A New Way of Working

The 7 factors for success, based on Microsoft Netherlands experience.

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EXECUTIVE SUMMARY

The intention of this white paper is to illustrate, explain, and inspire other managers in the New Way of Working. Created by Microsoft Netherlands, this concept is based on the experience Microsoft Netherlands has gained by “practicing what we preach”—using Microsoft technology to transform our workplace, improve our appeal to new employees as well as increase employee retention rate and boost sales. In fact, we applied our People-Ready Business mission to our own subsidiary to enable people and businesses throughout the world to realize their full potential (see text box, “Mission Microsoft: Enable People and Businesses Throughout the World to Realize Their Full Potential”).

Transforming the workplace to achieve superior performance is often discussed but rarely achieved. Microsoft Netherlands managed to do both by adopting a New Way of Working. Microsoft Netherlands changed the traditional office culture and behaviors by taking advantage of Unified Communications, the Office suite, and other Microsoft technologies. The project began several years ago to meet the following goals:

- Inspire our customers and potential customers to use the latest versions of our technology by becoming a showcase ourselves. This capability is Microsoft’s competitive edge.
- Inspire and connect with business audiences to have credible conversations with senior-level business leaders within our existing customer base and, most importantly, at potential customer sites.
- Create a new central Microsoft office in The Netherlands to put our knowledge and experience into action.
- Be a premier workplace for all employees while attracting—and retaining—a diverse talent base from within the market.

Microsoft Netherlands achieved the following benefits by adopting a New Way of Working initiative:

- Reduced real estate costs by 30%
- Increased market reputation
- Increased employees’ mobility
- Increased productivity
- Won “Great place to work” award in 2009

Microsoft Netherlands’ three-year exploratory journey toward a New Way of Working has not ended. Microsoft Netherlands is still learning how to implement and benefit from its knowledge, mistakes, and experiences. Our achievements have come through discovering—and deploying—eight crucial steps necessary to implement a New Way of Working. This How-to Guide describes for managers these steps, their benefits, and the challenges they bring.

This white paper reflects the actual experiences of Microsoft Netherlands. It is not, however, limited to our own knowledge. Rather, it draws on our experience in guiding, coaching, making mistakes with, and mentoring more than 20 customers toward their own New Way of Working. Our knowledge and experience—but especially our mistakes—also tell us that we have more to learn, so this paper is by no means definitive. We hope that readers will take the information presented here and share their subsequent experiences with their peers and us. Check www.microsoft.nl/hnw for updates.

MISSION MICROSOFT: ENABLE PEOPLE AND BUSINESSES THROUGHOUT THE WORLD TO REALIZE THEIR FULL POTENTIAL
Businesses do not garner insights or make decisions. Businesses do not close deals, invent new products, or find new efficiencies. People do. Companies excel when they empower their people to drive the business forward. Strategies, organization, motivation, and leadership all set the stage for business success. But to see results, businesses also have to give their people the right tools, information, and opportunities—because success ultimately comes down to people. Microsoft calls a business that fosters a winning environment a “People-Ready Business.”

INTRODUCTION

Although Microsoft’s Dutch subsidiary had sustained its spectacular growth for almost 10 years, the office space no longer reflected either our aspirations for the workplace or the way technology enables us to actually work in that space. At roughly the same time Microsoft’s Information Worker Thought Leadership team developed the New World of Work concept, which addresses many of the same challenges we faced in The Netherlands (see text box, “Inside Microsoft’s New World of Work”). We decided to adopt that strategy into a New Way of Working. Our goal was to attract the attention of our customers by creating a “case study” of our own experiences to demonstrate how to optimize productivity, drive growth, and enable innovation by helping our employees get the most out of Microsoft’s tools, technologies, and services.

Microsoft Netherlands approached the transition to the New Way of Working as an exploratory journey. It has been three years, and our learning experience continues. We launched our journey in a thriving economic climate where time and money to experiment were easy to come by. In the current economic climate it may not be easy to imagine or fund exploratory journeys, but they remain relevant because they prepare organizations for success. As some organizations are pressured to maintain selling momentum while operating in struggling economies, new offices and new interiors may not be their first funding choices. But the principles that underlie the Dutch New Way of Working journey remain relevant because they focus on efficiency, closeness to the employee and customer, and the ability to scale.

Given the current economic climate, this white paper will temper our aspirations with reality. Because of funding and time constraints, we will suggest a less-risky approach, looking toward an 18-month or sometimes even longer transition to a New Way of Working.
INSIDE MICROSOFT’S NEW WORLD OF WORK

The New World of Work is Microsoft’s ongoing analysis of social, technological, economic, environmental, and political trends that will shape the workplace of tomorrow. Microsoft’s current research themes include:

- **Dynamic Business:** This research explores external pressures such as demographics, globalization, and regulations that cause organizations to adapt and over which they have little or no control. Dynamic business focuses on external factors and how organizations respond to them through increasing automation, proactive transparency, and adaptive business models.

- **Blended World:** This research explores employment models, company cultures, international cultures, the blending of work and home life, and the migration away from a single place where work takes place as new forces that are changing the character of the workplace in an always on, always connected world.

- **Strategic IT:** As organizations become more dependent on technology, they need to find ways to integrate information assets, processes, and practices with the heart of the organization, breaking down silos and driving synergy. This research examines ways to facilitate the dialogue between the business and information technology functions.

- **Insights from Complexity:** All areas of business generate increasing amounts of data. It is imperative that organizations seek ways to make sense of the expanding and ever more permeable boundaries of their world through collaboration and the application of algorithmic techniques that cut through data to insight. This research looks at not just how to ask better questions but how to turn insights into action.

