



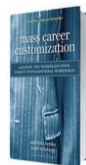
Realizing the Strategic Benefits of Workplace Flexibility at Deloitte

Managing Smart: Moving Ahead with a Virtual Workforce

Naomi Leventhal, Ph.D.
Director, Human Capital
naleventhal@deloitte.com

James Reidy
Director, Infrastructure Ops
jreidy@deloitte.com

Federal Facilities Council – Forum for Alt. Work Arrangements
October 11, 2011



Introduction

Who We Are

- Largest private professional services organization in the world, with approximately 170,000 employees working in more than 150 countries
- Delivering audit, financial advisory, tax and consulting services

Our Journey to Create a Virtual Work Environment

- Designed and implemented a new virtual work environment (2004 – Present)
- Transitioned the organizational culture from assigned cubicles to **anywhere / anytime / anyplace**
- Implemented new technology and infrastructure, enabling **greater mobility and efficiency**
- Transitioned from a focus on “**how and where**” **work gets done** to focus on performance

Why?

- **Maximize flexibility** and offer more options for **career-life fit**
- **Reduce real estate** footprint and decrease **operating costs**
- Reconfigure workplace to increase collaboration, innovation, and communication
- Support **corporate sustainability** initiatives and carbon footprint reduction

Creating a Vision

- **Flexibility and choice for workers** to be productive from a variety of work settings, including multiple office sites, in transit, at home, etc.
- Redesigning **the concept of the “office” to foster collaboration** that leads to innovation and speed
- Introducing an **alternative work environment and travel schedule** to creatively manage the expectations of our industry, clients, and employees
- **Mobile technology tools** that allow for access and collaboration on-demand anytime / anywhere
- **Efficiency and flexibility** in the use of office space that is traditionally dedicated, expensive and mostly un-occupied, leading to a 20% - 50% improvement in efficiency and cost savings



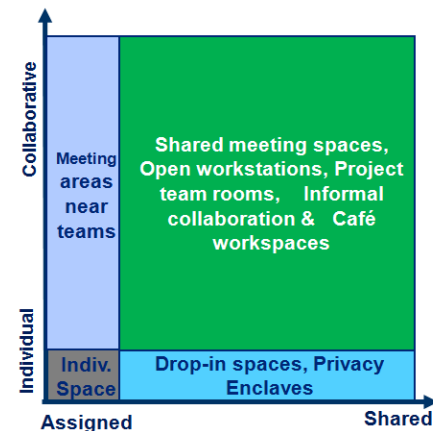
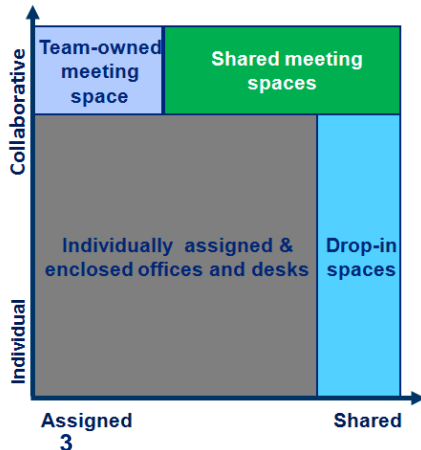
Our Journey...Deloitte's Workplace Needs Are Changing

Before

- Locally managed real estate with significant excess capacity and high cost locations
- Individually assigned office spaces/cubes and internal infrastructure
- Low real estate utilization
- Cell phones and land lines
- Limited use of laptops
- In-office meetings and expensive travel costs
- Virtual collaboration limited to email

Now, and into the Future...

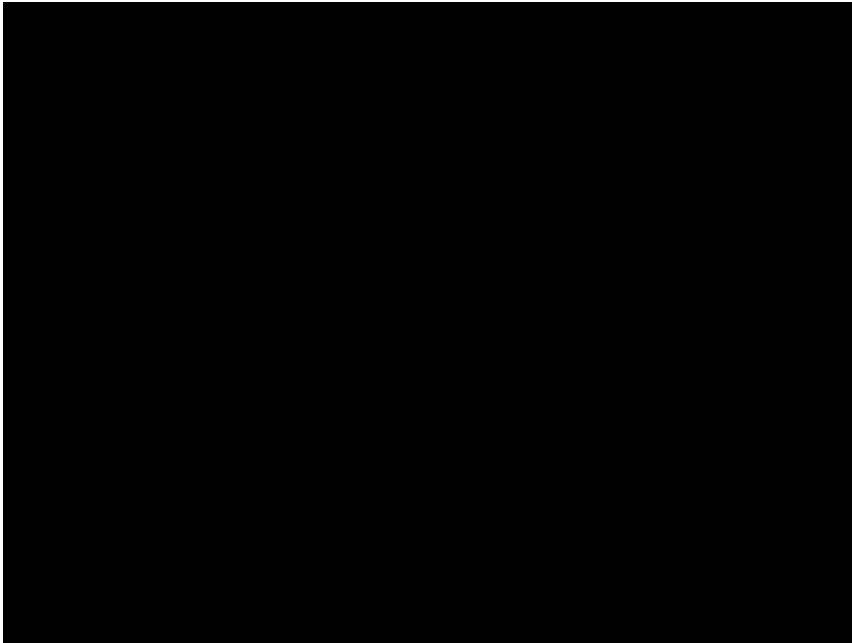
- Nationally managed real estate process with defined build-out standards and cost targets
- Increased shared meeting space and flexible arrangements
- Wireless access throughout the workplace, VPN remote access
- Improved technology innovation, virtual meetings, social media, web 2.0 tools
- 14,000 people in 100+ virtual communities of practice



Our Journey...Deloitte's Workplace Needs Are Changing

Now, and into the Future...

