Reimagining the
London insurance market
in the post-pandemic world

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We welcome your feedback on any of these points. Or if you would like to discuss any other aspects of the paper and the questions and potential actions it raises, please contact:

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Introduction

"The Covid-19 pandemic has radically transformed working practices in the London insurance market, in some cases accelerating changes that companies had already instigated. All indications are that many of these changes will become permanent and require all organisations to rethink how they operate within a redefined concept of workplace."

Clare Lebecq, CEO, London Market Group

Among the numerous and still unfolding economic impacts of the Covid-19 pandemic is how it has forced businesses of many varieties to digitalise work over a very short period, and how that in turn has affected how we want to, or even must, work and live.

That has certainly been the case for the insurance industry. As customers sought to allay their concerns and reassess their coverage requirements, insurers that had already modernised and initiated digital transformation found themselves at a relative advantage, both operationally and reputationally.

Almost overnight – by most established commercial timeframes – implementing digital technologies including those that automate tasks or processes went from a 'nice to have' to a 'must have'.

Employees too have had to quickly adapt to remote ways of working and the delights of video conference calls and webinars instead of face-to-face contact. This has accelerated the transformation of the workplace – and work experience – and has had significant repercussions on how work is done. This also brings new skill demands as we adjust to a different way of working and collaborating, and this comes as skill requirements were already evolving.
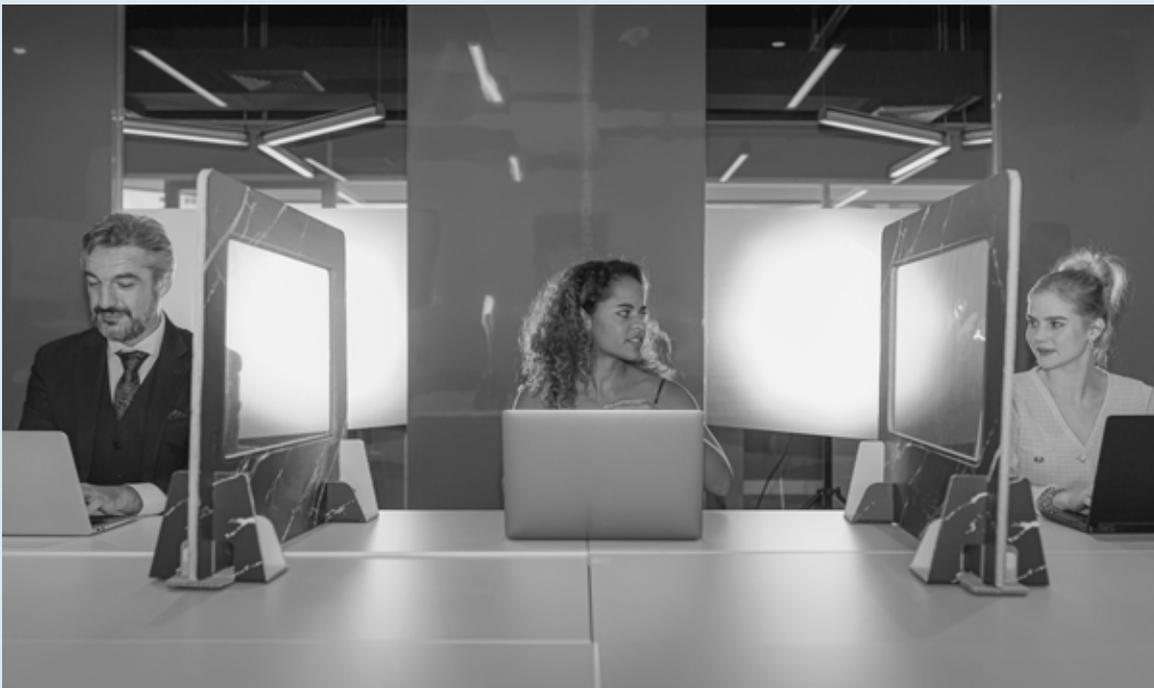
Many work tasks have needed to change in order to accommodate remote working or potential difficulties with matching employee availability to when tasks would normally be completed. Many employees had to balance work with caring for children not at school or other vulnerable family members. Some were also involved in volunteering and supporting social causes, such as helping neighbours or NHS workers.

Technology has often had to take the strain, not just in rising to the digitalisation challenge. Remote work impacted business operations on many fronts, including the need to provide computer tools and network capacity at short notice and addressing the new, and very serious, security issues posed by cyber opportunists.

The unique challenges that lockdowns posed to insurers and the way, and speed, by which businesses had to adapt, offer a valuable opportunity for reflection and discussion. As the global economy comes to terms with the pandemic and some of the events and circumstances that

have surrounded it, this is the perfect time for business leaders to reflect on what happened during lockdowns, draw important lessons on what worked and what did not, and factor those lessons in to drive positive change and improved performance in the post-pandemic world.

With this goal in mind, Willis Towers Watson partnered with the London Market Group in order to sow the seeds of a broad conversation within the London insurance market on the key lessons learned from the lockdown experience for businesses and employees, what the 'new normal' might be once the pandemic is brought under control, and how business leaders may need to adapt strategies in order to thrive in the post-pandemic 'new normal'.

To inform such a conversation we organised several focus groups with insurance market business leaders and asked them about their lockdown experiences and their views of what will enable insurers to thrive in the post-pandemic world.

Key findings

The broad consensus from these initial conversations has been that we need to 'seize the moment' as a community and push forward with a transformation agenda that will deliver greater operational efficiencies, better employee experience and broader diversity and inclusion.