Building on Experience

Most business roadmaps start by asking why. Why are we taking this action? At Microsoft Netherlands we started our journey to a New Way of Working because we wanted to grow, inspire customers to use the latest versions of our technology, inspire and connect with business audiences, create a new central Microsoft office in The Netherlands, and be a premier workplace for diverse employees and an outstanding facilitator of customer relationships, knowing that all of these factors lead to improved sales over time. Now that we can look back on our experiences, we know that our strategy can help other Microsoft subsidiaries in the following ways:

- Reduce internal operating costs (moves, space, and telephony)
- Optimize employee productivity with enabling technologies
- Build a case study for sustainability (reduced carbon emissions from travel and office buildings)
- Attract and retain the best people and continue as an attractive employer
- Demonstrate value to customers by “practicing what we preach”

MORE FLEXIBLE WORK ENVIRONMENTS

Employers are enabling more flexible work environments by transforming not only the physical office environment but the virtual environment using technologies that bring people together whether they are working in traditional office environments, open office settings, satellite offices, home offices, or remote locations. According to research by Microsoft and CoreNet Global, a leading corporate real estate association, 74% of companies surveyed have an Alternative Workplace program in place. People issues are the main driver of these programs—attracting and retaining talent and improving productivity and work/life balance. The second reason is reducing costs by “right sizing” the company’s real estate portfolio. The current economic landscape is accelerating the trends toward a more mobile workforce and a smaller office footprint for many corporations. In fact, 61% of companies report an increase in Alternative Workplace commitments to support current economic conditions.
People, Place, and Technology

Microsoft Netherlands’s approach to the New Way of Working is based on the idea that change takes place in three areas: people, place, and technology. Like the Olympic rings, these themes are interrelated, and success depends on understanding and optimizing the overlap among them (see Figure 1, “People, Place, and Technology”). Indeed, the impetus for undertaking a journey to a New Way of Working usually lies in one or more of these three key areas.

**People**

People should be at the heart of your enterprise (see text box, “Mission Microsoft: Enable People and Businesses Throughout the World to Realize Their Full Potential”). The work culture an organization creates should empower its people with freedom and accountability. This culture should be enabled by the inspiration, attitudes, and examples of everyone from senior leadership to front-line managers to individual employees. But people do not work in isolation; they work in teams. As such, organizations are often looking for new ways to attract and retain the best people, improve workforce productivity, and address social capital issues such as work/life balance and gross organizational alignment. Social capital focuses on improvements to the working environment in terms of management philosophy and practice. These factors also help set expectations for how meetings are conducted, how conflicts within teams whose members have never met are resolved, and how people can be motivated, nurtured, and empowered.

**Place**

The physical work environment is not only the central office location, because work is no longer tied to the office alone. People now work from home, while in transit, or at customer sites. Organizations are usually trying to understand how an existing office location can best be used or looking for a way to maximize the effectiveness of a move to a new office location. The cost per square meter of space, the capability of a space to meet the needs of those located in it, and the integration of technology into that space are important elements.
THE OFFICE SQUEEZE

Microsoft Netherlands needed to address a shortage of office space. At the time, the leased floor area per person was 16.4 square meters (176 square feet) and only 25 percent of employees shared desks. Rather than simply move to a larger location, the project team developed an office plan to accommodate more employees but use less space.

The new building, which opened in April 2008, has no assigned desks and requires only 8.82 square meters (95 square feet) per person. Each employee can work anywhere in the office by using a laptop, headset, Webcam, or Windows based Smartphone and connecting to the network either wirelessly or by plugging in at a desk. Meeting rooms contain RoundTable devices for videoconferencing.

Microsoft has saved more than $640,000 per year in this one location, and we anticipate generating similar savings in additional locations as other office leases are renewed.

Technology

Technologies enable tangible and practical improvements in the way people work, from communicating to participating in meetings to capturing knowledge and information. As such, organizations discuss how to best realize the full potential of new software products or how to teach employees the best way to integrate new technologies, tools, and services into their work routines. Technology also helps organizations manage travel budget constraints and address environmental and sustainability issues.

Every organization faces a combination of people, place, and technology issues in addition to social capital pressures. Attacking only one pressure point is not enough. New Way of Working transformations are achieved and benefits are realized by balancing the relationships among these issues. Relocation, for example, is always about more than just physically moving people and property. Similarly, reorganizations are about more than shuffling names on an organization chart. And when it comes to technology, the adoption curve only starts when the new application or service is deployed.

Even for organizations that are neither contemplating a new building nor reinventing their interior design, a New Way of Working transition remains a relevant journey. It will show both your employees and your customers how people, place, and technology issues combine to create more transparent, more effective, more attractive, and more productive work experiences.

Microsoft Netherlands’ New Way of Working takes the knowledge and experience Microsoft Netherlands has gained and presents them as an eight-step Guided Roadmap, complete with clear guidance, timelines, roles and responsibilities, best practices, and expected results. Those steps are:

1. Secure executive support with a business case
2. Create an internal vision and goals for the New Way of Working
3. Assemble a New Way of Working stakeholder V-team and plan
4. Transform the physical environment
5. Embrace changes in work culture among managers and employees
6. Create excitement and momentum with communication and involvement
7. Leverage technology to enable change

This list makes the New Way of Working transition appear sequential. In truth, however, the journey is
much more iterative and the associated tasks are much more interdependent. To shorten the timeline for an overall New Way of Working project, a “master plan” for the people, place, and technology issues should be implemented in parallel (see Figure 2, “Taking a Parallel View of People, Place, and Technology”).
SUCCESS FACTOR 1: SECURE EXECUTIVE SUPPORT WITH A BUSINESS CASE

Although the most important executive sponsor is at senior-level (CxO), it is also essential to engage other business leads such as those from the marketing, sales, finance, Human Resources, Facilities, etc.

These sponsors will be engaged if you tie the New Way of Working concept to a tangible scorecard goals (KPI). Because the New Way of Working is a transformational approach to the market, it needs to be well considered and articulated in clear business terms that include goals, needs (specific resources such as budget and headcount), and approximate timelines, in addition to milestones and the approach to pilots and scalability.