- Nationally managed real estate process with defined build-out standards and cost targets
- Increased shared meeting space and flexible arrangements
- Wireless access throughout the workplace, VPN remote access
- Improved technology innovation, virtual meetings, social media, web 2.0 tools
- 14,000 people in 100+ virtual communities of practice



What YOU can do

BLOG

SHARE

STAY INFORMED

COMMENTS

SUBSCRIBE

JOIN Meet

learn

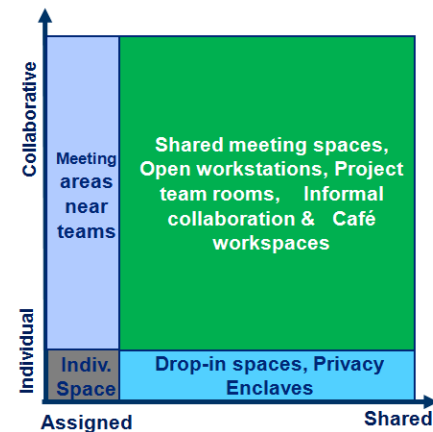
...on DeloitteNet



Welcome to D Street!

D Street

One Degree of Separation.



What We Are Doing Today...The Journey Has Not Ended

Virtual Work Practices (VWP)

What?

- Enables project teams to execute some or all of their work remotely
- Set of frameworks, best practices and tools for borderless team project delivery

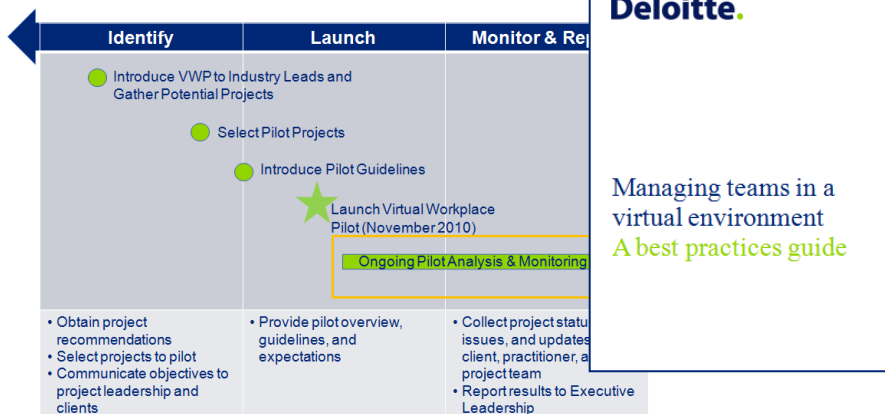
Why?

- Designed for flexibility and balance
- Offer more and varied options for our practitioners to achieve career-life fit

Objectives:

- Increased ability to collaborate across regions/ functions/capabilities as needed
- Provide integrated, real-time communication and project management processes that accelerate innovation

Where are we today with VWP?



Deloitte University

What?

- Dedicated learning and leadership development center
- Powerful catalyst for life-long learning that helps foster our talent's growth both personally and professionally

Why?

- Provide an enduring "sense of place" for all Deloitte people
- Enhance and preserve culture

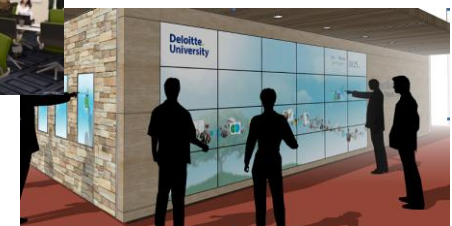
Objectives:

- Provide space for education, development conferences, classes, and business and client meetings
- Offer unique learning experiences, foster community collaboration, be interactive and engaging

Action-based, business-relevant learning...



...connections, old and new...



...and a strengthened culture of collegiality and leadership.

Lessons Learned

Improved Career-Life Satisfaction

- 90% of employees say they have flexibility regarding when and where they work
- Satisfaction with career-life fit increased by 25% during Wave 1 roll-out (in a good economy); and increased by an additional 12% during Wave 2 roll-out (in an economical downturn)
- Confidence in future career-life satisfaction has increased 28%

Cost Savings

- Cost savings of ~\$30 million in capital expenditure in the first year after moving to a more virtual work environment
- Cost savings of ~\$45 million for every percentage point drop in staff turnover
- Cost savings of ~3-10% in travel expenditures to client site (reducing total project costs for clients)

Key Challenges

Lessons Learned

Establishing a Program

- *Compelling business case*
- *Customizing and scaling programs*
- *Measuring and evaluating ROI*

- Capture data to understand success
- Incorporate HR, IT and Real Estate dimensions
- Tie workplace flexibility to career flexibility

Establishing Leadership Buy-In and Support

- *Overcoming manager and organizational resistance to change*

- Identify and engage project champions who will provide visible support
- Use effective stakeholder engagement and two-way communication
- Provide training, communications, and mentoring on an on-going basis

Staying “Connected”

- *Change and Communications*
- *Effective training programs*
- *Culture*

- Address cultural barriers by maximizing participation in program design
- Provide scheduled opportunities for face-to-face interaction and team-building
- Managers use technology and protocols to create a sense of “presence”
- Address employee concerns in breaking the “space = prestige” paradigm

Managing Performance

- *Managing effectively and establishing employee accountability*

- Provide written agreements that identify expected outcomes with defined goals and objectives
- Give managers guidance on providing meaningful feed back in virtual environment