More specifically, eight key themes emerged from the focus groups:

1 Reinventing work

There is now an opportunity to learn from lockdown, and to reinvent our businesses by redesigning job roles, facilitating more interactions, and creating new and compelling colleague and customer experiences. Holding on to what makes us distinctive and special, and using the experience to learn how we can leap forward with new business, trading and operating models in a 'hybrid' workplace – where some of the people work some of the time at home and some at the office – is also important.

2 Surviving vs. thriving

There was a strong feeling that we have coped well as an industry in lockdown by taking advantage of a wide range of tools, some of which have been around for a long time. But there is clearly a distinction between surviving and thriving. While "surviving" was crucial for business continuity during a time of crisis, businesses need to envision what the post-pandemic world would be like, what would be the "new normal", and how they may seize this historic opportunity to effect significant improvements across their operations and organisation.

3 The breakdown of hierarchies

Paradoxically, being remote from each other has in many ways increased awareness of our colleagues, whose particular needs and circumstances have come more to the fore. It feels as if previous hierarchies have fallen away somewhat, and there is a more personal level of connectivity. Many of us feel less guarded, working in our homes. Being remote has increased the sense of proximity, as well as the need for leaders to demonstrate their more 'human' sides when engaging with their teams.

4 Networking challenges

Connecting with people has been surprisingly easy with the proliferation of video conferencing tools. Maintaining the size and diversity of our networks has been more challenging though. Before the lockdown it was easy to have a high frequency of low and short contacts; in lockdown many of us found that we developed richer relationships but typically with fewer people. So, maintaining wide networks has become more of a challenge, particularly for younger workers.

5 Cross-functional collaboration

Lockdown has made us think (and rethink) how our organisations work – how we maintain our awareness of how everyone is feeling when we don't see each other; and how we collaborate, especially across functions, when we are less likely to run into one another. We are used to seeing our businesses first and foremost through a functional lens, with the lateral connection points overlaid. Perhaps we will need to see our business first as a collaboration between people, thinking carefully about who, how and when we come together.

6 Digital transformation and digital trading

The lockdown catalysed a change that will run in parallel to, and symbiotically with, the changes already underway in our marketplace related to digital trading. We need to rethink how new trading models, involving portfolio decision-making and digital trading, will blend with new operating models and new employee experience.

7 Culture and innovation

As we rethink these there are some things we should recognise, protect and cherish: how we build relationships; foster and protect the positive aspects of company culture; create innovation; and offer personal development. The same is true for commercial relationships; the innovation and commerciality for which the London Market is rightly famous often comes from protracted rounds of negotiation between brokers and underwriters as they hammer out a deal. These subsequent rounds were more difficult in lockdown where the parties could 'hide' behind emails or be relatively hard to connect with as our days became busier. But there are also elements of culture that we need to change and remote working is an opportunity do this, for example by enabling a more diverse workforce.

8 The danger of 'slipping back'

We need to guard against slipping back and losing the ground we have gained as a market – particularly in overcoming silos and making time to understand each other, as well as the gains we have made in efficiency and effectiveness.

We examine the eight key themes in more detail in the next section. Willis Towers Watson has also developed a 100-day 'thrive' action plan based on the key findings, which you can find on pages 18 and 19 of this paper. The plan provides a blueprint to help business leaders seize the moment and transform their companies.

1 Reinventing work

'What makes us special?' This has been the question that has often preoccupied senior executives, especially in service-based organisations.

Each organisation develops its own feel: there is something intangible but very real that we experience when working with an organisation. This is the manifestation of its culture and expresses itself in the vast number of interactions its people have externally and internally. But it can be hard to define – we largely see it in the values set out by the leadership; in the nature of the relationships that are developed; how a business comes together to plan, execute and innovate; and how it nurtures its talent and its people. We should be mindful that our business relationships all depend on trust, and it is through collaboration that we build this trust.

Furthermore, we are used to viewing a business through the lens of the organogram, but we all know that there are layers of interactions across functions that dictate how siloed a business is and how it responds to changing trends. Instead maybe we need to look at a business through a collaboration lens – how does a business bring people together, and for what purpose? Each business can (and should) develop its unique 'collaboration DNA' in which it encodes its culture and how it enacts its strategy in a 'new normal'.

"Are people only going to learn one thing and one class of business; will that prevent them from moving on in their career? The skills of a leader will have to change."

