

Profitable Alternative Work Programs

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WELCOME!

- ◆ Speaker Introductions
- ◆ Participant Introductions

AGENDA / LEARNING OBJECTIVES

Define AWP

Define PROFITABILITY

How To:

1. Use Metrics = Profitability
2. Gain Middle Manager Support
3. Use Communication Model

We'll have Q&A at end of session.

OUR ASSUMPTIONS

- ◆ AWP's are good.
- ◆ AWP benefits are known.
- ◆ Ready for action!

Definitions: AWP

Basic AWP Types

- ◆ **Telework** (e.g., Telecommuting, Remote Work)
 - Full-time, part-time, situational
- ◆ **Compressed Workweek**
 - Work extended day for a shortened work week
- ◆ **Flexible Schedules**
 - Work at non-peak hours

Flexible Scheduling Options

- ◆ Compressed Workweek
- ◆ Shifted Workday
- ◆ Split Workday
- ◆ Day-of-the-Week Flex
- ◆ Partial Telework Days

The Best Program May be a **Mix**

- ◆ Increase participation & outcomes.
- ◆ Increased effort is limited.
- ◆ More likely to meet biz needs.

CASE STUDIES:

Mixed Programs in Action

- ◆ **University of California Santa Barbara**
 - Telework, Compressed Workweeks
- ◆ **INCA Engineering**
 - Telework, Remote Collaboration
- ◆ **Marriott International**
 - Telework, CWW's, Flexible Schedules

Definitions: PROFITABILITY

What does it mean for an
AWP to be **PROFITABLE**?

ROI Demonstrates Profitability

Profitability:
Ability to generate
net income on
a consistent basis.

Return On Investment:
The ratio of the net
income to the average
capital employed.

AWP ROI = Cost of Program – Income of Program

Income = *OH Savings *Retention *Productivity

CASE STUDY

Telework Supports Northrop Grumman's Business

◆ **SITUATION:**

- Competition for employees
- Traffic worsening
- Long-term construction
- High turnover
- Compensation key to retention

◆ **SOLUTION:**

- Formal telework program
- Remote access IT system
- Thorough communication model

ACTIVITY:

How Do AWP's Support YOUR Business Goals?

◆ **Small Group Discussion**

- What current business issues could be addressed with your current or prospective AWP program?
- What proactive business outcomes would you like your AWP to deliver?

#1

Use Metrics to Design a Profitable AWP

ROI IS DEMONSTRATED WITH
PROGRAM METRICS

A. Metrics Generate **Returns**

- ◆ Metrics are **linked** to bottom-line goals.
- ◆ **Specific** to each organization.
- ◆ Encourage formal, **committed** sources of funding and support in org culture.

CASE STUDY

Teleworking at HP

Business Goals	Metrics	Result
Retain key employees	Decrease in turnover	Engr, Mktg, and Finance turnover reduced 43%
Increase the efficiency of product line development	Increase cycle time of new product introductions Increase production capacity	NPI capacity increased from 21 to 24 per month Production capacity increased 120k units per month

B. Metrics Get **Buy In**

EXECUTIVES

MANAGERS

EMPLOYEES

Tailor Metrics to Stakeholders

Stakeholder	Biz Goal	Metric(s)
Teleworker	Work/Life Balance	Pre and post employee opinion surveys
Manager	Higher productivity	Increased effort Reduced absenteeism
Facilities	Office-Space Costs	Reduced operational and/or space costs
HR	Retain top talent	# of folks leaving the company
IT	Get more visibility for IT issues	Amount of monies dedicated to IT arenas
Executive	ALL OF ABOVE	Any metric benefiting bottom line