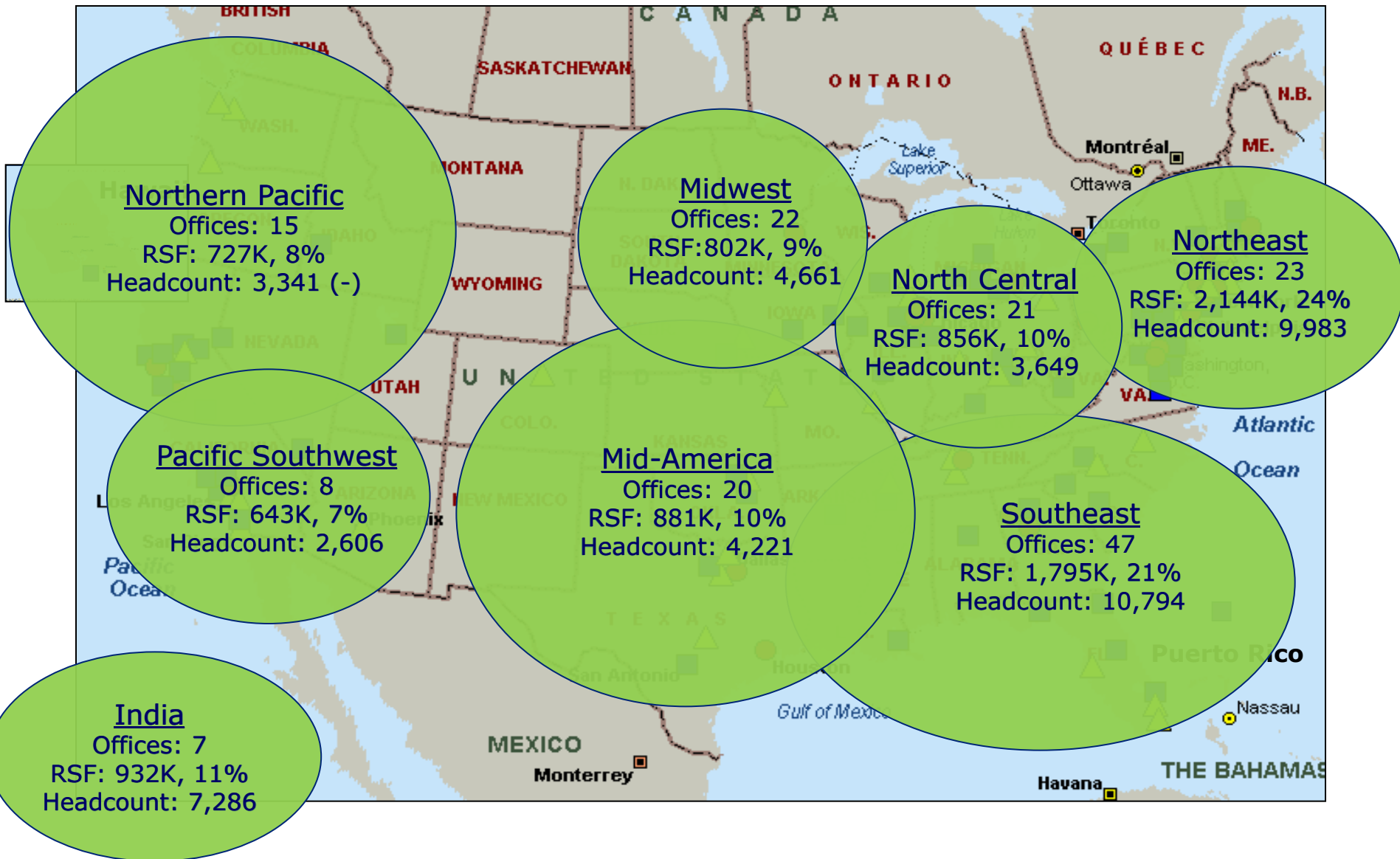
Deloitte's Real Estate Approach

Deloitte Real Estate Approach

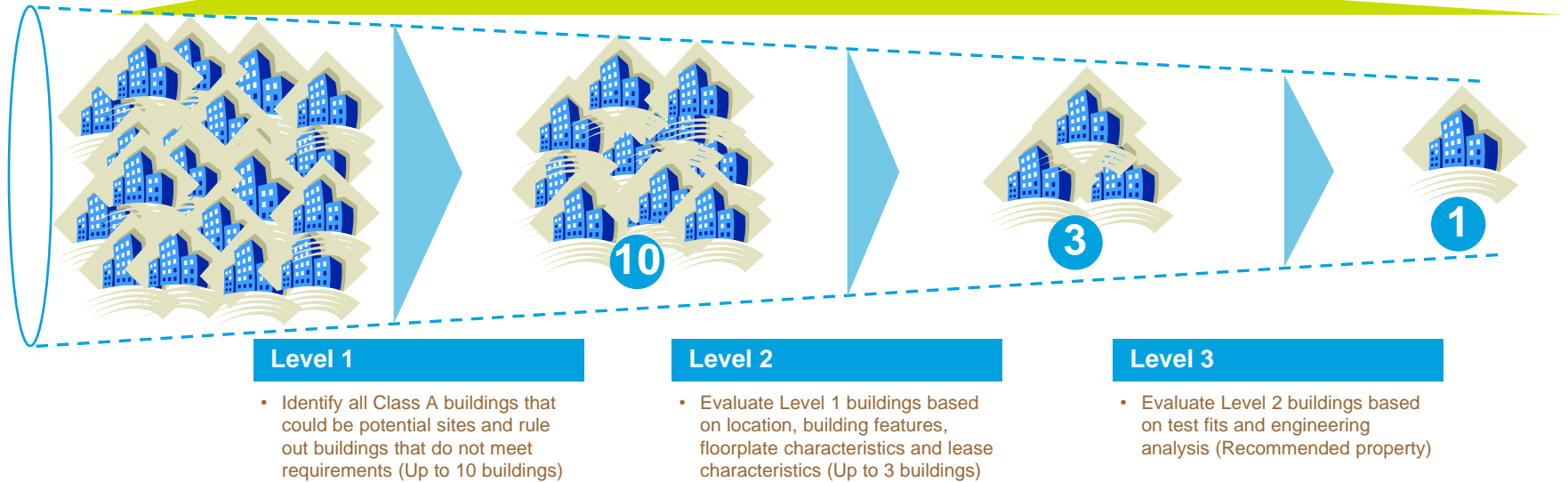
Our real estate approach has evolved over the past several years from a locally managed process with varying designs to a nationally managed process with defined build-out standards and cost targets