(Focus group comment)
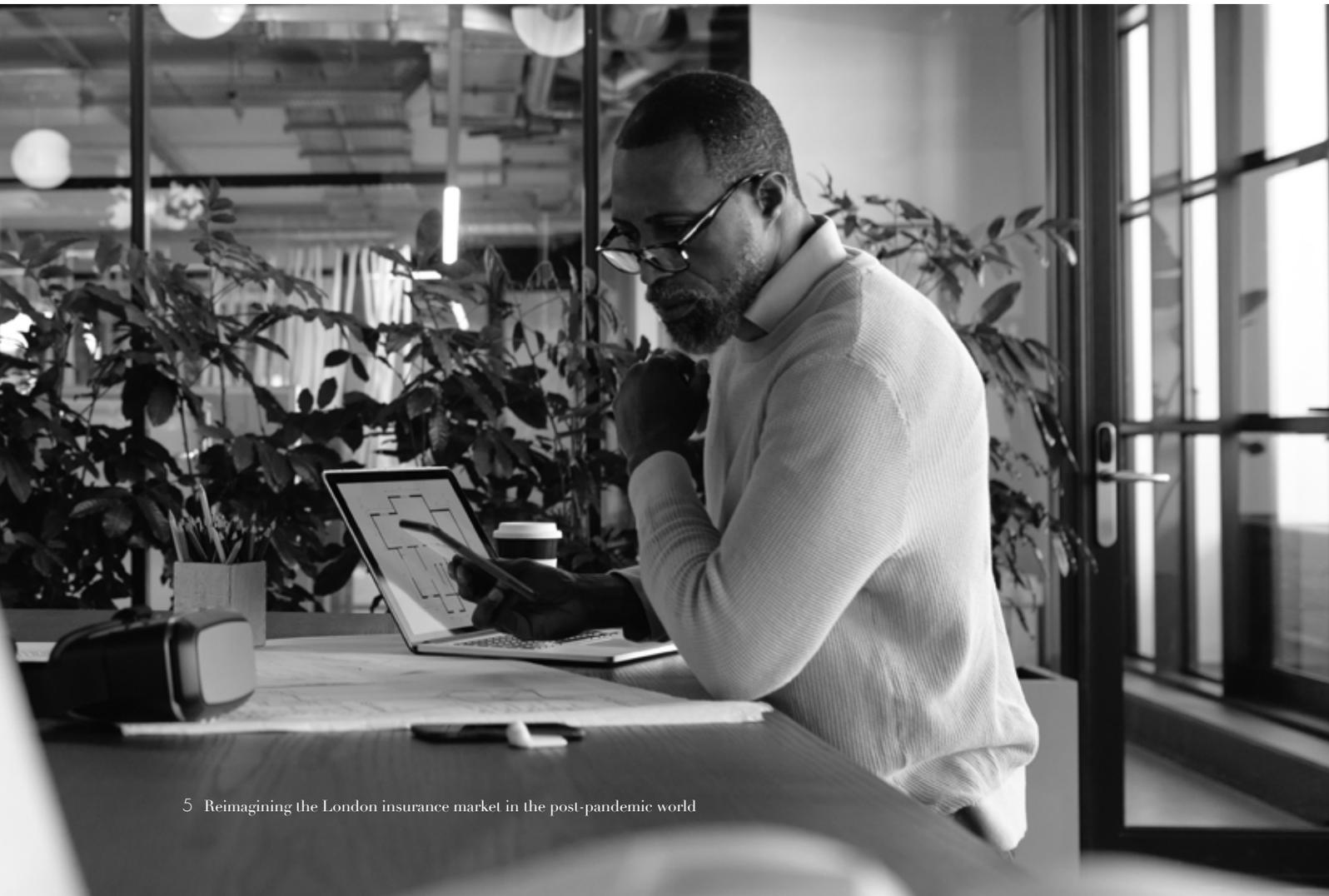
Later in this paper we set out a pro forma 100-day plan, but the key building blocks are:

1. **Redesign critical roles for a digital workplace:** Companies will benefit from identifying critical roles that were impacted by the lockdown and redesigning them.

   • Such redesign of the roles of the future is critical – especially given that the skills likely to be needed are not commonplace. Growing the future skills base means understanding what we have already, and how that aligns to our people's motivations, before developing/reshaping what we have today so that a strategy for transforming into a skills-based organisation starts to fall in to place.

   • Each critical role will have its own collaboration requirement – whether that is a senior underwriter; sales executive; or claims handler. Once this has been determined against the strategic priorities and values of the company, and assessed for how suitable that role is for remote working and factoring in employee preference, an organisation can create a unique collaboration blueprint.

2. **Reskilling employees and reskilling pathways:** The paper published by the London Market Group and KPMG recommended five key themes relating to the skills that the London Market will need in the future, and these are reinforced by the events of the last six months. These themes are shown in the diagram below.

3. **Develop a new rewards approach that attracts and retains the right talent:** Identify emerging skills and develop a rewards approach that is based on skills, starting with digital skills and digital talent. A possible way forward would be to pilot a skills-based rewards scheme and monitor talent attraction and retention. And then, based on the pilot results, expand a skills-based rewards scheme across the organisation in combination with the knowledge architecture to achieve agility, high performance, and resilience.

"We need to redesign all roles going forward. It's not a moment to step back; it's a defining moment to reimagine what we do as an organisation – even if that's difficult to do in the middle of a crisis."

(Focus group comment)

Risk partnering

Data, analytics and technology skills

Change leadership

5 KEY SKILLS

Collaboration and communication

Creativity and innovation

2 Surviving vs. thriving

Everyone was pleasantly surprised by just how quickly the market was able to function in lockdown – the investments we have made as an industry and market over the last few years paid a dividend that we couldn't have realistically foreseen. Across the board people were reporting that we came together and quickly found ways to trade with each other and look after the interests of our customers.

But employees were faced with multiple additional stresses in their daily lives, including anxiety about contracting the virus and falling sick. Finding a work/life balance became not only a matter of balancing work pressures with downtime, but also the possibility of needing to balance an infant on one's knee during a video conference call or fit in some home schooling.

Out of the uncertainty and unknown duration of the Covid-19 outbreak, resilience and agility have become two of the most strategic business goals to ensure business continuity and, in many instances, business survival.

Against this background, our ability to function, to 'survive' if you like, shouldn't be conflated with the ability of our businesses to continue to develop – to 'thrive'. Lockdown has taught us the value of coming together – to build relationships; to develop ourselves and our people; to innovate; and to strategically plan and execute.

And it is through these dimensions that we establish and nurture our distinctive corporate cultures with that more positive outcome in mind.

"Zoom hangouts and online quizzes had their moment in the early phase of lockdown, but enthusiasm for ever more screen time has long since waned. One person's flexibility is another person's 17-hour day, particularly over different global time zones."

(Focus group comment)

3 The breakdown of hierarchies

The new ways of working have often enhanced personal connections between colleagues, and between employers and their employees.

Much of this is down to the psychology and experience of Zoom calls – the intimacy of working from home and seeing colleagues (and leaders) dressed casually in their homes too. In the process, we have encountered the emerging 'Zoom protocols', such as navigating when is it right to turn the camera off.

