

Workplace Strategy 2024



Custom Pacesetter Research Report for EY

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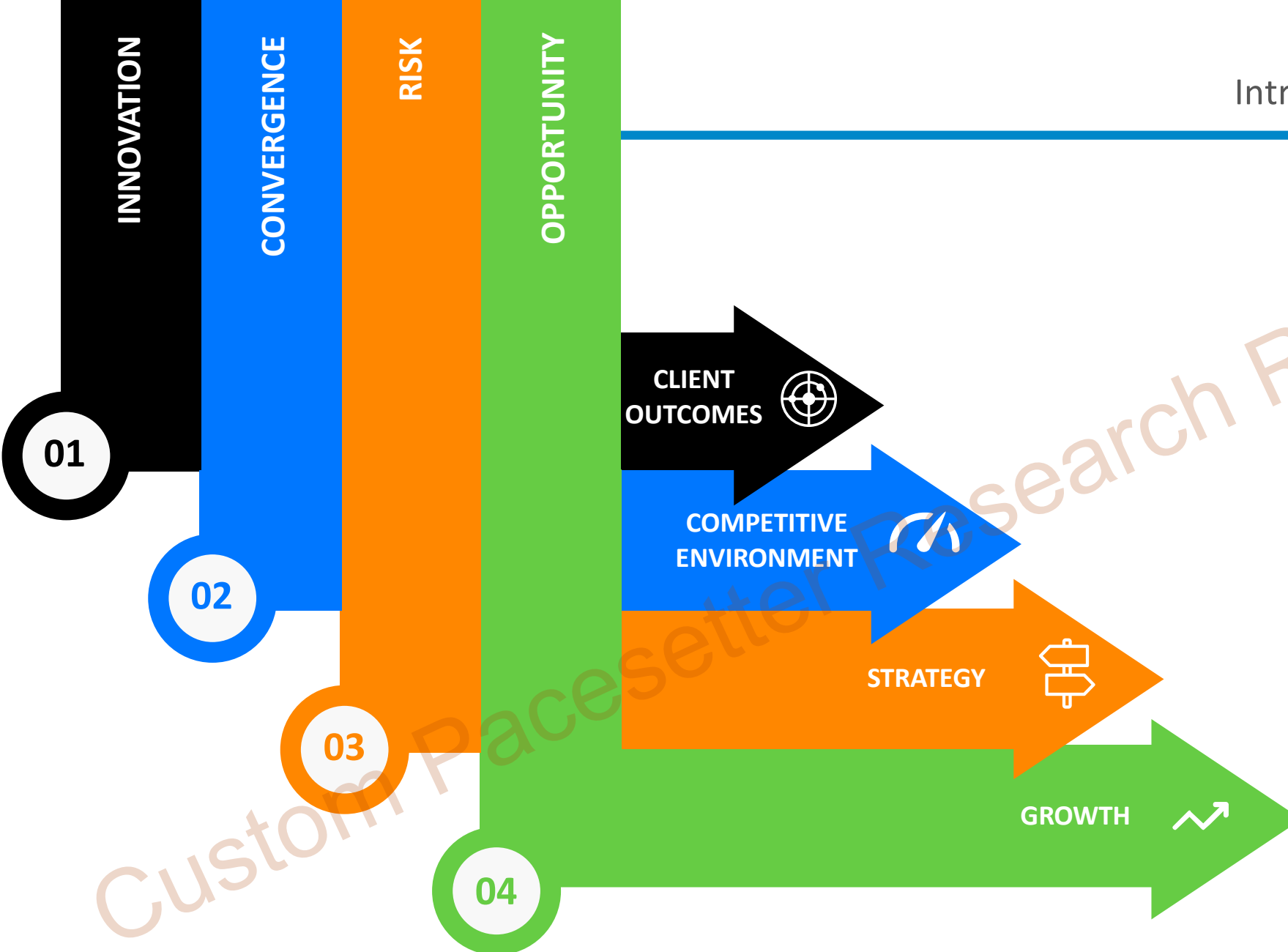
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What Is Law.com Compass Pacesetter Research About?