- Strategy : Pursue lowest cost alternatives in all markets
 - Challenges CBD vs non-CBD
 - Ties space demand to actual utilization
 - Supports one office per location
 - Rationalizes portfolio and pursues market opportunities
- Design Standard: Workplace of the Future and Beyond
 - Considers differences among key businesses to support how our people work
 - Reinforces high performance culture and supports people flexibility choices
 - Reinforces brand and image
 - 80% of design is defined nationally, with 20% reflecting local and business input
 - Simplifies design for small offices
 - “Office in the Box” or WOF SPO preferred to minimize capital costs
 - Researching next generation changes required
- Delivery Method: Standard processes
 - Defines cost and rsf/pp targets
 - Standardizes tools and process
 - Enables competitive bidding process
 - Provides single point of contact through project lifecycle

Portfolio Snapshot (186 Leases and 173 Locations)



Real Estate Selection Process



Workplace of the Future: History and Background

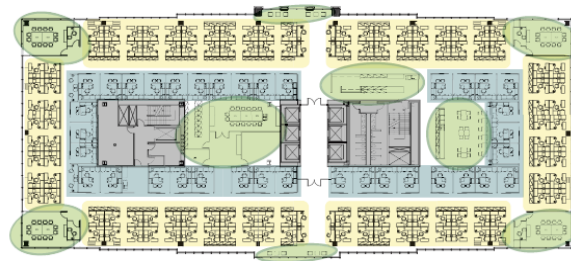
Deloitte Real Estate Evolution

Our “next-generation” design strategy has delivered a significant reduction in RSF/Person space targets



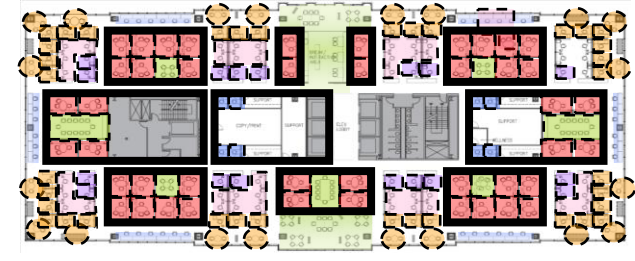
Legacy

- Local decision making
- Assigned offices/cubes
- Internal infrastructure
- High cost locations and build-outs
- Inflexible portfolio
- Significant excess capacity



Universal Office

- Single set of standards
- Fully flexible space
- Minimal internal resources
- Central portfolio management
- Cost/capital transparency
- Significantly downsized portfolio
- Lowest cost/highest quality outsourced execution



Workplace of the Future

- Leverages current Real Estate Strategy
- Considers differences among Functions / Channels
- Reflects how our people work
- Aligned with People Strategy and Business Strategies
- Reinforces high performance culture and supports people flexibility choices

Current Environment: WOF Installations

15 locations are live with Workplace of the Future, with 5 locations currently under construction or approved for construction.



WOF Strategic Objectives

The WOF vision is to create workplaces dramatically increasing our people's ability to collaborate, innovate, and team; while nurturing our brand and driving cost efficiencies

Support Our People

- Create collaborative workplaces
- Embrace emerging technologies
- Locate offices in interior space which allow all the occupants access to natural light

Reinforce Brand and Image

- Give offices a distinctive “Deloitte look and feel”
- Value “Pride of Place”
- Lease Class A office space that reflects Deloitte’s brand and image

Reinforce One Deloitte

- Facilitate interaction and collaboration
- Co-locate Functions and Channels within a single office
- Stack floors on one elevator bank

Improve Workplace Satisfaction

- Achieve a high level of workplace satisfaction superior to our competition
- Provide superior service and enhance the “Deloitte experience” such that our offices will be the workplaces of choice for our people when they are not with our clients

Drive Cost Effectiveness

- Standardize core design concepts
- Embrace space sharing and flexible office design options
- Recognize differences in Function and Channel requirements

Align with Firm Strategy

- Ensure space decisions are in alignment with the Firm’s strategic direction, including Corporate Responsibility Initiatives for carbon footprint reduction through LEED certification

WOF Planning Concept



Workstations

Neighborhoods, sized to promote collaboration, community and visibility, are clusters of workstations for functional teams.

Offices

Peninsular offices allow for the neighborhood concept and afford direct access to natural light for the majority.

Collaborative

Meeting rooms are within the neighborhoods and large conference rooms will be distributed evenly or close to the reception; open collaborative space will be provided on each floor for impromptu meetings

Touchdown

Touchdown areas are located near the perimeter, away from the corridor for concentration, but adjacent to neighborhoods for social interaction.

Support

Pantries are centralized on the floors and integrated into the café/break area where existing. Copy/print areas are embedded in the core and dispersed on the floor for easy access