As well as promoting a sense of a less hierarchical way of communicating, it has given us a more agile way of getting people together.

"People demand a more emotionally engaged leader – very personal questions are asked a lot quicker. Has the unwritten contract changed between everyone?"

(Focus group comment)

4 Networking challenges
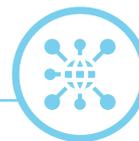
The physical world offers opportunities for ad hoc meetings that the digital world does not.

Connecting with people may have been surprisingly easy with the proliferation of video conferencing tools but maintaining the size and diversity of our networks is more challenging. Before the lockdown, it was easy to have a high frequency of low and short contacts; in lockdown many of us found that we had developed richer relationships, but typically with fewer people.

"Networks feel smaller, the value of informal is very hard to replicate."

(Focus group comment)

"The pandemic has only reinforced the importance of relationships. People tended to fall back into their own networks, which was one of the drawbacks of virtual rather than physical."

(Focus group comment)

Maintaining wide networks has been particularly hard for younger workers who perhaps did not have enough time to refine their networking skills or have the confidence to develop a network. This situation has been compounded for new hires or employees that have had to onboard during lockdown.

These are not trivial points. A Willis Towers Watson pulse survey, published in May, of how employees were coping during lockdown showed that those who could fall back on team connections reported lower levels of distraction. Employees with better team connections were 3.5 times less likely to report moderate or strong distraction in the March/April period.

The question then is how to capture the importance of networking within organisations, particularly as previous studies have shown a tendency of people to fall back on their own networks – both inside and outside the organisation – in a predominantly digital environment. Given the importance of the physical space as a means for creative 'chance encounters' at the office, the challenge is to duplicate this experience in a digital workplace, or as a combination of digital and physical (the 'hybrid workplace'). We need to create the head space to develop a strategic engagement plan, internally as well as externally. For example, we can create connections by inviting people into our LinkedIn network and actively using LinkedIn's messaging facilities.

"Networking for younger people can be done, it just takes more effort. We need to look at training people and give more help and guidance on how to do this, including mentoring from those that are already well networked."

(Focus group comment)

5 Cross-functional collaboration

An unavoidable consequence of all the changes that have had to take place is that the employee experience is now completely different from what it was before the pandemic struck. How much does this matter given everything else that's been going on? Continuous research by Willis Towers Watson over nearly 50 years, involving nearly a quarter of a billion employees, shows that an excellent and differentiated employee experience has a significant impact on financial performance. For example, a comparison of the top 30 high-performing companies on employee experience with market indices over a 15-year period from 2002 to 2017, a $1000 investment would have returned $9,000 versus a market average return of $2,000.

Combine that with some hallmarks of those defined as high performing companies – inspiration; drive; trust; inclusion and collaboration, for example – and the relevance to a post-Covid workplace becomes clear.

This should make us think (and rethink) how our organisations work – how we maintain our awareness of how everyone is feeling when we don't see each other; and how we collaborate, especially across functions, when we are less likely to run into one another. We are used to seeing our businesses first and foremost through a functional lens, with the lateral connection points overlaid. Perhaps, going forward, we need to see our business first as a collaboration between people, thinking carefully about who, how and when we come together; and that approach might replace traditional organograms.

"Portfolio management that outperforms is due to culture; it's driven from the top and from looking at the business at different angles. This is unsustainable without getting people together."

(Focus group comment)
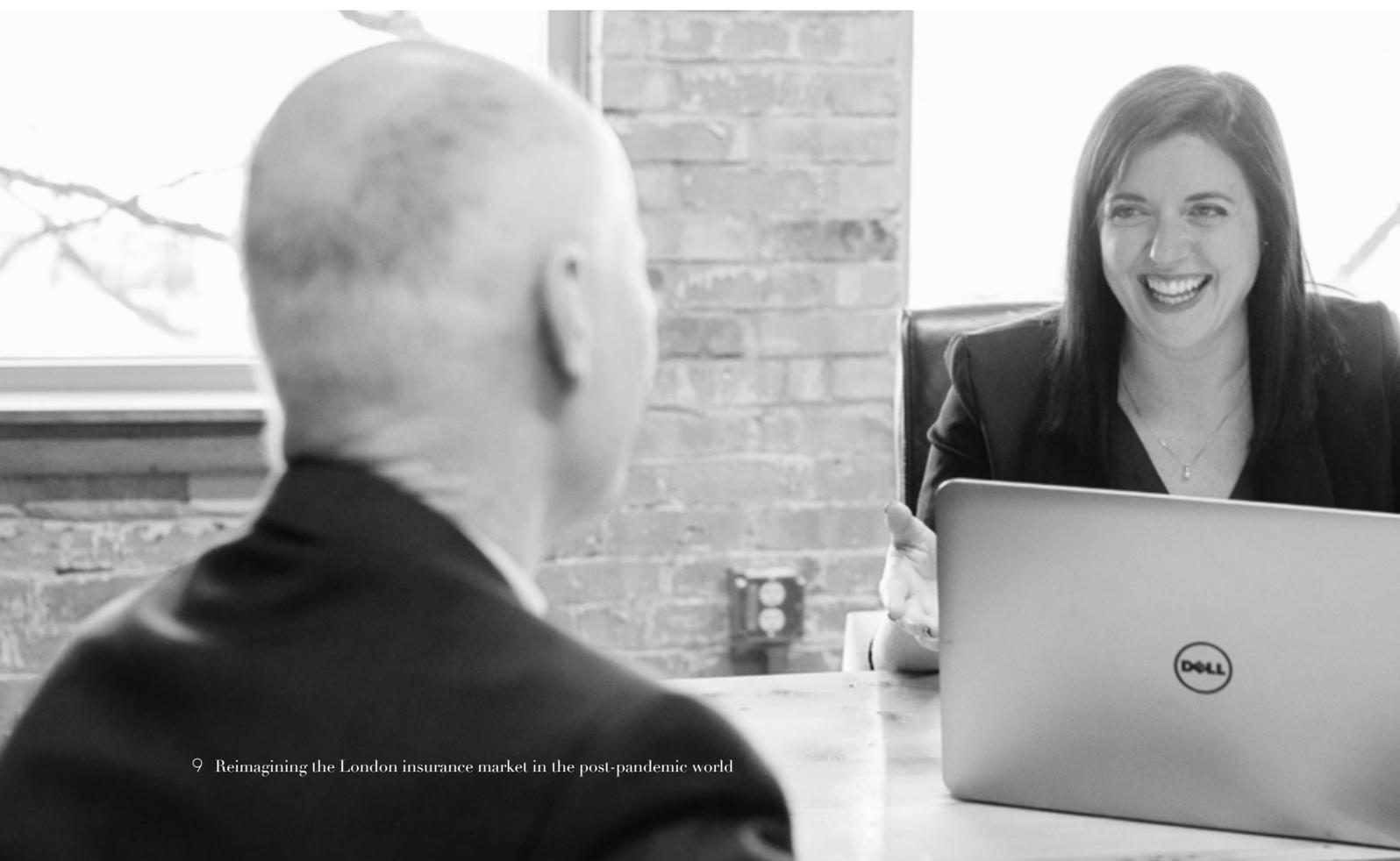
6 Digital transformation and digital trading

