while storage and access to information is prioritised in transformation initiatives, the next most common areas of focus are reducing print procurement and operating costs and unified communications. (Figure 9.)

The biggest differential between perceived importance and actual focus was in the area of the provision of 'personal assistance', where respondents felt it was put into action at their organisation a lot less than they thought it should be. This might take the form of skilled and experienced human assistants equipped with decision support systems and even AI technologies, facilitating senior executives with trained access to technologies and data that will help boost their effectiveness.

The key will be to move from fragmented access to systems and data to streamlined, on-demand services that empower employees.

What effect does this have?

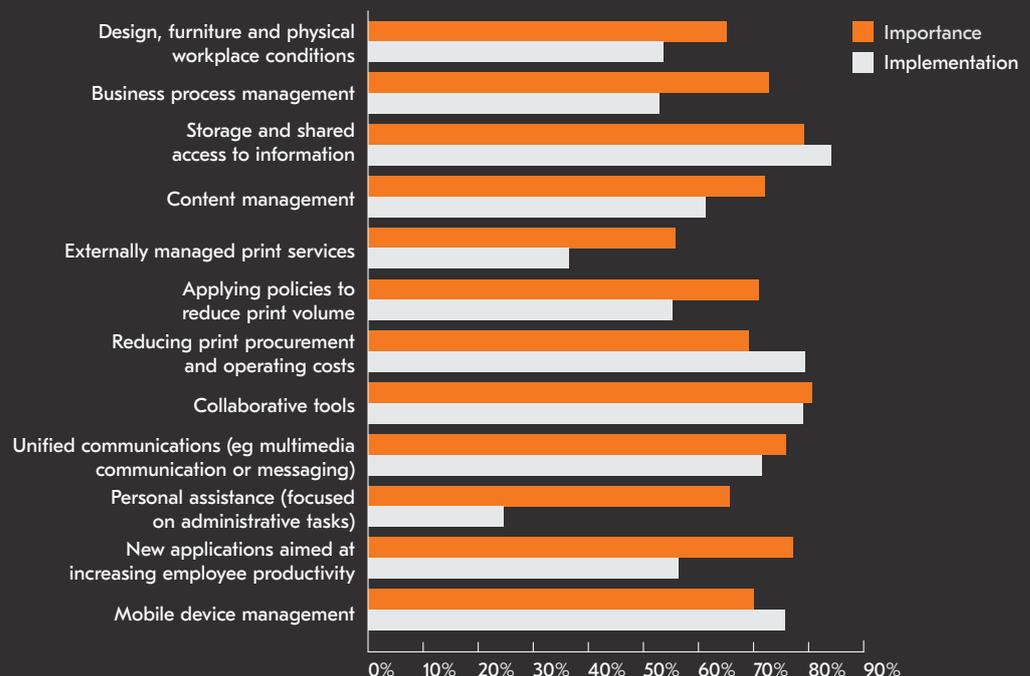
Better integrated technologies, applications, content and processes can empower employees, enabling them to give their best.

The aim should be to facilitate an integrated set of technologies that supports the flow of information.

Make sure employees have easy access to productivity and collaboration tools and the data they need, wherever they are. This might involve implementing a cloud-based system, which provides secure access on demand.

Fig 9.
How important are the following aspects in terms of creating or developing smarter workspaces in your organisation?

Which areas has your organisation improved or implemented?



The transformation needs to be a cross-departmental effort.

Whatever the factors driving a smarter workspaces initiative, there is no doubt that the IT department will play a pivotal role in its design and implementation. But what do organisations expect from their IT department when it comes to internal digital transformation? And should it really be saddled with this responsibility?

The drive to develop smarter workspaces is raising new questions. How can artificial intelligence be integrated into the workplace? Where should automation be introduced? How can employees collaborate and share information while ensuring compliance with increasingly demanding regulations?

However, the reality is that IT departments tend to lack the capacity to explore these possibilities, as day-to-day operations and support take up most of their time and resources.

Our survey revealed that the aspect employees would like their IT department to put the most weight on is proactively ensuring availability and performance. Yet, perhaps not surprisingly, the one that respondents feel IT put most attention on is resolving problems and requests. (Figure 10.)

It's clear that organisations see their IT departments taking a more reactive approach to managing digital transformation than they would like. Notably the biggest differential between expectations and reality relates to exploring new initiatives, even if they have not been requested.

So non-IT staff would like to see the technical team proactively investigating and suggesting new innovations to make the workplace smarter. However, it's likely that they're generally too busy troubleshooting and ensuring regulatory compliance to creatively explore possible improvements.

Of course, if individual business units decided to design and implement smarter workspaces initiatives without supervision from the IT department, the results are not likely to meet their initial objectives.

What does this mean?

Businesses need to move towards smarter workspaces in order to prosper in a dynamic digital world. Having the right technologies in place and being managed effectively is a key to success.

IT departments will inevitably play a decisive role in enabling and integrating technical innovation in the workplace. But to make this possible requires either a significant investment in IT resources, including additional specialised staff or contractors, or a major review of existing systems, resource allocation and priorities.

As seen section 2 (True digital transformation is more than an IT project), it is generally the CIO who leads a smarter workspaces initiative. However, if the push for change is coming from elsewhere in the business, it is probably better to share the responsibility.