Workplace of the Future: Space Type Illustrations

Deloitte's Workplace: Space Type Illustrations



The Entry Experience



The Neighborhood



Collaborative Area



Office Workspace

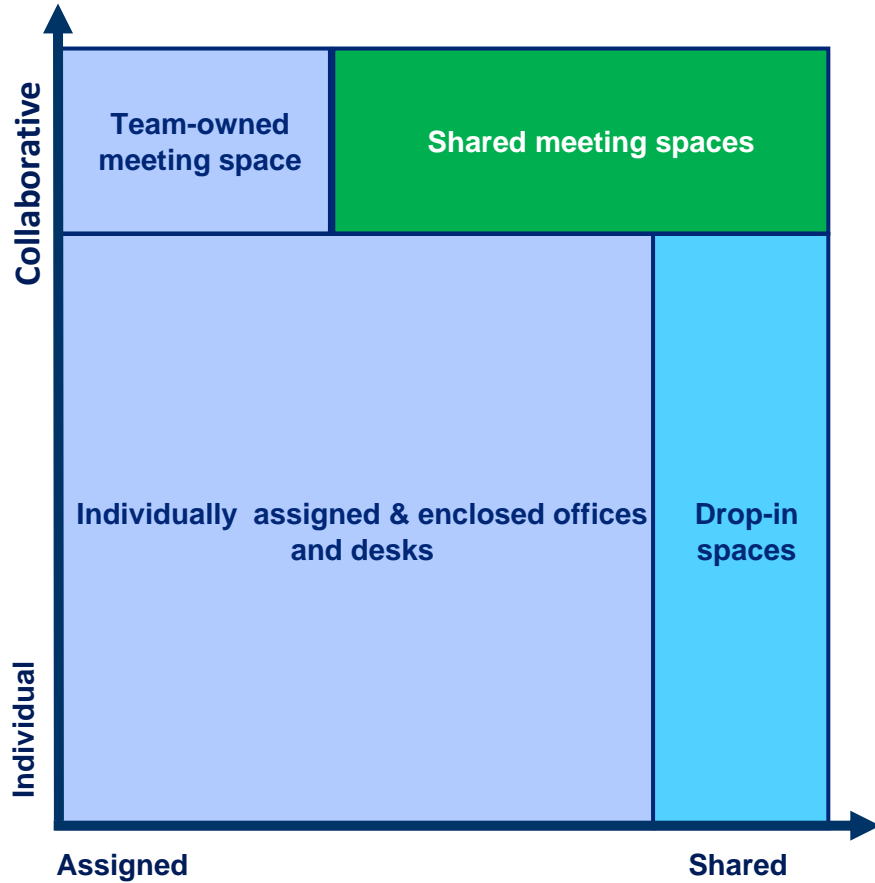


Café/Break Area

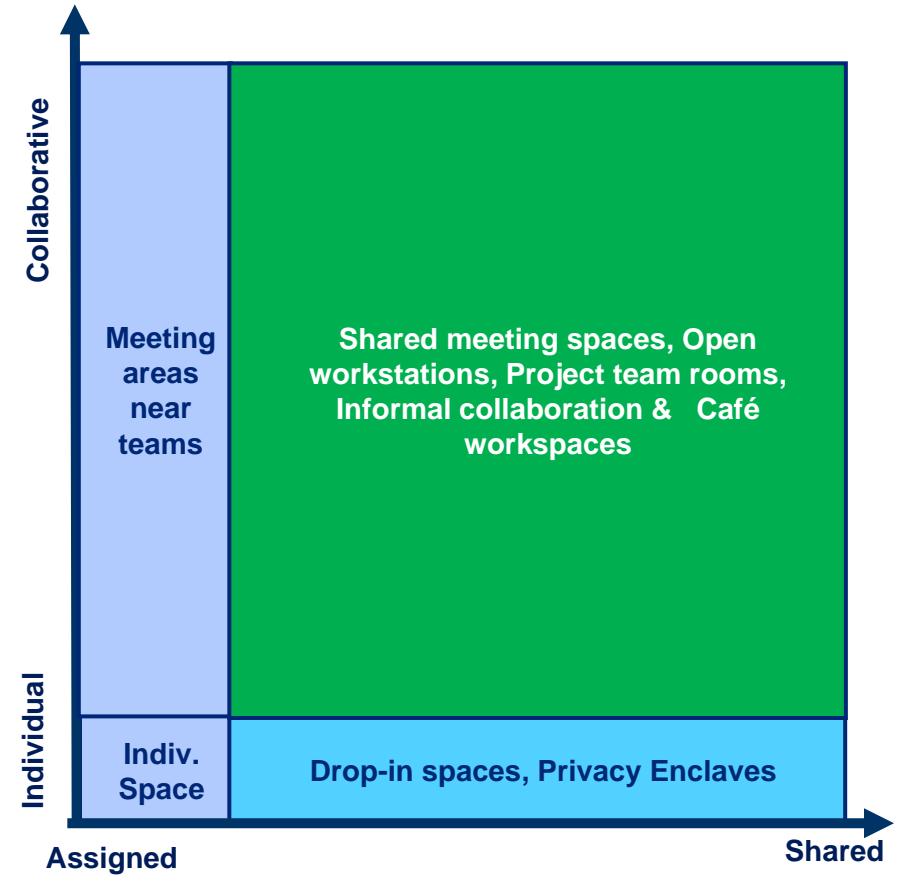


Privacy Enclave

Our Office Space Types are Evolving



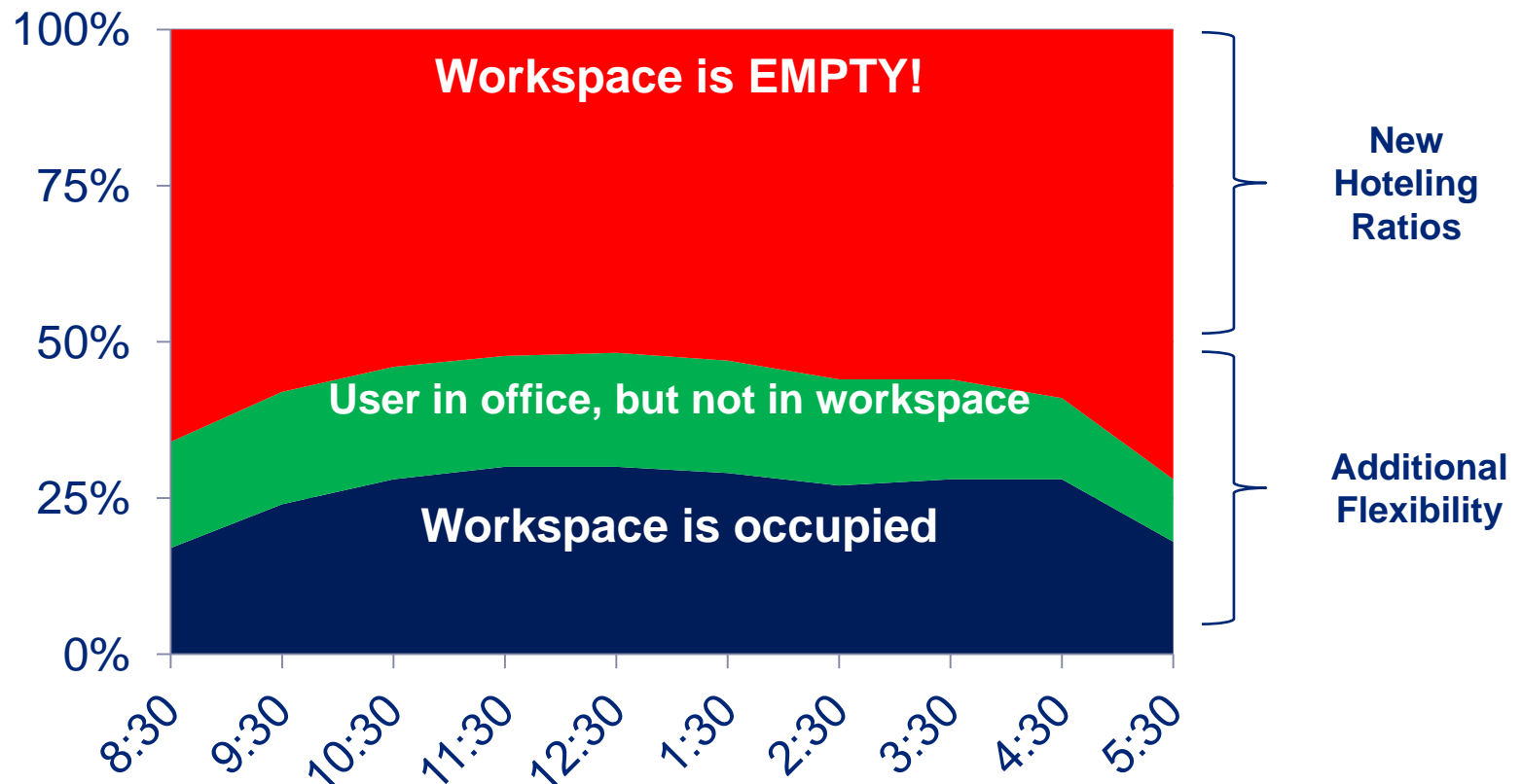
Traditional



Future

Ratios Deliver To Deloitte

The new ratios help to deliver a more dynamic space design for an office



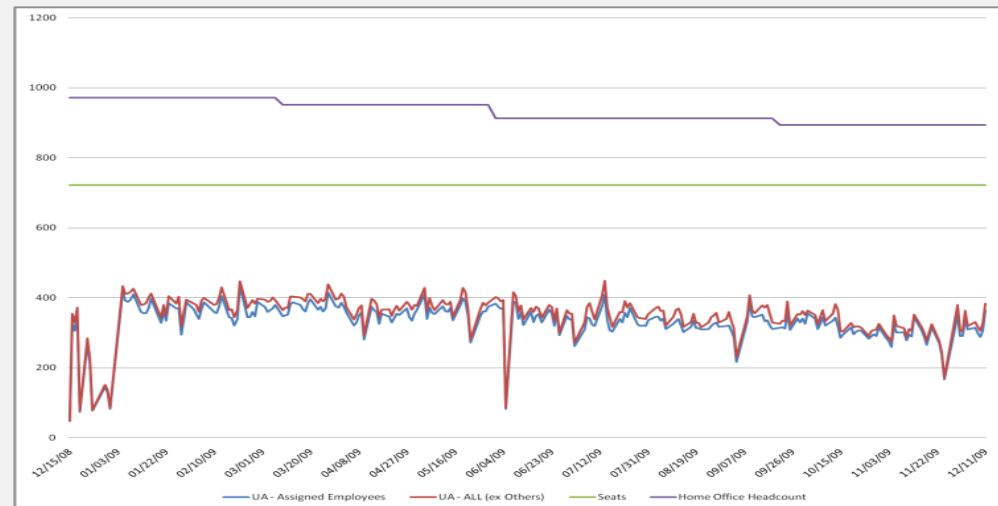
Example: Detroit Utilization Summary

- **Frequency of Access** – As is typical in most large offices, Tax practitioners access this location with the greatest frequency at 68%, and they are followed fairly closely by FAS and Non-client Service groups. Across functions, Managers access the space least frequently at 37%.
- **Seat Utilization** – A look at seat utilization indicates that even on peak days there are more than adequate seats available in this location to accommodate demand.

**Seat Utilization
P8 FY09 – P7 FY10**

	Unique Access	Seat Count	Utilization	Unused Seats
Detroit HC Average	333	722	46%	389
Detroit HC Peak	433	722	60%	289
Average with Visitors	353	722	49%	369
Peak with Visitors	448	722	62%	274