This research project underscores the accelerated digitalisation of the workplace that took place around lockdown. From the London Market perspective, it also shows a story of success, for the most part, in how organisations responded quickly and became more resilient and agile.

That might partly be down to the groundwork that many insurers had already been doing. London Market insurers' balance sheets have taken quite a severe hit over the past three years, not least because of a run of costly natural disasters. The increasing focus, from Lloyd's in particular, on areas such as the PPL e-Placement Platform, underwriting discipline and stronger portfolio management, has naturally focused greater attention on analytics, technology and the requisite skills to apply them.

The lockdown catalysed a change that will run in parallel to, and symbiotically with, changes already underway in our marketplace related to digital trading. We need to rethink how new trading models, with the shift towards more robust portfolio decision-making and wider digital trading, will blend with new operating models and new employee value propositions.

"The pandemic has highlighted the need for digital dexterity; there is great kit out there that we are now using properly."

(Focus group comment)

"The face to face is what the market prides itself on, and from an outsider's perspective it's what makes us unique; we need to be careful not to lose it."

(Focus group comment)

7 Culture and innovation

The pandemic has affected both the commercial nature of the London Market and expectations of its role in the broader economy.

For example, the innovation and commerciality for which the London Market is rightly famous often comes from protracted rounds of negotiation between broker and underwriters as they hammer out a deal. These subsequent rounds were more difficult in lockdown where the parties could 'hide' behind emails or be relatively hard to connect with as our days became busier.

More broadly, there are real dangers that creativity and innovation could be stifled, without some changes in approach. Academic research suggests that innovation requires a physical space, something that will need to be taken into account as businesses think of flexible ways of working in the post-pandemic world.

For example, despite being a long-time researcher and advocate of the wider benefits of working from home, Stanford University Economist Nick Bloom's research has shown that in-person collaboration is necessary for developing new ideas. Quoted in a university press release earlier this year, he said: "I fear this collapse in office face time will lead to a slump in innovation. The new ideas we are losing today could show up as fewer new products in 2021 and beyond, lowering long-run growth."[1]

But these aren't the only reasons why corporate culture and operating style are more in the spotlight as a result of Covid-19.

The 'green premium' that has resulted from reduced car usage, greater emphasis on walking and cycling and grounded aeroplane fleets has given a glimpse of what moves to a zero-carbon economy by 2050 really entails – and equally, what could potentially be achieved with a collective will.

Consequently, scrutiny of the corporate world and intolerance for 'greenwashing' is likely to become higher than ever, adding to the previously growing pressures from major investors with a strong sustainability agenda and regulatory momentum from initiatives such as the Bank of England BES climate stress test consultation and the Task Force for Climate-related Financial Disclosures. If they weren't already, ESG (Environment, Social Responsibility, Governance) considerations will need to be a core part of the corporate agenda.

"Something serious is happening here with the carbon piece – we are going to have to adapt quickly and bank the changes as we won't get this opportunity again. What might have been viewed previously as a luxury flying everywhere – in the future it will be deemed as stupid, creating that much of a carbon footprint."

(Focus group comment)

"When the industry is struggling to advertise itself to a younger audience and to promote a diverse workforce, stereotypically conservative male hobbies and the social drinking that goes along with them start to look problematic – something that was already recognised before the pandemic."

(Focus group comment)

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1. https://news.stanford.edu/2020/03/30/productivity-pitfalls-working-home-age-covid-19/

Equally, one could argue that empathy has become a more prized virtue during the pandemic. The Black Lives Matter protests, although obviously linked to terrible events that had nothing to do with impacts of the virus, are perhaps the most visible demonstration of that. Diversity and inclusion, which had already become more prominent in responsible corporate consciousness, has moved further centre stage.

But these aren't simply matters of conscience any more. Covid-19 is only going to strengthen the bonds between real action on these issues and financial performance, so the Board should be closely involved in elevating their importance in overall strategy, if it isn't already. Mandatory climate-related financial disclosures are not too far over the horizon, for example.