The following are examples of goals:

- Cost Savings
- Boost sales
- Improve appeal to new employees
- Increase employee retention
- Increase relevance and the thought-leadership

CRITICAL SUCCESS FACTORS

- Secure executive leadership and support
- Establish cross-functional alignment
- Create an implementation plan
- Engage internal employees who are highly motivated & have selling skills
- Set project budget

SUCCESS FACTOR 2: CREATE AN INTERNAL VISION AND GOALS FOR THE NEW WAY OF WORKING

When starting a New Way of Working initiative it is important to define a vision that supports and is aligned with the broader mission, vision, and strategy of the organization. For Microsoft, this overall mission, vision, and strategy is described in Daniel W. Rasmus’ book *Listening to the Future*. This synergy will simplify the acceptance of the New Way of Working initiative by connecting its relative value to the organization’s objectives.

The New Way of Working vision should state all of its values as they impact people, place, and technology issues. Start by defining the top-level goals for the initiative and then extend the definition to include both short-term and long-term goals. It is important to include long-term goals, because they set

a context and provide a means of gauging forward movement. Long-term goals also shape the vision of the initiative’s end state, if not the journey. Because the New Way of Working requires learning and feedback and because it will remain active even after initial investments, the organization will be able to adapt to future changes and opportunities. That capability to adapt is, itself, one of the goals of the New Way of Working.

Based on Microsoft Netherlands’s experiences, the following are examples of top-level long-term goals:

- Reduce internal operating costs (moves, space, and telephony)
- Optimize employee productivity with enabling technologies
- Build a live case for Green IT or sustainability (reduced travel)
- Attract and retain the best people and become an attractive employer

SUCCESS FACTOR 3:
ASSEMBLE YOUR NEW WAY OF WORKING STAKEHOLDER V-TEAM AND PLAN

Step one secures an executive sponsor with enough credibility, influence, and the necessary skills to get commitment from all senior-level executives and the rest of the organization. It is important to have this executive continue as the sponsor in the formation and management of the V-team. The other members of the New Way of Working stakeholder V-team should be selected based on their function or skills that are needed to implement the initiative, along with their personal interest in and passion for the journey. The team can consist solely of internalemployees or it can be enriched with complementary external members.

At Microsoft Netherlands, the general manager was responsible for coordinating the overall New Way of Working project. This role was not a full-time job; all the subsidiary’s project leads shared responsibility (see Planning for the Broader Rollout: Forming Sub-Teams from the V-Team, below).
The stakeholder V-team as used within Microsoft Netherlands, along with each member’s responsibilities, is outlined in Figure 5, “New Way of Working V-Team Roles and Responsibilities.”

Although the list of roles and responsibilities presented in Figure 5 is comprehensive, it is not exhaustive. As such, you may want to complement your New Way of Working team with other functions that reflect specific requirements. Also, not all members will be involved from the beginning. For instance, the marketing and sales roles—especially the lead roles—only need to be involved minimally at first. You just need to secure their buy-in and have them target pilot customers. The remainder of the marketing and sales resources, however, will be involved from the beginning. They will be able to immediately integrate the technology into their work, enhance their work approaches through cultural change engagement, and promote the initiative to the market and customers.

Once the New Way of Working stakeholder V-team is complete, the next step is to select a title for the initiative. This title should reflect the organization’s values, be easy to remember, and act as a rally point for the project. Microsoft Netherlands chose “2bPR”—To Be People Ready.

According to Theo Rinsema, general manager at Microsoft Netherlands, “it is said that ‘beginners see possibilities and experts see constraints.’” When Microsoft Netherlands decided to explore a New Way of Working, “we talked to a vast number of experts on many areas and then said, ‘suppose that no one has the right answer.’” This realization led the unit to start its journey “step-by-step and see where we end up,” said Rinsema, following the project team’s own vision and guidelines.

**The Involvement of External Partners in the New Way of Working Stakeholder V-Team**

The involvement of external partners is inevitable; most companies, including Microsoft, do not have expertise in areas such as interior design, building offices, and cultural change. Additionally, the
involvement of external parties can be useful as the New Way of Working team creates an internal vision and goals for the project.

It is important to select external partners who have a vision and approach that is in line with the New Way of Working and the destination the internal team has set for the journey. If partners have specific expertise, they can advise on specifics. Also, think about what the partners’ roles will be both during and after the project. For example, does the team expect partners to participate in ongoing interactions (as a workplace strategy consultant or a change management consultant)? If so, partners’ track records on similar projects should be considered, along with their perception in the marketplace and their ability to engage with senior-level executives.

Involving consulting firms that specialize in end-to-end approaches for implementing new working concepts can be beneficial too. These firms view projects holistically and understand the synergies among people, place, and technology issues.
Planning for the Broader Rollout: Forming Sub-Teams from the V-Team

At this point in a New Way of Working journey it is important to deepen involvement in the initiative to include those people charged with organizational change models, determining how best to implement the latest technologies and the specific goals and constraints around space. These decisions will separate the V-team into three or four sub-teams, depending on whether issues of place are a part of the process. Different members of the V-team with specific skillsets will lead each sub-team.

Figure 6, “Phase 1 Implementation Team Roles, Membership, and Responsibilities,” outlines the details.

It is important to realize that leading or participating in a sub-team will take time, especially for that team’s owners. Of course, the time required at the start of a New Way of Working project will be limited. But once the initiative nears the deadline, participation can be a half-time job. At Microsoft Netherlands we made the mistake of not providing our team owners with dedicated time for the New Way of Working initiative. As a result, the associated tasks were simply added to their existing workloads.
Sub-teams should work independently, but their progress, data, and decisions need to be checked regularly with the other teams. Most importantly, sub-team participants need to be aware of interdependencies among different teams and establish lines of communication early in the New Way of Working project.

Another mistake we made at Microsoft Netherlands was wasting time and energy on clashes between overly enthusiastic people who were more or less working from their own vision of the New Way of Working initiative rather than the vision defined by the V-team. These workers were good at speaking their minds but not as successful when listening to others. Differing opinions often led to heated and emotional debates. “It was a rough and very intense time,” said Gonnie Been, communications manager at Microsoft Netherlands. “Not everything was constructive. I thought of quitting a number of times. And sometimes I felt I had to do it all by myself.”

