4th Quarter 2016 - THE FUTURE OF WORK

Welcome,

RS Market Research Insights goal is to be your source for continuous learning about key market trends so you can make better informed decisions on the impact of these trends to your business.

In the Idea Economy there are stories everyday about new ways that businesses are transforming themselves and their industries. But rapidly changing industry dynamics, driven by digital transformation, are challenging leaders and businesses to capture new opportunities or minimize new threats because they can't keep up with tracking and analyzing the market shifts and assessing the implications to their business.

The Future of Work is covered in this 4Q2016 report. Send me your point of view and other feedback on The Future of Work so it can be published in the next update (inputs will be anonymous).

Thank you.
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1] Executive Summary

Three Messages:
- **"Work doesn't really work today - the better experience that customers have over workers is a hint that things aren't right." (Salesforce)**
- **"Our workplace is changing at light speed." (SAP)**
- **"Some of the most-wanted jobs today did not exist five years ago – and many jobs, we wouldn't even imagine today, will arise in the near future." (SAP)**

2] Summary of 4th Quarter 2016 Marketplace Coverage (extracts copied)

- Theme 1: Technology
  - The very technologies, such as social media and the Internet, that were supposed to spread democracy and knowledge will instead be used to mislead, to suppress and to bring out the ugliest side of humanity. (LinkedIn article about Stephen Hawking letter to the Guardian)
  - Cognitive support to combine intelligence and sentiment for a true sense-and-respond experience. (Forbes)
  - A lot of technologies and open office layouts today inhibit creativity. (Center for The Future of Work)
  - AI everywhere – the Terminator versus Alexa, Siri, Amy, and Viv. (Center for The Future of Work)
  - Two dark specters: potential job loss and catastrophic hacking incidents. (USA Today)

- ○ Data analytics, Machine Learning and Algorithms … this convergence is touted to transform the way in which we work and pave the way for enhanced user experience. (Huffington Post)
- ○ Ambient knowledge is the proactive, algorithm-driven delivery of customized information based on an employee's activities and preferences. (Gartner)
- ○ Virtual personal assistants (VPAs) will become substitutes for some employees, capable of attending meetings and taking notes. (Gartner)

- ● Theme 2: Workforce
  - ○ Sixty percent said that new graduates were not adequately prepared to work. They cited the lack of both technical and soft skills such as communication, teamwork, and punctuality. (Fast Company)
  - ○ Welcome to the Task-Marketplace Inside Your Company. (ServiceNow)
  - ○ In the US, there are more than 55 million so-called freelancers, making up about 35% of the labor force. (Forbes)
  - ○ Research communities account for about 5% of total global market research spend. (LinkedIn)
  - ○ Some of the most-wanted jobs today did not exist five years ago – and many jobs, we wouldn't even imagine today, will arise in the near future. Our workplace is changing at light speed. (SAP)
  - ○ Work "doesn't really work today" - the better experience that customers have over workers as a hint that things aren't right. (Salesforce)
  - ○ There is growing polarization of labor-market opportunities between high- and low-skill jobs. (McKinsey)

- ● Theme 3: Workspace
  - ○ The coworking industry totaled 27 million square feet of office space this spring, which is just 0.7% of the total U.S. office market, but substantial for a niche that barely existed just years ago. (MarketWatch)
  - ○ The trend among those of us who work at home is to have an office, it seems that everyone who is at the office is going to look like they are working from home on the dining room table. (TreeHugger)
  - ○ The number of organisations already integrating wearable technology into their networks has nearly doubled since 2014 – increasing from 13% to 24%. (WearableTech)

- ○ All the firms we spoke to agreed that modern offices need to be flexible enough for people to feel they can work from anywhere, not just their desks. Good office design gives people choices about where they work. (Fast Company)
- ○ More than 50 percent of employees expect to be working in a smart office in the next five years. (Dell & Intel)

3] Reed Strategies' Points of View

The Future of Work is an intriguing topic since in my opinion it's only at its infancy and includes a diversity of areas including technology (i.e. robots), workforce (i.e. freelancing), workspaces (i.e. sensors) and groups covering the topic (Industry Analysts, Consultants, Publishers, Independent Organizations, vendors, etc).