8 The danger of 'slipping back'

A permanent shift to a 'hybrid' model of work comes with challenges. Some staff would stay and work from home, others would come to the office, and most would do a bit of both. Companies will need to design very carefully these new ways of working, and take into account several factors, including workforce productivity and company culture. But the biggest challenge of all is that remote working requires new practices. We have witnessed these practices during the lockdown and we have experienced their limitations. To avoid the danger of 'slipping back' businesses will have to borrow pages from the remote working playbooks of companies such as GitLab, which had successfully implemented a 'hybrid' model even before the pandemic. GitLab's practises include replicating the informal chats and meetings that happen in the office, social calls and strict time rules on Zoom meetings; for example that 30-minute calls should last only 25 minutes.

We need to guard against slipping back and losing the ground we have gained as a market – particularly in overcoming silos and making time

to understand each other. We need to consolidate the gains we have made in efficiency and effectiveness.

"It is fascinating that the time we change the fastest is in the middle of a crisis. As we drop back into the new normal, with a blended working approach, we have the potential to lose the momentum of change and drift back into the old ways because it needs brokers, carriers and institutions driving the change together. It will be interesting to see how as a market we maintain momentum. If we get this right, it will encompass what the new market looks like and can better articulate the value proposition of the London Market."

(Focus group comment)

Translating the key findings into actions

As we have seen across these eight themes there is a lot to be positive about. In many ways our market has shown itself more resilient than many of us may have thought going into the pandemic and the national lockdown. But we have also seen that there are several areas where we need to be careful, both in how we run our own market and how our market serves the needs of our customers.

As we emerge from the pandemic, it is timely for the organisations that make up our market to set a clear vision for who they want to be, how they position themselves in the market, how they trade with the market, and how they might differentiate their offer to their clients and employees. The timing of our re-emergence coincides with other changes that have been at work for a quite a while, be that Future at Lloyd's, the way the City of London Corporation is rethinking the City of London, or the wave of

disruptive startups. Post-Covid we have a once-in-a-generation opportunity to re-design our businesses. If there was ever a time to seize the initiative, then it is surely now.

But how can organisations translate the key findings presented in this paper into practical actions? In the rest of this paper we will suggest three focus areas for designing for the future: employees, trading practices, and clients. We will then breakdown a set of more detailed actions for rethinking employee experience, roles, rewards and the ESG agenda, specially in how we can improve diversity and inclusion in the market. Finally, we will look at the generic, Willis Towers Watson 100-day 'thrive' action plan, which may be tailored according to company size and maturity in digital transformation. In the Appendix you may also find a few more practical ideas that focus on employee experience, how to measure it and benchmark it, and how to place it at the core of workplace transformation.

Designing for the future

We now find ourselves at an inflection point, where many organisations will make a positive choice to re-invent themselves for the future. Those decisions will be predicated on:

- **Re-designing for our people** – offering the working practices and the workspace that facilitates collaboration, innovation, relationship and personal development with a re-balancing between work and life. This will be a front on which firms compete for talent, where the collaboration model will become a reason to choose an employer. We expect that the most successful firms will be those that can clearly articulate when and how they come together, how much can be done remotely and when it is in person, it will be in office space designed for that purpose. The office will have a role – and it will be a physical representation of how that firm envisions collaboration.

- **Re-designing for the new trading practices** – which will be partially informed by the nature of intra-firm organisational collaboration above, but significantly informed by the move towards digital trading. Just as we have seen post-COVID how technology we have had for years means we can run our businesses remotely, so we can see with digital technology. The proliferation of automated programme interfaces (API's), vendors selling external data we can access via API's, and the software to analyse – all of these open up faster and more responsive trading solutions.

- **Re-designing for our clients** – with the realisation that as an industry we need to do more to look after the evolving needs of the end customer. Understanding and then addressing their problems will require the innovation that the London Market has historically provided. The right collaboration models can incubate the next generation of products and services, delivered digitally in the new trading practices.

The start of this journey is to re-design for our people, as it is through our people that we develop the new trading practices and innovate for our clients. Starting this with a clear vision of who you want to be as a business, and how you will trade, makes the process easier.

We refer you back to the first theme, "Reinventing work", where we outlined some high level considerations in re-designing roles and reskilling employees. Having a clear collaboration blueprint should be at the heart of a vision.

The road ahead

There seems little doubt that the Covid-19 pandemic will leave the insurance workplace fundamentally changed. So, what can business leaders do to embed the lessons from the pandemic from the point of view of:

- Fostering an effective digital workplace and trading platform.

- Delivering a great employee experience to a more scattered, remote-heavy workforce.

- Remaining relevant to our customers through fostering enhanced technical capability, developing a better understanding of systemic risk and our clients' changing risk landscape.

We share a few ideas here to get the conversation started.

Employee communication

A general premise of successful employee communication is to talk with (not to) your workforce, albeit the channels for that two-way communication may naturally move more to online focus groups and Town Hall meetings to create consensus around change initiatives and share plans.

Employee surveys will help with understanding what worked and what didn't during the lockdown, as well as elicit ideas for moving forward.

Redesign critical roles for a digital workplace

Companies will benefit from identifying critical roles that were impacted by the lockdown and redesigning them. Such redesign of an organisation's roles is critical to future success – especially given that the skills likely to be needed are not commonplace. Growing the future skills base means understanding what we have already, and how that aligns to our people's motivations, before developing/reshaping what we have today so that a strategy for transforming into a skills-based vs. job-based organisation starts to fall in to place. Steps to take will include:

- Develop and implement a knowledge architecture that maps skills to work rather than just a traditional job or role-based approach.

- Use the knowledge architecture to distribute tasks to a plurality of sources for work (full-timers, contractors, part-timers, consultants, etc.).

- Develop a reskilling pathways framework as part of agile transformation plans.

- Develop a new, skills-based rewards approach to improve talent attraction and retention.

Social responsibility

ESG principles and inclusion and diversity aren't simply matters of conscience any more.