Microsoft Netherlands General Manager Theo Rinsema decided that he would not interrupt these arguments. He wanted to listen to everyone and to keep everyone on board. Rinsema would never push his own ideas or overrule others. When at times ideas got too far off track, he would say, “we need to have a Zen training facility in our new office.” Rinsema then added, “come on, we are Microsoft. We are down-to-Earth, pragmatic, thinking people. Arguing doesn’t work here.”

At Microsoft Netherlands Gonnie Been took on the role of shaping the New Way of Working sub-team focused on people issues. “The development of mental readiness has to be organic,” she said. “In my mind, empowering people—giving them the freedom to flourish—results in a win-win situation. The individual is a happier person, and the company profits from an intrinsically motivated, more effective worker who will always look for the next challenge.”

SUCCESS FACTOR 4: TRANSFORM THE PHYSICAL ENVIRONMENT

A key reason to embark on a New Way of Working initiative comes from the need to change office locations. Such a move can create an opportunity to examine how we use space, what activities take place in that space, and how the physical environment contributes to goals like employee retention, productivity, and innovation.

When moving to a new building or restyling an existing office, the place sub-team needs to implement an Design program so they can define scope and schedule, create a budget, and decide how to manage other constraints of the building process. The sub-team also has to deliver the interior office requirements and constraints to the building contractor so the technical infrastructure (wiring, plumbing, and so on) can be properly determined. An interior architect can help the sub-team with these actions.

The process is not as simple as waiting for a building or an interior to be finished and then moving and unpacking everything at the new space. A physical move is a unique opportunity to change the way subsidiaries’ and their employees think about and perceive their office space, to innovate processes, and to take a first step toward a New Way of Working.

Place, however, does not start with physical design. It starts with design intent. The first task for a place sub-team is interviewing senior-level executives and other leaders to understand more deeply their goals for the new space and any constraints they see. The sub-team must also determine whether any team
members do not recognize physical space as an important element of the organizational transformation a New Way of Working will bring.

When asked what he liked and did not like about Microsoft Netherlands’ existing office space, General Manager Theo Rinsema said: “There is nothing that I like about this office or the way we work. I really like the Microsoft vision of empowering people to work anytime, anyplace, and using any device. But when I look around at my own team, I see nothing like that. Every day people enter the office, occupy the same desks, work on their notebooks, go to meetings, return to their desks, pack their notebooks, and go home. I don’t see ‘anytime, anyplace, any device’ here. And they have to sell our vision? First we need to live our vision.

“It is all about reputation,” Rinsema continued, “and reputation starts internally. At Microsoft Netherlands we use the expression ‘eat your own dog food,’ which means that we ourselves always use our own technology first, so we will understand what our customers will be using later on. With our new office design we have taken this concept to a new level. We are ‘eating’ our New Way of Working vision.”

Moving into a New or Redesigned Building

Some people believe the New Way of Working initiative starts, or ends, with the move into a new or improved building. This is not the case. A new or redesigned building is usually only part of the transition toward the other elements involved in a New Way of Working. For instance, the following are only a few of the key elements an organization needs to consider once it moves:

- Employee acclimation to the new space. What needs to change once people arrive that was not planned for in the initial design?
- Is the physical environment working with the technology so that “space” is not an issue? Consider new hires, who are not familiar with the new technologies. How do you integrate them into the culture?
- How are people reorienting to the design philosophies the new space captures? How are meetings and relationships different? How are employees managed when their managers cannot see them? How do employees stand out in such a distributed environment?

At Microsoft Netherlands we tried to implement a new hospitality management system based on self-service. In the new system, Microsoft employees would be responsible for planning their own meetings with external visitors, including reserving meeting rooms and organizing beverages, lunch, parking spaces, and so on. This self-service concept was implemented with a self-made technical tool that did not meet employees’ expectations. As a result, some employees refused to use the tool and planned their meetings the old-fashioned way—walking to the reception area and arranging meetings through the receptionists. But the receptionists were not trained to work in the new and improved hospitality process, and the resulting misunderstandings sometimes led to several conflicts among Microsoft Netherlands employees.

SUCCESS FACTOR 5: EMBRACE CHANGES IN WORK CULTURE AMONG MANAGEMENT AND EMPLOYEES

To realize the New Way of Working, people at all levels need to internalize the vision so it is meaningful to them and achievable for the organization.

Based on Microsoft Netherlands transition to a New Way of Working and experience guiding customers
through the process, if a solid process for change management and strong leadership are in place, it is possible to transform a company’s culture in six months. The process is iterative, which allows people to socialize the concepts, make them their own, and learn through trial and error what works.

Although teams may be inclined to skip the next step, because they believe their people already understand how to use the technology, Microsoft Netherlands advises against it. Mastery of features and functions does not extend into collaborative work. Investing in change management and business practices related to technology use in specific situations (such as meeting management) is key to energizing the organization and ultimately realizing the full business value of the New Way of Working. These new practices provide increased authenticity and credibility when the journey is explained to customers and they are led through the process. Having people find their place in the equation of people + place + technology is crucial.

Microsoft Netherlands developed three best practices focused on people and cultural issues during our transition to a New Way of Working.

1. Analyze Employees’ Workstyles and Patterns to Identify Areas for Improvement
State-of-the-art user-centric technology gives employees greater freedom of movement. They can work more quickly, obtaining, renewing, and improving greater insights. However, technology alone will not guarantee these outcomes; people must decide how to adopt and use the technology successfully.

To effectively integrate technology with our business, Microsoft Netherlands developed methods to analyze our workforce and gain insight into the current status of our employees. This workforce analysis is a useful tool in aligning employees’ abilities with the business vision.

When it comes to workforce analysis, every company is different, every individual unique. However, attributes of tasks and activities performed along with perceptions about the workplace can be gathered, patterns discovered, and improvements made. Based on a workforce analysis, it is possible to identify both individuals who are already prepared to engage in their jobs effectively and, more importantly, those who need coaching to determine more efficient ways to work and more effective alignment with company goals.