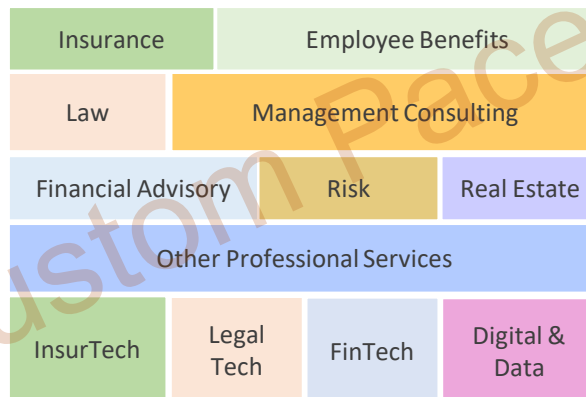
- 1. Innovation:** What professional services providers are doing something different from their peers in a way that moves the needle for their clients?
- 2. Convergence:** How is that innovation changing the competitive landscape?
- 3. Risk:** How does innovation (internal and external) change providers' risk profiles?
- 4. Opportunity:** Is innovation only a threat, or is it also an opportunity?

Law.com Compass Pacesetter Research (previously known as ALM Intelligence Pacesetter Research) is a market research initiative of ALM with an inclusive perspective of the professional services landscape. Rather than traditional market research which focuses on one market segment, APR looks across a broader range that includes law, consulting, insurance, financial advisory, and other actors operating in the market defined by the research topic. We started Pacesetter Research in 2020 to examine how more volatile demand dynamics are forcing market players to reevaluate their approach to **innovation**, **risk**, market **convergence**, and ultimately, **opportunity**. The purpose of Pacesetter Research is twofold:

- Deliver practical insights into the buying and selling of professional services in an increasingly converging marketplace
- Help buyers evaluate their sourcing options with objective assessments of providers' services and capabilities

Pacesetter Advisory Council (PAC)

Market Leaders are selected by a panel of experts comprised of ALM editors, journalists, market intelligence analysts, and external professionals and academics who have experience working with professional services providers.



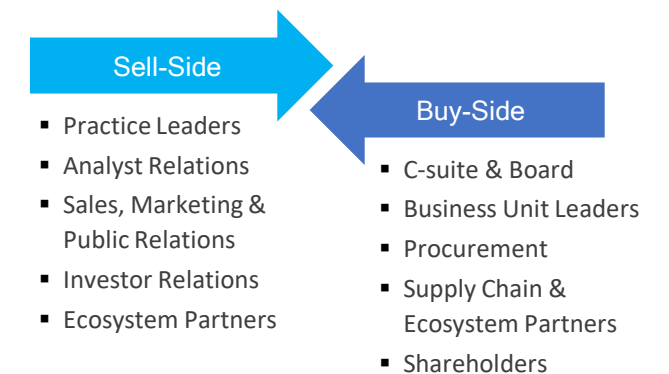
Research Methodology

APR analysts combine qualitative and quantitative research methods to profile Market Leaders in each market. These providers are evaluated and scored against five core criteria to determine Pacesetter status.

- 1 Business model
- 2 Value proposition
- 3 Service delivery
- 4 Client enablement
- 5 Market Presence

Audience

APR provides independent and objective analyses to providers and buyers of professional services coupled with practical insights that inform the decision-making process for strategic planning and procurement professionals.



Market **Overview**

Custom Pacesetter Research Report for EY



January 2024

The pandemic forced organizations to admit that there are a multitude of workplace models possible today, that there are options. It gave rise to remote work to a degree that many would have thought unimaginable possible. Remote work, while considered a temporary solution during the pandemic, increasingly became recognized as a feasible alternative approach for a business's workplace strategy. As the world exited the pandemic and COVID-19 vaccines were available, guidelines changed, and restrictions began to lift, workplace strategy, a new term meant to describe an organization's office occupancy strategy, more specifically, whether employees work in a hybrid, remote, or in-office work structure, increasingly became a top-of-mind concern for organization leaders and their employees. Over time, organizations began changing their workplace strategies, for instance, transitioning from remote to hybrid, increasing the number of days required in the office, or returning to the office full-time. Most of these decisions, however, seemed to lack a strategic framework and to be only loosely evidence-driven, if at all.

Employee well-being and work-life balance became topical during the pandemic, and changes requiring employees to return to the office full-time or some other arbitrary amount of time are being met with employee reluctance, creating tension with leadership. Implementing a workplace strategy, whether remote, hybrid, or in-office, post-pandemic brings challenges that organization leaders may not have previously considered. Some of these challenges are determining the right hybrid model that keeps employees engaged while increasing productivity and revenue growth, or which job roles will a hybrid or remote model be best suited for. Also important are accommodating those who are required to be in-office full-time, and the question of new roles or responsibilities in alternate models, and their impact on business outcomes.