Covid-19 is only going to strengthen the bonds between real action on these issues and financial performance, so the Board should be closely involved in elevating their importance in overall strategy, if it isn't already. Mandatory climate-related financial disclosures are not too far over the horizon, for example.

Execute

Companies will need to put together a change management team to oversee the execution of a strategic plan to redesign the organisation with the goals of improved employee experience, performance and operational efficiency. This team should be cross-functional, work very closely with those charged with digital transformation, and enjoy top-level executive sponsorship. It should address issues of culture, diversity and inclusion, digitalisation, employee experience, a new talent value proposition, and the human resource implications of ensuring security.

'Thrive' action plan

Based on the conversations and interactions we had with insurance business leaders during the focus groups, and given the eight key areas that these discussions indicate insurers need to address in order to thrive in the post-pandemic world, Willis Towers Watson have put together a proposal for a 100-day 'thrive' action plan to help with your execution.

The aim of this plan is to act as a basic blueprint, and a practical tool, for business leaders as they work through the best approach and strategy for 'seizing the moment' and transforming their companies. The Willis Towers Watson 100-day 'thrive' action plan may be tailored according to organisation size and digital transformation maturity.

# The Willis Towers Watson 100-day 'thrive' action plan

⟳ DAY 1:

Assign a lead executive

- Assign responsibility to an executive for pulling together a transformation plan for a 'hybrid' workplace and putting together an agile team. In larger organisations this could be a dedicated 'Head of Remote' role.

- Core expertise in the transformation team: technology, security, human resources.

- Get support and executive sponsorship at Board level.

- Ensure connectivity with existing transformation initiatives.

- The transformation to a 'hybrid' workplace plan should take into account surveys, plans and assessments that the company executed in order to adapt to the lockdown. Work already done will become one of the key inputs in the effort towards thriving in the post-pandemic era.

⚗ DAY 2-20 (PART 1):

Engage employees on new ways of flexible working

- A general premise of successful employee communication is to talk with (not to) your workforce, albeit the channels for that two-way communication may naturally rely more on virtual focus groups and Town Hall meetings to create consensus around change initiatives and share plans.

- Use established and innovative (digital, e.g. virtual focus groups) means for a two-way interaction.

- Employee listening will help with understanding what worked and what didn't during the lockdown, as well as eliciting ideas for moving forward.

- Focus questions around key drivers of employee experience – sense of purpose; connections with great people and leaders; doing great work in a thriving organisation; and individual growth opportunities and rewards (see Appendix: Placing employee experience at the core of workplace transformation).

Assign a lead executive — Day **1**

Days **2-20** (part 1) — **Engage employees on new ways of flexible working**

Assess technological enablement and identify gaps — Days **2-20** (part 2)

Days **21-50** — **Develop a framework for flexible work in a hybrid workplace**

Pilot flexible work framework — Days **51-80**

Days **81-100** — **Assess results of pilot and refine strategy for change**
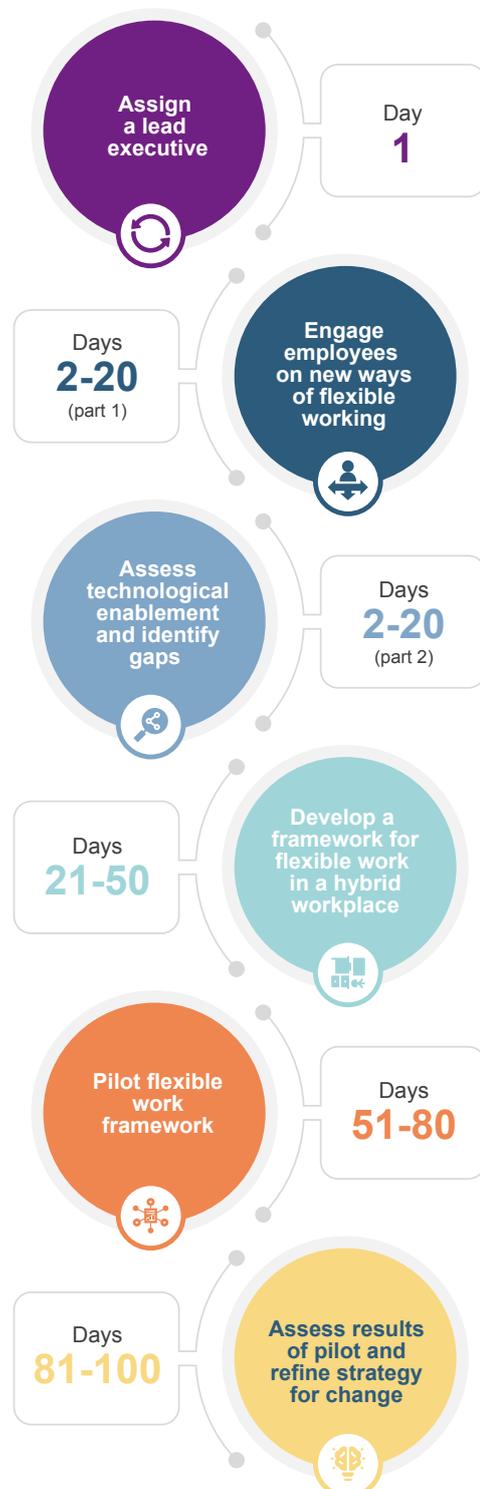
DAY 2-20 (PART 2):

Assess technological enablement and identify gaps

- Assess IT infrastructure and readiness to move forward with a large percentage of the working population working from home on a regular basis.

- Assess what additional tools are needed (e.g. digital whiteboards, collaboration tools).

- Assess what additional equipment may be needed (big screens, office chairs) and by whom (set criteria).