A workforce analysis is a snapshot of an organization from different angles at a single point in time. The basic approaches to workforce analysis are outlined in Figure 7, “Workforce Analysis.”
2. Pinpoint Early Adopters and Start a Pilot

In every initiative there are always employees who are either with you every step of the way or ahead of you. These early adopters can play an important role in the introduction of the New Way of Working. Because they are willing to change and innovate, early adopters are likely good candidates for departmental pilot leads or leaders for broader parts of the initiative. Their enthusiasm for the project can act as a peer catalyst for change. They can also play an active role in providing feedback and assessments to the project team about their progress toward specific goals or the overall vision. Identifying and recruiting early adopters will increase the likelihood of success for a New Way of Working initiative, so it should be a priority across teams to recruit these important individuals.

At Microsoft Netherlands, for example, Toby Wilson, a 32-year-old from the United Kingdom who used toheads the finance discipline at Microsoft Netherlands, offered to be an early adopter of hot desking—a permanent work surface that is available to any worker as and when needed. “Not everyone on my team was enthusiastic about the idea, but I volunteered because I really believed in the new work concept,” Wilson said.

One idea that proved unsuccessful at Microsoft Netherlands was using “Change Agents.” Their goal was to spread enthusiasm for the New Way of Working across the organization by talking about it and actively participating in some of the many change processes. After several weeks, around 50 people were asked to participate in this select group, some of them volunteers. Microsoft Netherlands felt these individuals were enthusiastic and informally influential within the organization. They had “networks” inside the subsidiary.

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**WORKFORCE ANALYSIS**

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<th>WHAT</th>
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<tbody>
<tr>
<td>Activity Analysis</td>
<td>Measures the current way of spending time (for example, e-mail, meetings, working from home, calling, working on documents, analysis)</td>
<td>Questionnaire (online) with several validation interviews. Number of respondents: 10% of the total workforce. Applied to all roles within the organization: for example, 10% of the assistants, 10% of the managers, 10% of Microsoft Services, and so on.</td>
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<tr>
<td>Scenario Analysis</td>
<td>Shows the current way of doing the job and where the gaps are (for example, meetings, communication, search, e-mail, tasks)</td>
<td>Mostly job-role interviews, but a questionnaire can be used. Number of respondents: 30 job-role interviews. Applied to all roles within the organization: for example, assistants, managers, MCS, developer &amp; platform evangelism (DPE), enterprise partner group (EPG).</td>
</tr>
<tr>
<td>Expectations and Ambitions Analysis</td>
<td>Visualizes the gap between expected and experienced ways of performing tasks for four domains: inspiration, culture, organization, and technology</td>
<td>Online questionnaire. Number of respondents: 30% of the organization. Applied to all roles within the organization: for example, assistants, managers, MCS, DPE, EPG.</td>
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In December 2006 the change agents had a kickoff meeting at an offsite hotel. The offsite included a few presentations and some workshops, which the New Way of Working stakeholder V-team felt would prepare the change agents for their role in the initiative. The people sub-team leader was depending on the self-steering abilities of these individuals, thinking they would be able to pick up where their kickoff meeting left off and drive change within the organization. After all, the average Microsoft employee is entrepreneurial and ambitious, so self-steering should be quite natural.

Unfortunately, this approach turned out to be a failure. Within a month or two only a handful of change agents remained active; the rest just disappeared. Some were hoping to contribute more to the New Way of Working initiative. But they felt left out of the decision-making process and that their only role was to “spread the word.” Other change agents felt that the approach lacked structure and that they lacked guidance; essentially, they felt they had been left on their own. Many were disappointed with the process and the people leading it. The initiative’s leaders, in turn, were disappointed that many of the change agents were not more self-steering.

3. Develop a “Guided Discovery” Rollout

The lessons learned by Microsoft Netherlands show that the cultural change toward a New Way of Working does not work using a top-down approach, although management leadership is still vital. Empowering people to discover how they fit into the new work experience helps them see that the concept is about satisfying needs at multiple levels, including their needs as individuals. We have also found that personal discovery—permission to engage with tools, space, and other people in ways that are comfortable and productive for their own workstyles—gives individuals an ownership stake in the initiative. They will experiment and make mistakes, but they will also have the coaching of their peers and managers to help direct them. This is what we mean by Guided Discovery:

Neither individuals nor whole organizations ever get to the point where they can say they have discovered the answer. Guided discovery is an ongoing practice, one that must be revisited with every process change, every new employee, and every new tool. As change occurs, people must continue to discover how to integrate the new factors.

Guide the Country Management Team to Lead by Example

At Microsoft Netherlands, the CMT expressed its full commitment to the New Way of Working initiative and led by the following examples:

- Sharing their personal calendars with everyone
- Participating in training and applying training methods in meetings and elsewhere
- Giving up their private offices in favor of virtual workspaces
- Working from home often and using the latest range of technologies

Through these actions management at Microsoft Netherlands promoted transparency and involvement. When they gave up their offices, senior-level executives started sitting among their coworkers at a different place each day. This specific change enabled Microsoft Netherlands to disconnect status from the hierarchy. Although the organizational structure remained, everyone shared the same type of space. In addition, by working from home occasionally, senior-level executives not only signaled to their teams and all employees that it was okay to do this but created a culture of trust and managing by business unit objectives.
Such changes are an important part of creating the social capital required to help the people, place, and technology components of a New Way of Working come together. Social capital represents the implementation of management practices and philosophies. For example, expectations for how people will behave in a meeting, how prepared for meetings they will be, whether they use their computers for e-mail or to take notes during meetings, and how much higher level managers are involved in meetings. Social capital also includes manners and respect for both other people and property. The more transparent the organization, the more the social capital becomes visible rather than implied.

GOOD RULES OF MEETING MANAGEMENT

Keeping the goal of a meeting at the forefront is a very effective way to make sure the team stays focused on what is important.

1. Keep an open mind during brainstorming.

2. Make sure stakeholders, whether in the room or participating virtually, know the objectives of the meeting and have access to materials required to make any necessary decisions.