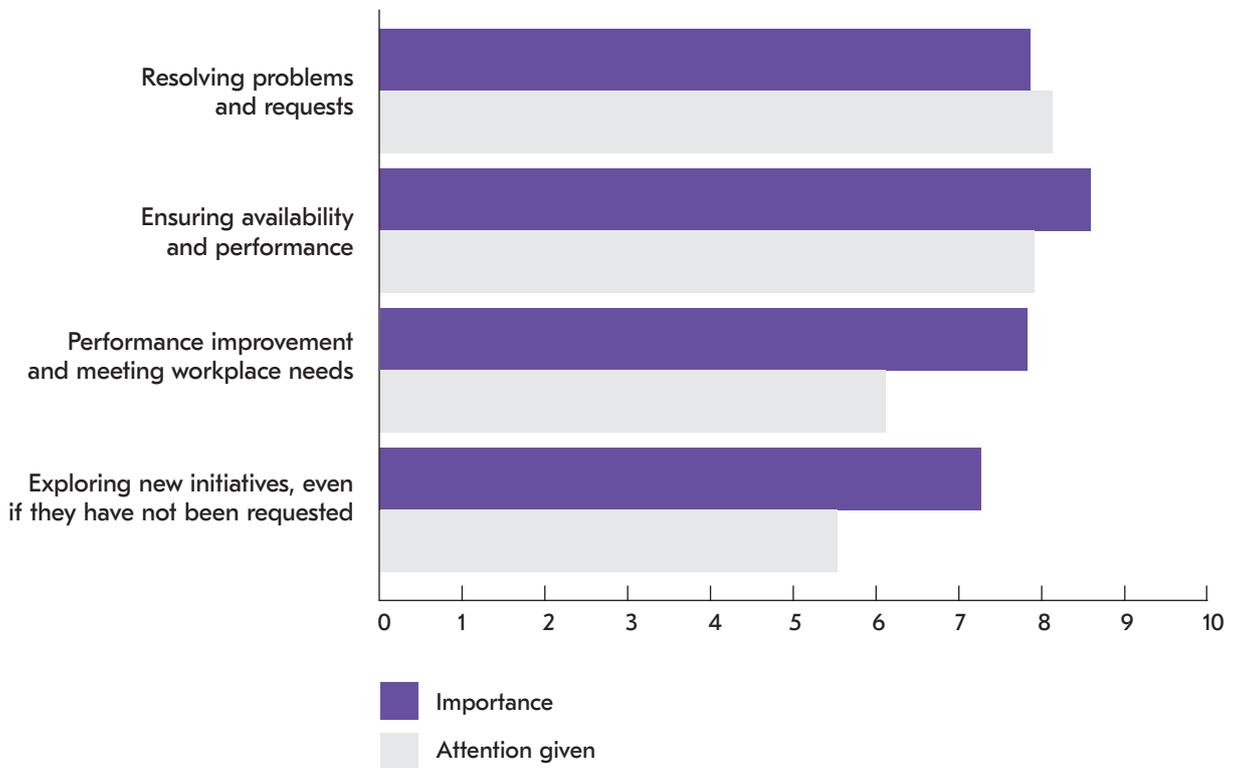
Taking a cross-departmental approach should help to break down silos and facilitate streamlined internal collaboration. It should also speed up the adoption of initiatives and make them more likely to meet expectations, as well as embedding a uniform digital mindset throughout the organisation.

Ideally everyone who takes part in designing and implementing the transformation should be held to account for the effectiveness of the end result. Knowing this will encourage them to work together proactively to achieve true and effective transformation.



Fig 10.
How should the IT department prioritise each of these aspects?

What importance do they actually give them?



Conclusion.

An employee-focused approach to digital transformation.

Digital transformation has moved on from efficiency measures designed to improve the customer experience, to look at access, processes and interactions. Smarter workspaces are centred around people but facilitated by technology. The prime focus is enabling employees to work at their best, separately and together, so they can support their organisation's ongoing transformation. This presents businesses with a real opportunity to improve their day-to-day operations while boosting flexibility and agility.

Smarter workspaces are a reality that no company can ignore. Nearly half the organisations in our study had already implemented a smarter workspaces initiative or were working on one and a quarter said they were evaluating the options.

Creating a smarter workspace is a major process. And while the involvement of the IT department will inevitably be key, technology should be seen as an enabler rather than the sole focus.

A true smarter workspace will constantly evolve in response to changing needs and circumstances. In order to manage the transformation and evolution effectively, it's vital to be aware of the priorities that are most important for the organisation. However, whatever the priorities, security is crucial from the outset.

Managers should plan to take a radical approach and reengineer processes rather than simply optimising them. This will maximise the opportunities to boost efficiency and overall effectiveness. At the same time, focusing on reducing the environmental impact of operations could enable organisations to go beyond regulatory requirements and boost their green credentials.

It's important to measure the effectiveness of any transformation efforts, not just following the initial implementation, but on an ongoing basis.

Smarter workspaces should be centred around employees and what they need to do their jobs to the best of their ability. Ideally all the components of the workspace, from the physical environment to data and collaboration tools, should be integrated, with the goal of empowering users.

Taking a cross-departmental approach from the design stage will help to ensure that the smarter workspaces initiatives support a wide range of employees and genuinely improve efficiency and effectiveness.

While businesses are increasingly establishing smarter workspaces, it's still early days. Demonstrating that an organisation taking this key emerging aspect of digital transformation seriously could give it a real competitive edge, especially when it comes to attracting and retaining exceptional staff.

Smarter workspaces also embed a culture of continuous improvement into organisational culture and give it the flexibility to respond rapidly to changing circumstances, an essential element for thriving in today's challenging business environment.



Kyocera Document Solutions has championed innovative technology for more than 60 years. We enable our customers to turn information into knowledge, excel at learning and surpass others.

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KYOCERA Document Solutions (U.K.) Limited
Eldon Court
75-77 London Road
Reading
Berkshire RG1 5BS
Tel: 01189 311500
Fax: 0118 931 1108
e: info@duk.kyocera.com



kyoceradocumentsolutions.co.uk