DAY 21-50:

Develop a framework for flexible work in a hybrid workplace

- Identify employee group(s) to pilot a flexible work framework.

- Assess the roles in these groups in terms of readiness and suitability.

- Analyse tasks in roles and redesign roles in the pilot group; define key human metrics for assessing the pilot framework (e.g. productivity, cross-functional collaboration, innovation, employee experience).

- Future-proof work in the redesign, by taking into account how the digitalisation of work, in combination with automation and artificial intelligence (AI), can drive increased efficiencies and productivity moving forward.

- Redesign work in order to align with digital operating models and deliver a new talent value proposition. For example, by removing repetitive, low-value tasks, and allowing more time for customer facing and other value-add activities, thus making a role more attractive.

- Consider how employee experience can be improved by less commuting, better work/life balance, reskilling based on personal goals, career mobility, and pay that incentivises collaboration and self-development.

- Evaluate how culture must change to make the organisation more inclusive, environmentally friendly, and socially responsible.

- Reset employee experience goals. Like any core business strategy, employee experience needs principles and goals in order to be managed.

- Develop a scorecard for assessing three levels of experience – essentials, emphasis and excellence – and for setting goals for improvement that can be adapted to greater digitalisation.

DAY 51-80:

Pilot flexible work framework

- Select a team to pilot the framework.

- Communicate with the team and get buy-in.

- Test the framework and collect constant feedback to inform key performance metrics.

DAY 81-100:

Assess results of pilot and refine strategy for change

- Assess results of the pilot by looking into performance metrics, as well as employee responses to the new way of working (see Appendix: Placing employee experience at the core of workplace transformation).

- Align strategy for workplace transformation with other ongoing transformation efforts (e.g. digitalisation, process automation).

- Present to the leadership team and Board and get buy-in for rolling out the transformation plan.

In Conclusion

As we emerge from the pandemic and the restrictions placed on society, it is clear there is an opportunity to be seized. And where London can lead the way, as it has done so many times before.

We can re-shape how our businesses work for the benefit of our clients and our people, and trade in innovative new ways.

Practical first steps will depend on the size of the business

Obviously our market has organisations of all shapes and sizes, and there are practical first steps regardless of the size of the business.

Steps for everyone – including the smallest

- Engage with your people – what do they want from their workplace going forward?

- Engage with your trading partners – how do they see how you do business changing in the future?

- What will be the critical interactions between your people in the future – both internally and externally?

- Re-think how your office space works – it is likely that the focus will move towards more structured collaboration, what changes could you make?

Considerations for larger organisations

- With scale comes the opportunity to look at the design of the business using more complex and structured approaches.

- However, it is important to be mindful that not all your trading partners can or wish to move towards radical new models – and therefore to leave scope in your blueprint for how you will engage with firms at different stages.

- The benefit of factoring this in means bigger firms will continue to be able to avail themselves of the new ideas that frequently emerge disproportionately from the smaller organisations.

The importance of a vision

Regardless of size of business, having a vision of how the market will evolve and how your business fits into it will be essential.

A vision serves two purposes. Firstly, it informs how you communicate who you are as a business. It helps inform your clients why they should choose you based on how you can bring the latest innovations to them. And it helps inform your people why they should choose your organisation as a place to grow and be nurtured.

Secondly, it is a useful touchstone when it comes to deciding strategic plans or indeed everyday decision making. Every decision can be assessed against whether it moves your business towards its vision. When your people understand the vision as well as your senior executive, then decisions and actions becoming increasingly aligned. When this happens a business can be said to be "flying in formation".

We hope this paper has been useful in understanding what we can change and what we need to protect, and in providing some practical steps any organisation can take.

Appendix: Placing employee experience at the core of workplace transformation

Research by *Willis Towers Watson* has established a strong link between employee experience and company performance. Based on analysis of employee survey data from 500 companies and nearly 10 million employees, it was shown that companies that deliver great employee experience outperform their peers by 4% over a 3-year period. The opposite is also true, with poor employee experience resulting to a -3% loss in gross profit margin over the same period.

Based on this research *Willis Towers Watson* has developed a framework for 'High Performance Employee Experience' (HPEX) to help our clients understand the areas where they need to focus in order to deliver a great workplace (see diagram below). These areas are organised around four main EX pillars: Purpose; Work; Reward; and People.

Resetting employee experience goals

Like any core business strategy, employee experience needs principles and goals in order to be managed. The HPEX framework provides a scorecard for assessing three levels of experience – essentials, emphasis and excellence – and setting goals for improvement that can be adapted to greater digitalisation. Clients use the HPEX framework in order to focus operations and strategy around key drivers of employee experience, such as sense of purpose; connections with inspiring, trustworthy people and leaders; doing great work in a thriving organisation; and individual growth opportunities and rewards.

Redesigning critical roles for a digital workplace

Reimagining a digital workplace requires the reinvention of jobs. *Willis Towers Watson* works with clients around the world by applying our Future of Work methodology in the analysis of roles, their deconstruction into tasks, and their redesign in order to maximise operational efficiency, successfully adopt automation technologies, and deliver great employee experience. Reinvention of work at a scale is aided by advanced, proprietary AI tools – such as WorkVue and SkillsVue – that use AI to recommend reinvented roles and predict the type and cost of future skills. Once work is reinvented, *Willis Towers Watson* works with clients to map skills to work, and thus define the reskilling pathways that employees should follow in order to continuously adapt and thrive in a dynamically changing work environment.

HPEX SCORECARD

		Purpose	Work	Reward	People
Excellence	How to excel	Inspiration	Drive	Growth	Trust
Emphasis	How to get ahead	Inclusion	Voice	Capability	Collaboration
Essentials	Basics all companies need to get right	Understanding	Organisation	Fair Pay	Support

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