3. Listen to each other.

4. Evaluate solutions based on goals.

5. Be open to innovation.

The journey toward a New Way of Working also offers the opportunity to take leadership within the senior-level management team to a new level. Senior-level executives in The Netherlands, for instance, started to lead by example and communicate using the following principles of the New Way of Working:

- Be among the first to adopt new technology
- Empower employees to engage in Guided Discovery, conduct personal Guided Discovery, and share personal learning
- Give up private offices and, by sitting among coworkers, create new relationships and opportunities

Microsoft Netherlands’ former Finance Director Toby Wilson embraced these principles. He had his private office, which occupied almost a third of the department’s space, torn down. “I thought the physical and mental distance between me and my group was too big, so I started sitting among my coworkers and at a different place each day,” he said. “Later, I started to work from home occasionally, and inspired my coworkers to do the same.”

Guide People Managers Through the Change Management Process

Although a New Way of Working leans toward a networked model of management, the transformation of an organization still relies on managers who demonstrate leadership across the organization and, more importantly, guide those employees who they manage directly. Indeed, manager support is crucial for implementing the cultural, inspirational, and technical change elements involved in the New Way of Working. Successful managers should do the following:

- Act as role models and lead their team members by example
- Incorporate New Way of Working goals into their employees’ commitments to emphasize the importance of the investment and the expectation of success
• Support training for their people on how to maximize the benefits of the New Way of Working
• See the New Way of Working as an opportunity to get closer to and gain insights about employees that will help those workers better achieve their personal goals by aligning them with organizational goals

Guide Individual Employees Through the Change Management Process

Based on Microsoft Netherlands’s experiences, we recommend the following two steps in guiding individual employees:

Step 1: Create a shared set of individual goals and targets that can be easily articulated. Start with a phrase like, to adopt a New Way of Working, our initiatives must:

- Be pragmatic and hands on
- Internalize information by using collaboration and dialogue
- Balance self experience with teaching
- Align with existing organizational goals
- Be infused in existing training and education programs
- Take control of personal learning, discovery, and alignment

These goals and targets establish a basis for determining whether individuals are meeting the organization’s needs through their personal Guided Discovery and their work environment. If during their New Way of Working orientation employees believe these principles are being violated, then they need to work closely with their manager and with the appropriate sub-teams to help re-align expectations and execution.

Step 2: Engage learners as educators. Have employees help create excitement and momentum for the New Way of Working by sharing what they are learning and demonstrating their own involvement initiative.

RULES OF ENGAGEMENT

1. Agree on accepted behavior.

2. Set technical prerequisites such as opening calendars so others can see schedules. This simple step will make setting up future meetings easier.

3. Propose, accept, and commit to cultural guidelines. For example, everyone should have action items finished and meeting agendas submitted 48 hours before the meeting starts. This includes posting documents on the shared meeting space.


SUCCESS FACTOR 6: CREATE EXCITEMENT AND MOMENTUM WITH COMMUNICATION AND INVOLVEMENT

To create excitement and momentum for a New Way of Working initiative, it is important to create a communication and involvement program and to coordinate across sub-teams. The scope of this part of the program is influenced by budget, size of the organization, specific cultural influences, project goals, and existing channels of communication.

The initial communication and involvement program will take approximately six months, and it should complement the primary organizational transformation issues. To keep a New Way of Working initiative top of mind and maintain momentum over the long term, the team may want to integrate regular communications about the program into existing channels and vehicles. For example, a New Way of Working column in an existing mass e-mail, a blog with an RSS feed, and so on.

It is important to remember that your employees are extremely busy. Communications that do not help them reach their commitments will likely be ignored, and workstyle changes that do not help them achieve their goals will not be adopted.

The following suggestions for a communication and involvement plan were derived from Microsoft Netherlands’s experience:

**Communicate the New Way of Working initiative.** Communication is an effective means of engaging the entire organization in the process of change. An organized communication plan will inform the company in a structured manner. It is best to use a solid mixture of already existing digital and physical communication instruments such as weekly newsletters, intranet project status sites, wikis, blogs, e-mail, and company meetings. Posters and “how-to” guides that people can take home are helpful too.

Lesson learned: Microsoft Netherlands made was waiting to inform the rest of the organization until too late in the New Way of Working process. Everyone within the stakeholder V-team was well informed and working hard to make things happen. The rest of the organization, however, remained almost clueless about what was going on within the closed circle of the passionate but distant V-team.

**Inspire involvement by handing out a homework assignment.** Homework assignments are a good way to stimulate change, commitment, and involvement. Executing a homework assignment helps to secure the New Way of Working initiative within the minds of employees. It also creates the right mindset and sets up involvement in the one-day offsite program (see Invite everyone to a one-day offsite program, below).

Microsoft Netherlands determined that homework assignments must be kept short (15 minutes maximum), be accessible through a Web site, and be independent of time and place. And, everyone must participate in the assignments. Microsoft Netherlands created a short test, similar to those found in lifestyle magazines, and sent it via e-mail to all employees. Employees had to take the test to be admitted to the offsite.

The questionnaire was a combination mini-personality test and workstyle test. The results were used to create groups of like-minded people who would attend the offsite together and share their personal New Way of Working story.
Four distinct profiles emerged: Entrepreneurs, Researchers, Idealists, and Diplomats. Entrepreneurs, for instance, were found to be overly busy, fast thinkers, and strong communicators. Short messages are the best way to communicate with them, so a five-minute voicemail with an introduction to the New Way of Working program and details of what the subsidiary expected from them was devised. Researchers, on the other hand, were given a memory stick with several documents from which they could retrieve information that met their individual needs.

Choosing exactly the same profiles as Microsoft Netherlands is not the main point here. What is most important is to profile your employees into several categories, based on a combination of job function and working styles, and to determine what kind of communications styles and tools are most appropriate for these roles.

**Invite everyone to a one-day offsite program.** The goal of a one-day offsite is to inform and energize the entire organization. A varied agenda will show all the aspects of the New Way of Working initiative. This program will be different for each company because of cultural differences. In general, the day must combine an emotional experience with informational sessions that provide enough background to define the New Way of Working and describe what it will mean for the company. In this way employees will gain trust, recognize and compare existing and new aspects of the ways to work, and be able to discuss their impediments and insecurities more easily. Offsites are also a great way for managers and other New Way of Working leaders to demonstrate their involvement by participating, along with everyone else, rather than simply directing or observing.