Many organizational factors are important to implementing the right workplace strategy, including talent engagement and management, operations, finance, IT security, and talent strategy. Commercial real estate is another area that has impacted how organizations address workplace strategy. An organization's real estate portfolio can be a significant portion of its overhead costs, causing some organizations to reevaluate their workspace needs, given their workplace strategy approach. Some organizations that have a reduced workforce physically present in the office struggle with making use of office space in a cost-effective manner; some consider downsizing and relocating, and others, who may have long-term lease agreements, may

focus on redesigning office space to meet employee expectations while driving business outcomes. Examining the full implications of a workplace strategy requires organizations to be flexible, modifying operations and policies to accommodate employee needs while meeting organizational goals.

For management consulting and multiservice providers, workplace strategy is typically approached through operational and transformational service offerings integrated with an employee-focused change management framework. Digital, specifically the usage of AI, plays a significant role in their approach and identifying key metrics for measuring success.

Innovators in real estate advisory firms have expanded their services to provide clients with a full-service approach to workplace strategy that integrates some consulting, including strategic planning and workspace design. They also leverage technology and advanced analytics to help clients mitigate risks and achieve their real estate investment goals. Meanwhile, the legal profession remains primarily focused on providing clients with solutions for workplace strategy from a compliance, risk management, and policy development lens. However, Innovators have been experimenting with their own workplace strategy approach and have adopted a hybrid or remote workplace strategy that supports their own workforce needs while meeting their overall business needs, with some extending their expertise to their client services.

The *Workplace Strategy 2024* report explores how the most innovative professional services providers in 2024 are helping clients understand, develop, and properly manage their workplace strategy – and how innovative providers are developing their own workplace strategy aligned to meet their organizational goals.



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Organizations are challenged with having to increase productivity and growth revenue while understanding that where, when, and how we work have fundamentally changed -- impacting business outcomes; Innovators are helping clients develop agile, flexible, and comprehensive workplace strategies that consider the changes in the way we work to deliver long-term business impact



What is workplace strategy?

For many years, the concept of workplace strategy was less of a formal strategic approach but instead focused on the physical space in which all employees worked together on the same schedule, more or less. One of the earliest examples is the East India Company, initially serving as a trade group and then managing Britain's imperial interests. As the company grew, consequently, so did its real estate portfolio. Business leaders gathered at the workplace to make key decisions and oversee staff and operations.

Fast-forward to March 2020, when the pandemic hit, businesses faced serious challenges that impacted their workforce, operations, and productivity, among other issues, threatening their very survival. Most organizations were forced to pivot instantaneously to a remote workforce model (and leverage the use of related technologies), which many, surprisingly, successfully did. Though the pandemic has receded, business leaders today now face a conundrum about what the best (in terms of productivity, revenues, risk management, employee retention, regulatory compliant, etc.) office/workplace arrangements might be.

Today, the disruption to work caused by geopolitical and economic volatility, social crises, and the pandemic has evolved workplace strategy into a strategic, comprehensive framework that describes an organization's workforce structure -- a hybrid, remote, or in-office approach to optimize the work environment to support business goals. Developing an effective workplace strategy requires organizations to consider the following organizational factors:

- Human Resources: policy development, employee experience focus
- Digital Enablement & IT Security: integration of effective digital capabilities to drive business outcomes
- Operations: optimization of work processes to drive efficiency and productivity
- Talent Engagement & Management: attract, retain, and engage top talent
- Finance: optimize financial costs pertaining to implementing a workplace strategy
- Legal & Risk Management: compliance and risk mitigation
- Real Estate: optimize real estate portfolio, reimagine workspace through redesign