CASE STUDY

Getting Executive Buy-In With Real-Estate Savings

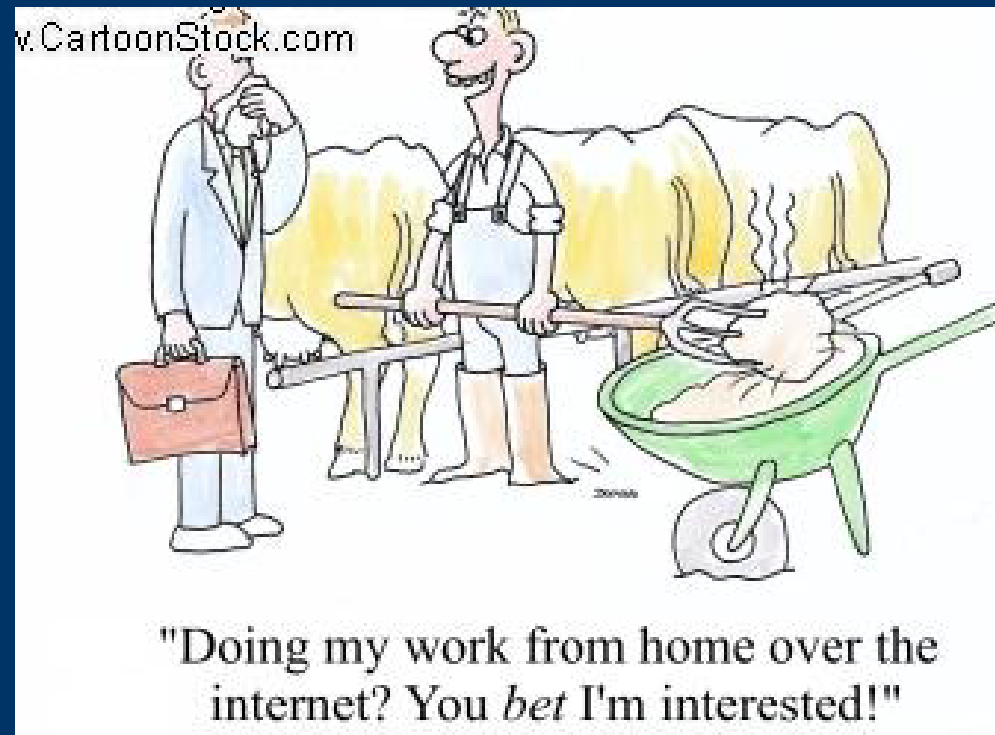
Telework Details	Part-Time Telework	Full-Time Telework	Reduced Office Space
Number of telework days per week	2 - 3	5	2-3
Number of employees per office	2	0	1
Office space employee savings	\$3,090	\$6,180	\$2,472
Setup & Support Costs	\$1460	\$1780	\$1460
Ongoing savings per employee	\$2,730	\$6,180	\$2,112

C. Metrics Must Be **Specific**

- ◆ What's important to *YOUR* organization?
- ◆ What numbers do you already track?

Examples of **Tangible** Metrics

- ◆ Employee Retention & Recruiting
- ◆ Real-Estate
- ◆ Overhead Costs
- ◆ Productivity



Examples of **Intangible** Metrics

- ◆ “Best Company” Lists
- ◆ “Good Citizen” Status
- ◆ Employee Morale
- ◆ Employee Effort

CASE STUDIES: Choosing Metrics

- ◆ UCSB
- ◆ TAC Engineering
- ◆ LUMEDX
- ◆ Inova Health
- ◆ Kaiser Permanente
- ◆ City of Santa Barbara
- ◆ Marriott International