So what is the value of Reed Strategies joining the crowd? It's interesting when you look back to reflect on what you are drawn to, but don't necessarily notice when you are in the weeds. For approximately 15 years of my career, including Avaya and CSC, I have enjoyed being on teams focused on the next generation of work including market research, strategy development, and marketing (message creation and testing and new product launches):

- ● Lucent - Hosted Telephony (Application Service Provider (ASP)
- ● Avaya - Communications Enabled Business Processes (CEBP) launch
- ● Avaya - Peer to Peer Telephony (part of Nimcat M&A launch)
- ● Avaya - Next Generation Contact Center (NGCC) (part of Nortel Enterprise M&A launch)
- ● CSC - MyWorkStyle launch (first as-a-service offer from CSC)

I believe I can offer unique viewpoints based on my experiences across leading vendors, working with top industry partners, and knowledge from interactions with analysts. My value add is consolidating and summarizing the vast amount of stories and providing unique perspectives from business executives who are part of Reed Strategies Customer Advisory Community and others in my network. In addition, updates will keep you informed in a rapidly changing environment.

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Points Of View:

- The quote from a Salesforce article sums up today's work environment very well for me "Work doesn't really work today - the better experience that customers have over workers is a hint that things aren't right". To me it seems like the industry has been trying to improve "work" for a long time. I have found that vendors are typically way ahead of customer adoption. I recall my days working with experts in research labs with very cool new capabilities and launching new solutions when customers were still solving other past problems. There are countless reminders of users struggling with technology like something as simple as reaching a customer service representative. One analyst once pointed out to me that adoption is more about culture and process change than the technology itself.
    - Knowing we need to consider people, process, and technology aspects of work, we need to focus more on improving the user experience which will lead to more collaboration and improved productivity.
- A quote from an article from SAP sums up most viewpoints "Our workplace is changing at light speed". From a people perspective, how and where we do work is changing as evidenced by the growth in freelancers (from Forbes article - In the US, there are more than 55 million so-called freelancers, making up about 35% of the labor force). EY highlights the broader implication that "the disruption of work will unbundle jobs into tasks, with each task performed in the most efficient manner". From a technology perspective, automation is a big topic of discussion and how it is already changing work (i.e. virtual assistants) and how it will support or replace humans. From a workspace perspective, smart offices (sensors) are growing rapidly but Kevin Benedict highlights in a Future of Work Community article "Technology has reached the tipping point for me, it's moved from a help to a hindrance. A lot of technologies and open office layouts today inhibit creativity".
    - So we all know, change is inevitable. Success will come from adapting and continuous learning. A competitive edge will come from speed and agility where constant reinvention will provide unique value in our changing world.
- So what will the future of work look look like? There are a lot of ideas with most aligning with a quote from SAP "Some of the most-wanted jobs today did not exist five years ago – and many jobs, we wouldn't even imagine today, will arise in the near future". Stephen Hawking's recent note to the Guardian really makes me pause and think about the choices we will need to make, "The very technologies, such as social media and the internet, that were supposed to spread democracy and knowledge will instead be used to mislead, to suppress and to bring out the ugliest side of humanity."

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- ○ It seems that right vs. wrong was a lot more straightforward years ago but today there are so many polarized views. I am going to continue to hope that leaders will make decisions that benefit all and move us forward while respecting diversity. PwC highlights three different work models in the future "Large corporates turning into mini-states and taking on a prominent role in society, specialization creating the rise of collaborative networks, and the social and environmental agenda forcing fundamental changes to business strategy". The community based collaborative network model is already showing signs of growth and provides significant value.

4] Reed Strategies' Customer Advisory Community Perspectives

- ● The future of work will increasingly demand accessing content and data anywhere, anytime on any device in a seamless integrated way that is fast and reliable. This will soon become table stakes for companies recruiting young professionals who expect nothing less. The ability to work virtual is bound to increase as well. As more and more companies begin to invest in mobile collaboration products and realize the savings from not running a brick and mortar office the more working from home will become accepted. In addition, Mobility will continue to drive business productivity and efficiency while businesses finally learn how to leverage big data analytics by putting them into action for prescriptive and predictive analytics to improve business. (Marketing & Communications leader)