The Pacesetters



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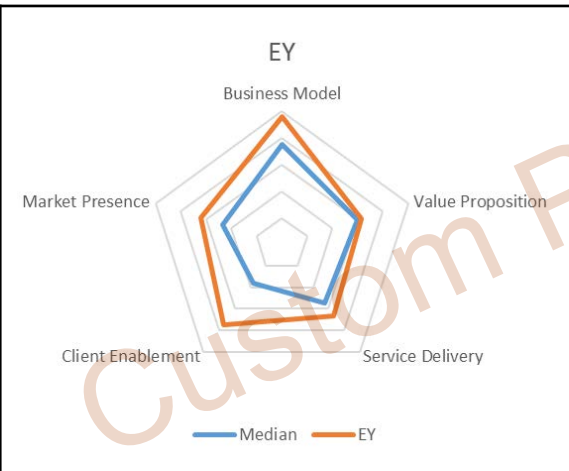
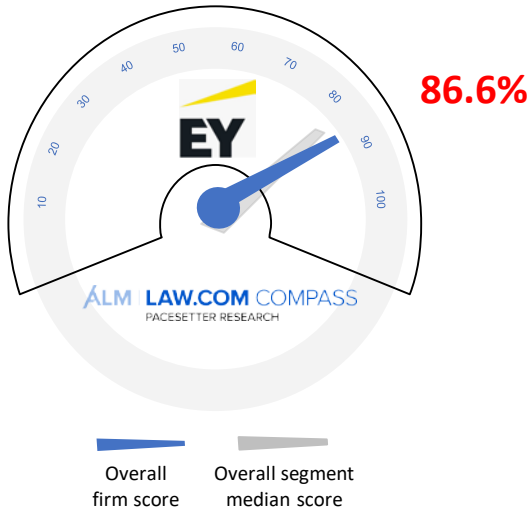
WORKPLACE STRATEGY 2024-2025

TEAMWORK
Community
COWORKING
THINK PROBLEM SOLVING relax!
MOTIVATION flexible
SOCIAL creative
freed.



WORKPLACE STRATEGY 2024-2025

Overall Score: Workplace Strategy



“EY’s value proposition lies in its ability to provide end-to-end workplace solutions across real estate, HR, and compliance, where its approach reimagines work with technology while keeping humans at the center”

Profile: EY has been investing heavily in its People Advisory Services (PAS) in recent years, bringing a strong human-focused dimension to EY’s work. EY’s Organization and Workforce Transformation expertise is a pillar within its PAS, grounded in data and analytics, where consultants help business leaders develop organization models that balance the workforce and technology at the enterprise and functional levels. The firm’s reimagined approach helps clients better understand employee behaviors to minimize risks and optimize opportunities to accelerate long-term business value.

EY’s framework for workplace strategy is a comprehensive approach that integrates three pillars: workforce, real estate, tax, and legal. Client engagements may begin with a business challenge in one pillar, but EY’s holistic, integrated approach that assesses the risks and opportunities across the entire framework can help clients address the roots of problems that cross multiple service pillars. This framework allows clients to address multiple challenges to their workplace strategy from having a remote, hybrid, in-office approach such as talent attraction and retention, culture and learning, immigration and legal considerations, employment (payroll tax), review of real estate portfolio, and physical and digital work experience, to name a few.

Client workplace strategy engagements for EY typically begin with a member of the C-suite (e.g., CEO, CFO); however, recently, EY clients are increasingly starting to take a more comprehensive approach and engage multiple senior leaders across business units like HR and Operations. EY helps clients across a span of workplace strategy-related challenges, some of which are more narrowly focused to others that are more comprehensive. Some of these include designing a workplace strategy program and defining measurements of success, rationalizing the real estate footprint in light of a new workplace model, and helping clients implement their workplace strategy program effectively while managing their risks. Consultants also assist clients in developing a better understanding of job roles, specifically through persona mapping, and which approach, hybrid, remote, or in-office will deliver high impact at the functional and ultimately at the organizational level while also understanding the compliance considerations around the approach.

EY’s People Experience Platform offers an inclusive perspective of individual, relational, and environmental factors that impact value, creating an end-to-end value proposition of Workplace Solutions across real estate, HR, and compliance. These tools include the EY Mobility Pathway, EY Skills Foundry, and EY Capital Edge Real Estate Analytics. For EY, their true value proposition for their clients and the true value proposition to the people experience is the ability to effectively integrate these solutions in a cohesive way that delivers long-term business impact.

Workplace Strategy
 Service Focus



■ Services offered
 □ Services not offered

Leveraged holistic, local country-based data to develop remote work posture and developed Personas to understand requirements, expectations and impact of that remote work posture. Focused on new ways of working with technology that achieve real estate cost savings and productivity gains without sacrificing culture or compliance.