ACTIVITY: Choosing Metrics

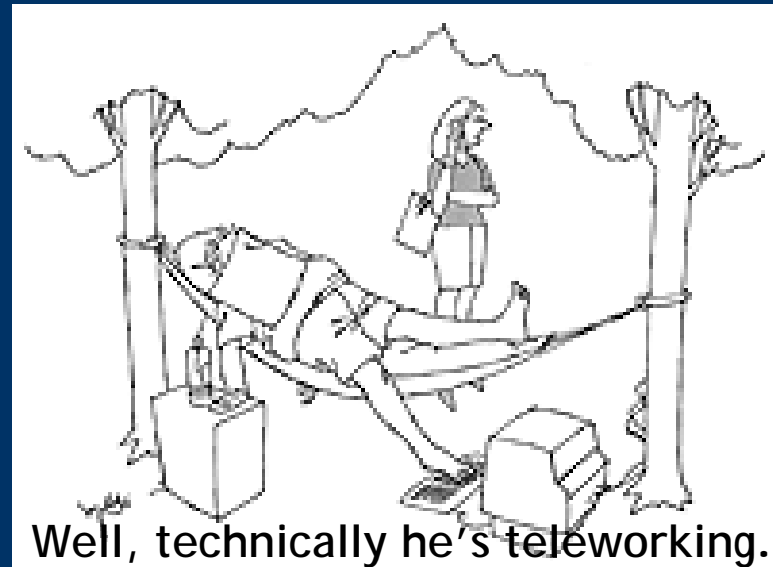
- ◆ Work on your own or with others
- ◆ Getting Buy-in Worksheet
- ◆ Share a few ideas with full group

#2

Gain Middle Manager Support

#1 Managerial Concern: How Do I know They're Working?

- ◆ Metrics Give Managers Control:
 - Prove Employees are Working
 - Ensure Suitable Job Tasks
 - Support Workgroup Success



#2 Managerial Concern: How Do I Stay In Control?

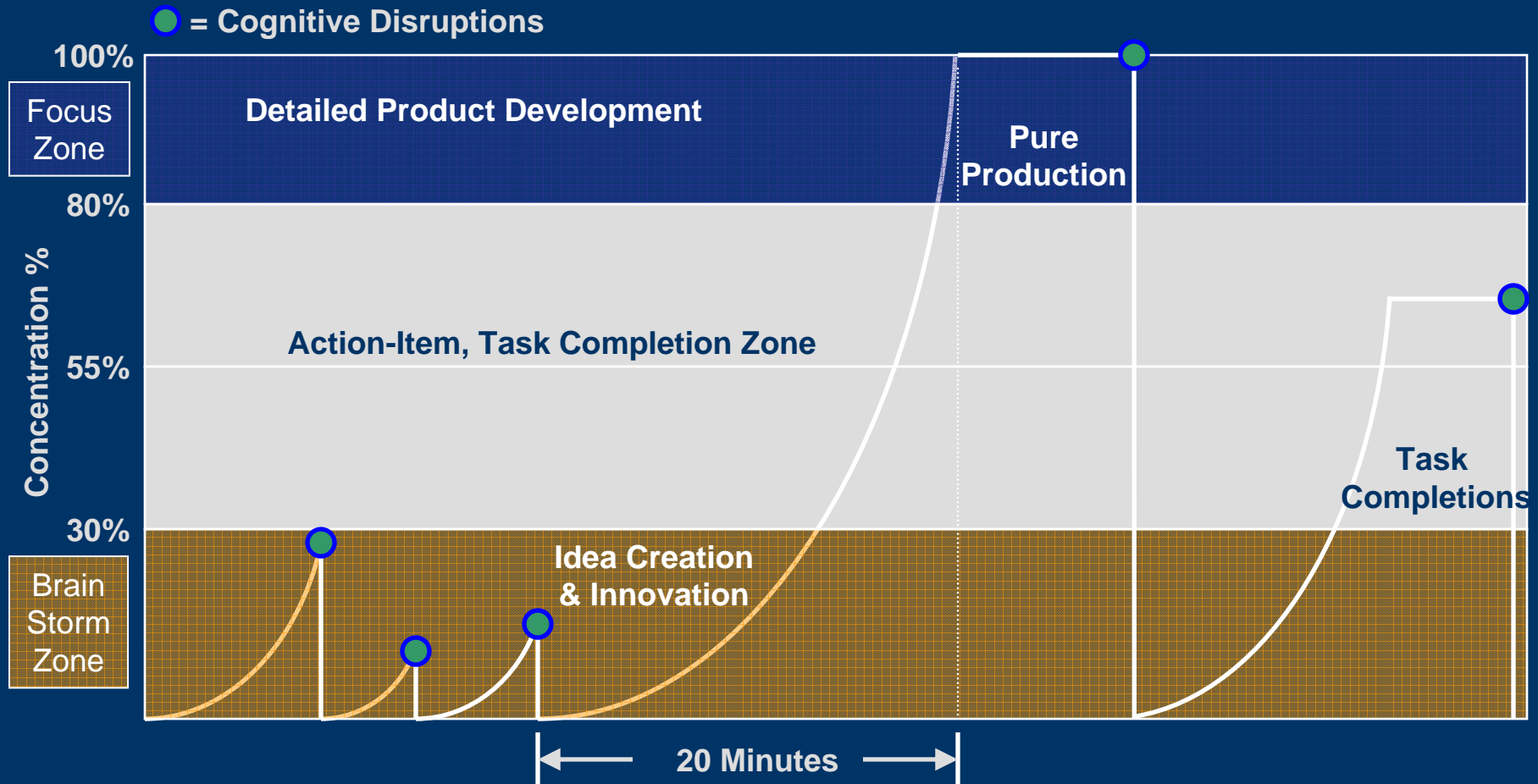
- ◆ **Implement a FORMAL Program**
 - Need Employee Contract & Suitability
 - New Management Process & Skills
 - Communicate & Include Entire WorkTeam