**Unique Access
P8 FY09 – P7 FY10**



Legend

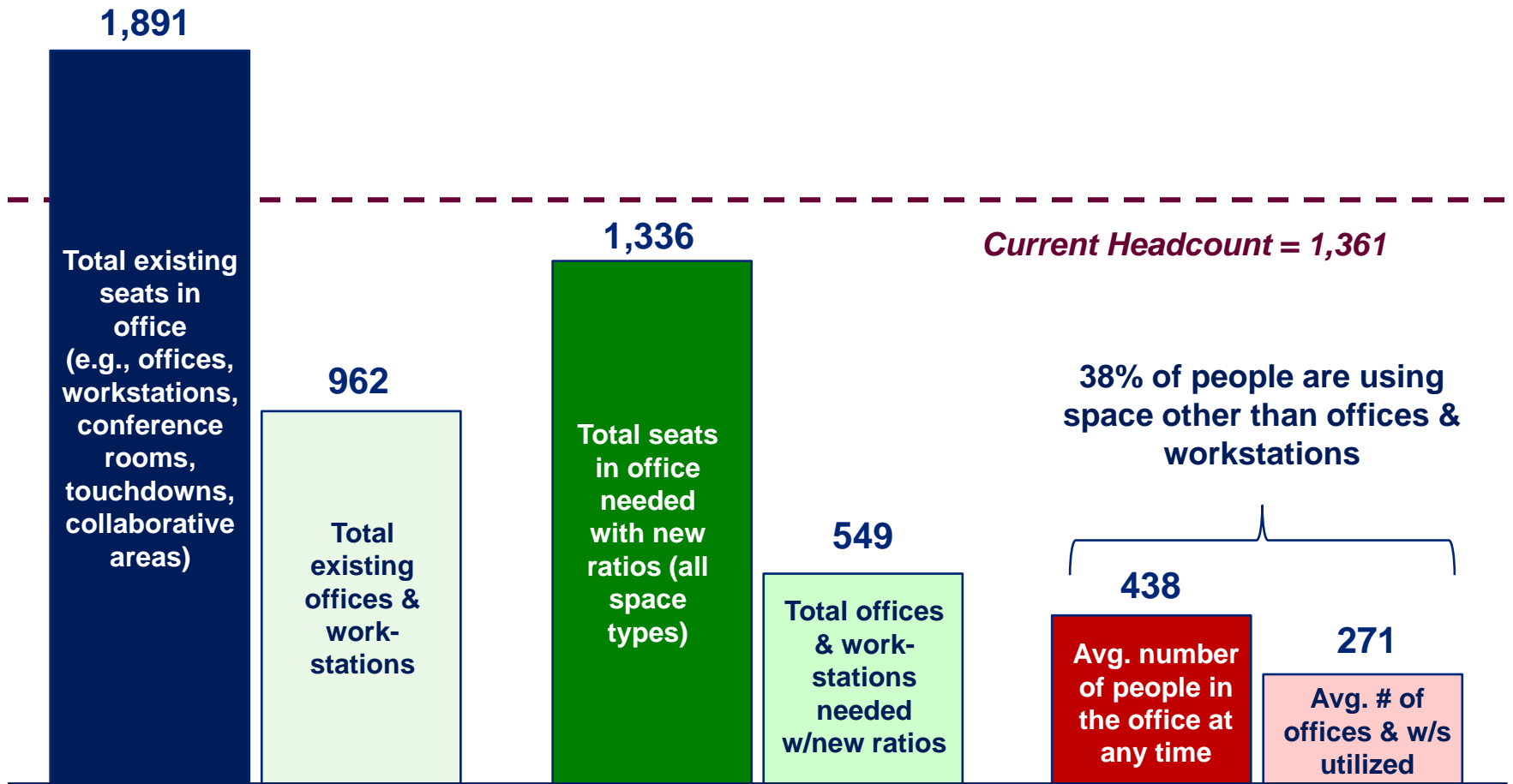
Date Range: P8 FY09 – P7 FY10

- Seats (Office + W/S)
- Office headcount
- Count of unique badge ALL (excl. "Others")
- Count of unique badge Assigned Employees