If employees spend a full day learning about, discussing, and realizing the potential of the New Way of Working initiative, they are more likely to feel that the program is beneficial to them personally. If they are not convinced, however, it will be harder to get employees to participate in follow-up activities. The following are useful tips for one-day offsites:

- Plan the day in an open, informal, and energetic environment. Try to create a professional atmosphere, but one that provides ample time for icebreakers, fun, and jokes. This approach will result in faster sharing of information and deeper discussions.
- Be sure to have a challenging, diverse, and energetic program. Participants will have different learning styles. Some learn by copying colleagues, others by practicing a lot, and still others by reading manuals or following a training program. Remember that the type and style of communications are equally important to the message.
- Be sure the day has enough time for interactive dialogue. If there is criticism or resistance, take notice and discuss the issues within the sessions. Do the same with new ideas or suggestions. Acceptance of the New Way of Working initiative will accelerate if there is room for positive and negative criticism.
- Invest in food and beverages first; the rest will follow. Lunch, dinner, entertainment, and after-parties are social activities, and as such they are crucial ingredients for one-day offsites. An eye for the “fun factor” will create a stronger buzz about and involvement in the initiative.
- Create a good mixture of theory, examples, cases studies, and real-life experiences. Relate these samples to day-to-day experiences, so employees can easily translate them into the new situation. Do not just push information by telling people how they should act or respond to the initiative. Make people think for themselves. Persuade them to find their own New Way of Working.
- Insist that managers of attendees be present and participate. This involvement will reinforce the personal value, because the experience will be seen as part of achieving commitments.
At Microsoft Netherlands, an important element during our one-day offsite was a conversation with the senior-level executives & their management teams. Every executive & MT-member did three discussion sessions with a group of employees in which they shared their thoughts and feelings about the New Way of Working initiative and the upcoming new building. Authenticity is key in a New Way of Working journey, so each senior-level executive & MT-member spoke about the exciting stuff and what they were afraid of. This approach made each conversation different and personal.

In other offsite sessions employees got acquainted with more effective ways of communication and collaboration, and they were able to experience working at the future office. The session on “more effective ways of communication and collaboration” was a quiz presented by a well-known television quizmaster who asked questions about how to communicate, meet, or collaborate. The session devoted to the experience of working in the future office space was an open exhibition area where models of the new building and the new furniture were shown.

The offsite began with a short introduction movie from the general manager during his kick-off speech, and another video was shown to inspire the audience about the New Way of Working. The day also included team sessions where people could evaluate the day and the initiative with their own managers and teams. The offsite ended with a party. It was a thrilling and memorable event that energized all employees to move toward a New Way of Working.

Keep communicating about the New Way of Working initiative. Maintain the dialogue about the New Way of Working with monthly communications. This exchange will ensure that the initiative itself continues, along with individuals’ productivity improvements. An internal Web site that contains information, videos, and tools about improving workstyles is another helpful communication method.

SUCCESS FACTOR 7: LEVERAGE TECHNOLOGY TO ENABLE CHANGE

The technology sub-team has a key role to play in rolling out new technologies and ensuring that end users are taking full advantage of these tools. This team needs to do the following:

- Plan for the use of new technology by aligning capabilities with business needs
- Be early adopters to see how the new technology can reinforce its own implementation
- Plan for deployment and adoption within the workforce
- Test applications and scenarios to make sure things work as advertised
- Develop training (technology and scenarios)

Microsoft Netherlands used a practical approach so end users could develop both the mental and technical readiness required for the New Way of Working initiative. “Personas”—how the technology could be used by typical workers—and “Scenarios”—how to improve everyday situations—are key.

Personas

In the 1990s, Microsoft introduced the concept of “the information worker” to describe workers who on a regular basis either use information to support the decisions or actions they take or create information that supports the decisions or actions of others. An information worker, therefore, uses information to assist in making decisions or taking actions or creates information that informs the decisions or actions of others.
The goal of specifying personas is to obtain fairly accurate insights into how people use technology and, by doing so, determine what skills and rules they need to make scenarios work.

A typical persona includes the following items:

- **Personal Information:** name, gender, marital status, and so on
- **Demographic Information:** in what places or locations can people perform their tasks?
- **Workstyle:** the high-level goals of the persona and how these workers perceive the job
- **Week in the Life of:** a calendar of a typical week in which tasks, appointments, and activities are noted

Personal, demographic, and workstyle information can be derived from the activity analysis questionnaires and validation interviews previously described. The results are an excellent source for creating compelling personas for client organizations.

**Scenarios**

A scenario is a description of a future state of a coherent set of activities performed for a specific reason. In the software engineering industry, scenarios are widely accepted as a means for exploring and communicating requirements. A scenario provides a common reference point for all stakeholders. The purpose of a scenario is to communicate the alignment between business activities, the skills required for workers to achieve their goals, and the technology platform. These business-related matters translate the New Way of Working vision into tangible and executable scenarios.

Scenarios are all about rationalizing and standardizing common, everyday activities such as meetings, communication, e-mail, and project tasks with the goal of making each activity more effective. A scenario describes how a future activity should be conducted to become more effective, mainly by eliminating inefficiencies in the process.

A useful principle for describing the scenarios that support the New Way of Working is to address the people, place, and technology characteristics of tasks. It is impossible to achieve the vision of a New Way of Working initiative by only implementing new technologies. Success depends equally on capturing the way people work with and through technology, determining how place affects the efficiency of the technology, and addressing the level of distraction workers face.

The persona and scenario analyses previously mentioned can be used to inventory the activities, required skills, and rules of engagement that people need to carry out a scenario. Prioritizing the scenarios can determine what training, communications, and technical enhancements need to be implemented. This prioritization can be done by business benefits (for example, innovate or drive new products or employee productivity), costs, risks, and so on, as determined by the New Way of Working stakeholder V-team.