#3 Managerial Concern: What About Workgroup Cohesion?

- ◆ Monitor Performance with Metrics
- ◆ Consider Job Task/Collaboration Need
- ◆ Define Core Hours
- ◆ Improve Scheduling



Brainstorming vs. Productive Work



- 20 minutes of uninterrupted focus is required to reach peak concentration
- Cognitive disruptions include any external factors that cause a new train of thought
- Mid-level action-items and tasks can be completed in in moderately disruptive environments

Technology Choices for Workgroup Cohesion

- ◆ Different Tasks = Different Technologies
 - Brainstorming
 - Mid-level Task Completion
 - Production-Oriented Tasks
- ◆ Four Levels of Remote Collaboration
 - Web-based email and remote access
 - Phone-based
 - Web-based
 - Video-based

CASE STUDY: Creating a Profitable Collaborative Environment

- ◆ Abacus Engineering:
 - Determined which meetings involved which of the 3 collaboration modes
 - Matched technology to collaboration mode
 - Reduced air-travel by over 20%
 - Improved customer response time
 - Increased employee satisfaction
 - Reduced overall number of in-person meetings

#3

Use a Communication Model that Supports Profitability

Effective AWP Communication

- ◆ Communicate to ALL Stakeholders
- ◆ Define the “AWP Message”
- ◆ Identify Methods & Opportunities
- ◆ Create a Communication Schedule

Phase 1: Investigation

- ◆ **The "AWP Message":**
 - Goals
 - Investigation Process
 - Timeline / Decision Method
- ◆ **Methods for Communicating:**
 - All Employees
 - Reiterate Investigation
- ◆ **Communication Schedule:**
 - PRIOR to Collecting Data
 - Report Results to ALL Employees

Phase 2: Design

- ◆ **The “AWP Message”:**
 - Pilot vs. Full Rollout
 - Program Info
 - Tools & Support
- ◆ **Methods for Communicating:**
 - All Employees
 - Messages from Executives
 - Messages from Managers
- ◆ **Communication Schedule:**
 - Multiple Channels
 - AWP Portal

Phase 3: Implementation

- ◆ **The "AWP Message":**
 - Schedule
 - Eligibility
 - Ongoing Metrics
- ◆ **Methods for Communicating:**
 - All Employees
 - Messages from Executives
 - Messages from Managers
- ◆ **Communication Schedule:**
 - Direct Managers
 - AWP Portal

Phase 4: Support and Growth

- ◆ **The “AWP Message”:**
 - Program Success
 - Describe Participants
- ◆ **Methods for Communicating:**
 - Periodic
- ◆ **Communication Schedule:**
 - AWP Portal

Workshop Wrap Up

◆ **PROFITABLE** AWWPs:

- Right Mix
- Metrics
- Formal Program
- Communication

Q&A

- ◆ Questions for You...
- ◆ Questions for Us?

THANK YOU!

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