1 Provider:
Ernst & Young (EY)

Client:
Global US Headquartered
Cloud Services Company

2 Project
Overview

- > Embraced cross functional data and insights to design a Global Remote Work Program that integrates people, space and technology
- > Partnered with a joint company and EY team to reimaged and consider multiple dimensions of how and where work gets done across their global organization that has 62 offices in 27 countries. Reconciling 70% remote-ability with 95% of employees working remotely (at that point in time)
- > Developed Employee personas to understand how often people would be in the office, what their needs would be, and the opportunities as well as challenges presented with the future of work
- > Review in-depth considerations of local country legislation informed on the impact of remote work stipends as well as the risks of remote work from a labor law, corporate income tax and individual perspective
- > Highlighted key facts and figures from work completed to develop a comprehensive view of the impact and savings/cost of a remote work program

3 Solution:

- > Envisioned a Future of Work strategy and formalized a remote working approach through the introduction of a global remote working program in 2021
- > Focused on rethinking the workplace, its use by the client's workforce and how to enable the new ways of working with technology that achieve cost savings, employee experience enhancements and productivity gains
- > Developed a remote work global policy with country specific addendums to address country nuances and legal requirements while staying true to the global remote work philosophy

Provider
Innovation:

- > Assessed the current state of remote working, including which roles and segments have the best propensity for continued remote working by leveraging EY's Remote Work Index (RWI)
- > Successfully integrated people, space and technology, transforming how the client's employees work around the globe
- > Maintained the company's risk profile globally and delivered stipends to employees at the right cost and address end-to-end compliance

4 Impact for Client:

Designed a comprehensive Global Remote Work Program that delivered on the company's promise of Remote and Hybrid work along with change, communications, and employee engagement plans to enable a successful execution.

Appendix



Custom Pacesetter Research Report

The goal of Pacesetter Research is to help buyers of professional services navigate an increasingly complex landscape with confidence. We use a multidisciplinary perspective to identify best-in-class providers of legal, consulting, financial, insurance, employee benefits, and other professional services, and analyze how they are evolving as an ecosystem of interdisciplinary service providers. Our research is grounded in over 50 years of accumulated market insights and qualitative research models that combine knowledge of management science with case studies and other sources of knowledge to understand patterns of market supply, demand, behavior, and ways of doing business.

IDENTIFY

- The Pacesetter Advisory Council (PAC) convenes in advance of the research project kick-off; members include ALM journalists and editors, and external experts such as consultants, general counsel, and industry thought leaders
- The PAC selects the set of Market Leaders that will be covered in the research topic from a larger group of providers that members have identified in the normal course of their work
- PAC members also provide expert knowledge and insights to the Pacesetter Research team throughout the research and analysis process

RESEARCH

- The Pacesetter Research Team within ALM conducts primary and secondary research
- Primary research includes in-depth interviews with practice leaders at the provider firms covered in the research; satisfaction interviews with clients referred by those providers; and in-depth interviews with thought leaders, recruiting professionals, and other sources
- Secondary research includes data gathered from annual reports and earnings calls, management presentations, public filings, case studies, press releases, journals and publications, online information databases and other publicly available resources

ANALYZE

- Law.com Compass Pacesetter Research analysts evaluate and score the Market Leaders against five core criteria
 1. Business model
 2. Value proposition
 3. Service delivery
 4. Client enablement
 5. Market presence*See criteria definitions on next page*
- Market Leaders that achieve a Pacesetter Impact Score equal to or over 85 are designated as Pacesetters
- Pacesetter analysts map markets and stakeholders and write market trends
- Market segment overviews are peer reviewed by the appropriate PAC member

About ALM

ALM is the most trusted media, information and intelligence company supporting both the practice of and business of professionals in the legal, insurance, commercial real estate and financial services industries. ALM delivers leading data, intelligence, insights, events and audiences essential for growing businesses globally to over 7 million professionals. Please visit www.alm.com for more information, and visit www.alm.com/events/ to learn about our upcoming events. Please follow us on Twitter at [@ALMGlobal_](https://twitter.com/ALMGlobal_).

30+
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Events hosted
globally

250+
Intelligence reports
developed

2.65M
website visitors per
month

2.85M
Newsletter
subscribers

1.08M
Mobile visitors per
month

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