A typical scenario is comprised of the following items:

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1 This definition of scenario should not be confused with the definition related to strategic planning. The definition of scenario used in the New Way of Working concept was derived from strategic scenario planning exercises (for more information, see: Rasmus, Daniel W. and Rob Salkowitz. *Listening to the Future: Why It’s Everybody’s Business*. Part of the Microsoft Executive Leadership Series. Hoboken, N.J.: John Wiley & Sons. 2009).
- **Description and Storyboard**: a brief description of the tasks involved
- **Rules of Engagement**: a set of established rules that govern the scenario’s use
- **Skills**: the skills required to be successful
- **Technology**: the required infrastructure capabilities
- **Workplace**: where the scenario’s activity takes place

Microsoft Netherlands created scenarios for “smarter meetings” that provide guidelines and help identify key ways to organize and execute meetings more effectively by employing technology such as e-mail and collaboration suites (see Figure 8, “Scenario: Smarter Meetings”). Another example of an easy-to-adopt scenario is “smarter communication,” which provides guidelines and helps organize and execute communications more effectively by better using technology such as Unified Communications, telephony, and e-mail.

The outcome of workforce analyses is used to determine which scenarios are beneficial to organizational goals. Prioritize scenarios by mapping them onto the “week in the life of” calendar of a persona. This step will clarify which scenarios workers use and when. Workforce analyses are a powerful communication and decision-making tool for stakeholders, and the outcomes of these studies can be easily verified within the workforce.

At Microsoft Netherlands, regular team meetings are used to demonstrate how people can work more effectively and how their team meetings can be enhanced by making better use of new Microsoft technologies such as Office Communicator, Windows Live Meeting, Microsoft RoundTable, Outlook, and SharePoint. To make the “smarter” scenarios more popular, we offered employees short training sessions (two-hour maximum) called “pimp my workstyle” and “I love e-mail and tasks.” This approach has been successful. The top five implemented scenarios are smarter meetings, smarter running projects, smarter communication, smarter knowledge and information sharing, and smarter e-mail and tasks.
Microsoft Netherlands created the following design principles for its scenarios:

- Do not initiate separate training sessions; rather, use regular team meetings to conduct training. This approach is practical, keeps training close to daily activities, and makes it clear that training remains a management priority and not an optional activity.

- Always keep training as short as possible. Look for the optimal minimum: What is the minimum that our colleagues need to know about a certain scenario to perform as optimally as possible?

- Do not force departments to engage in the scenarios. Provide the services and scenarios to all teams within the organization and let them decide if and when to use them. Most teams are eventually willing to participate. Some teams are frontrunners; they are continually willing to test pilot the latest scenarios.

- Because part of the New Way of Working is about taking personal responsibility, management of the initiative needs to reinforce this message. If people want to participate, they will; if they do not choose to participate at the beginning, then that decision will eventually catch up through peer pressure or career limits.

At Microsoft Netherlands, “the first scenarios where quickly adopted by a small group of people within the company,” said Ilco van der Bie, manager of strategy services at Microsoft Netherlands. “By identifying the early adopters and empowering them to teach others how to work according to the new scenarios, the scenarios quickly became a standard way of working for most people within the organization.”

Scenarios are best done after the one-day offsite and before the overall project deadline, such as moving into the new or improved office space. In this way, scenarios will feel like a follow-up to the offsite. Scenarios should be tested with several pilot teams prior to rollout to eliminate misunderstandings or misrepresentations during delivery.

**CONCLUSION**

The New Way of Working is a worthy investment for any organization. By demonstrating how we can get the most value from technologies, we create a more effective work environment while lowering costs, boosting employee retention. A New Way of Working also creates a focal point for Microsoft’s thought leadership. The approach communicates—in a tangible way—to our customers and the broader market how our technologies can transform businesses and the lives of their employees. The initiative is an idea that we transformed into an action.

A New Way of Working demonstrates the following:

- People really can work anytime, anyplace, and different generations can work together by finding the best way for individuals to connect, share, and collaborate.

- Software really can make organizations more effective by creating more transparent processes and communications.

- Businesses really can take advantage of talent in a global market by connecting people around the world to solve problems.

Customers will see Microsoft employees bringing out the best of themselves in their jobs—not because
they are told to but because they want to—and fully leveraging this experience to drive the business.

At Microsoft Netherlands, the transition to a New Way of Working and the results of this initiative were an exercise in trusting people to find creative ways to meet the needs of the organization and all the people associated with it. Although at times lighter control remains frustrating, even scary for management and employees, our overall commitment has created a dynamic and effective organization. The project brought country management team members closer together, and our employees flourished while setting up a process that demonstrates our ability to credibly "tell and sell" our own solutions. We hope this white paper inspires you to achieve the same results in your organization.

INTEGRATING GREEN INTO THE NEW WAY OF WORKING

At Microsoft Netherlands we are moving our New Way of Working initiative into the next phase: We want to reduce carbon dioxide (CO$_2$) emissions to improve environmental performance. We believe that it is not enough to simply say the New Way of Working is also “Green.” Rather, the key is to be conscious of what it means to integrate green principles into the New Way of Working vision and to implement these ideals.

Right now, we are working on the environmental impact of our current New Way of Working implementation. For example: verifying that commuting, with the exception of traffic jams, has reduced CO$_2$ emissions (we estimate CO$_2$ has dropped from 80% to 50%, thereby saving 15% per trip); calculating the impact of people working from home (they need heating there too); and identifying how intensively we use Unified Communications for customer contacts, and so on.

We are also determining how we can foster environmentally conscious behavior without compromising our vision that vitality, flexibility, and productivity are central to the New Way of Working. For example: The idea of a “greener” New Way of Working cannot be to ask people to work from home more often. And if a physical rather than a virtual meeting will produce the best business outcome, that is the preferred option. This choice is why we will pilot both having people travel to the office or customer meetings by train rather than by car and, for certain business travel needs, replacing air travel with train travel.

– SABINE HESS
MARKETING INNOVATION LEAD, MICROSOFT NETHERLANDS

FOR MORE INFORMATION

To learn more about Microsoft Netherlands New Way of Working initiative, please go to www.microsoft.nl/hetnieuwwerken

Contact: nliwpart@microsoft.com

Free scan for you organization: www.factor4index.nl or .com