Source: Q2 FY10 Utilization Report

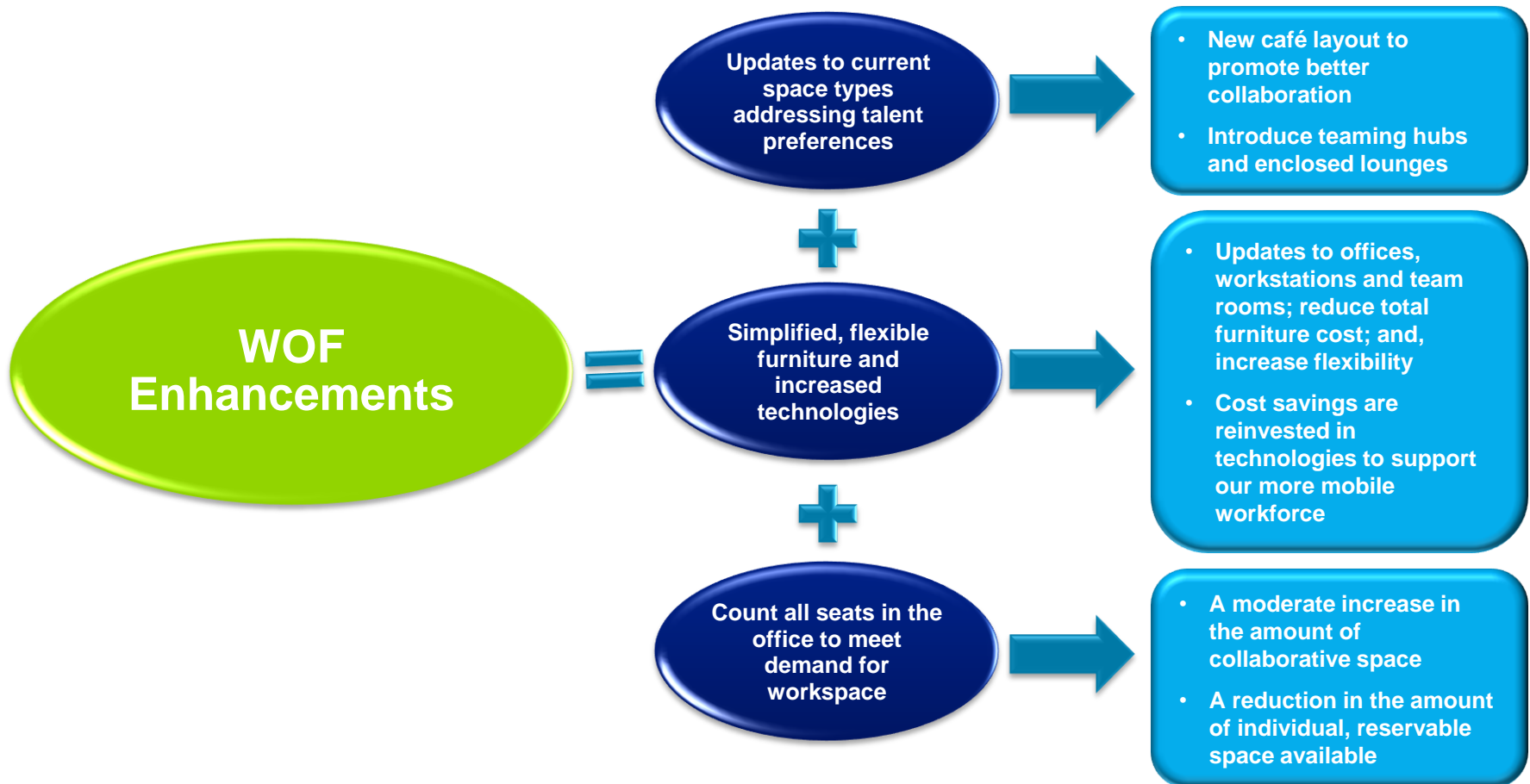
Seat Analysis - Boston

Boston's current usage demonstrates the extra capacity provided.



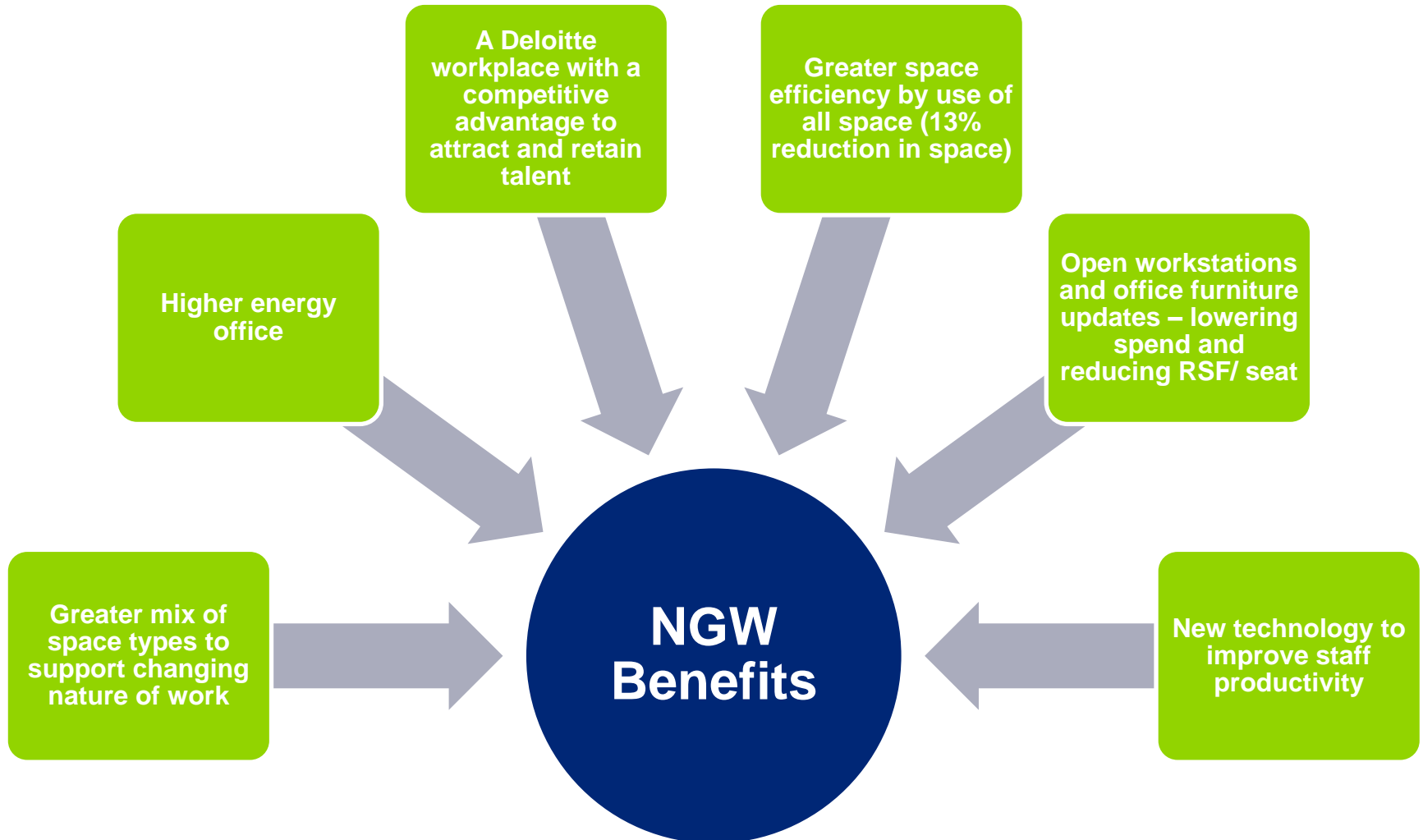
Summary of Proposed Changes

To advance Deloitte's workplace strategy to meet the needs of the 21st century workforce, the following *Next Generation Workplace WOF Enhancements* are being considered.



Case for Change

The Next Generation Workplace is projected to deliver multiple qualitative and quantitative benefits.



Deloitte.

Copyright © 2011 Deloitte Development LLC. All rights reserved.

Member of
Deloitte Touche Tohmatsu