Point of View

Perfecting the Pivot Series: Changing workforce

Pivoting Around People

Architecture, Engineering and Construction (AEC) firms can't deliver extraordinary client experiences and results unless they first deliver great employee experiences. In December 2013, Forbes Magazine contributor Josh Bersin published "The Year of the Employee: Predictions for Talent, Leadership, and HR Technology in 2014" in which he quoted senior HR executives as saying, "The talent war is over. The talent won," and "Our employees are no longer looking for a career, they're looking for an experience." The quickly morphing nature of the professional AEC workforce makes delivering a successful employee experience a daunting challenge. As employee demographics migrate across multiple generations and the expectations of the most talented candidates shift sharply, our firms must anticipate, adapt and pivot to match the market.

A pivot, in business terms, is a rapid, significant and successful change of strategy – sometimes the shift is in the form of a fluid course adjustment and sometimes it is a radical new direction. The sporting world provides rich metaphors for the pivot. To turn a baseball double play, for instance, a second baseman has to field the ball, make the play at second base, pivot and throw to first to complete the second out. That's a lot of anticipating, acting, adapting, and pivoting in order to succeed in a complex environment with little time to spare. Does that environment sound familiar to you? The best AEC firms are pivot-ready.

On February 27, 2014, Avanade hosted a webinar panel discussion for AEC leaders titled "Perfecting the Pivot" held in conjunction with Engineering News-Record, FMI Consulting, Microsoft and Creative Growth Group[1]. You can view the recorded webinar on-demand here. This document is the third in a series of four Executive Briefs emerging from that conversation and designed to help AEC firms perfect their ability to pivot especially through the use of technology.

Four trends are forcing AEC firms to shift strategies and tactics at a far greater pace than ever before. The four imperatives are:

1. Agile Adaptation: This is a firm management and cultural imperative demanding an environment of measurement, transparency, and rapid, fact-based decision-making.

2. Client Expansion: This is a revenue imperative based on the relentless pressure to grow existing client relationships and new client revenue in a marketplace defined by perceived scarcity.

3. Changing Workforce: This is a people imperative linked to the disruption occurring due to a radically changing, multi-generational workforce increasingly dominated by the Millennial Generation of workers who are extremely tech savvy.

4. Collaborative Execution: This is an execution imperative driven by a tsunami of collaboration technologies and by rising corporate interdependencies that are shifting how we work with colleagues and clients.

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This Avanade Executive Brief addresses the third of the four Pivot Imperatives: Changing Workforce.

The Changing Workforce Imperative

Three interconnected AEC employee trends are at the heart of the changing workforce pivot imperative: 1) the rise of the millennial generation, 2) the increase in technology savvy employees without sufficient leadership experience, and 3) the resulting skills and expectations mismatch.

The Rise of the Millenials:

During Avanade's Perfecting the Pivot webinar, Rusty Sherwood – Senior Consultant with the FMI Center for Strategic Leadership – shared these observations about workplace demographics, "AEC firm leaders must intentionally put their organizations in position to leverage the Millenial workforce which will outnumber the Baby Boomers by 22 million by the year 2030. That's not just a wake up call about the talent that we need to attract and retain but also about the future buyers to whom AEC firms will be selling services as Millenials increase in our prospect and client populations too."

Technology Talents And Tools:

Technology competence is now a prerequisite for success in the AEC industry and, fortunately, the rising Millennial talent comes well-equipped – having been raised on digital communication. That's not to say that the new wave of talent won't also be tackling a new set of technologies.

Steve Jones of McGraw-Hill Construction – one of the Perfecting the Pivot webinar panelists – said, "There is a quantum leap occurring in the information that AEC executives will have to deal with. In addition to the current 'Internet of People,' we are about to witness the massive growth of the 'Internet of Things.' Millennials need to learn how to lead in a world where billions of objects will be connected through the web and interacting to get business done."

Rusty Sherwood of FMI commented, "A torrent of technological change means that a different kind of worker is required. Increasingly, firms need to demonstrate their commitment to the best technology to attract the best people." Another Perfecting the Pivot panelist, Jason Burns, VP/CIO of Hunter Roberts Construction, provided examples of how his firm is investing in technologies that match the Millennials' needs: "We've focused on how to make things easier like creating a single pane of glass for both Outlook and SharePoint to operate within same frame in the same place so that you are not moving around to do file and email management. We're transitioning to a tablet based system with a full blown Microsoft OS and better data analytics delivered in a way that moves readily between environments for younger staff. Because the new workforce is more likely to text than to phone, we've implemented better integrated communications systems that not only do phone but also text, instant messaging, file sharing, and collaborative online, video meetings."

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Skills and Expectations Mismatch

Still, there remains a broad crevasse between handling always-on technology and managing always-on leadership and client relationship responsibility. So, the AEC market is experiencing a large thrust of tech savvy talent that is not ready to lead at the same time that executive leadership of AEC firms lack solid succession plans. There is, too, a mismatch between how younger employees learn and the way the current set of senior professionals develop the next generation of talent. If that's not enough, there's a pending disconnect between the career path expectations of incoming talent and the lingering realities of economic malaise.

As the talent supply gap widens between Baby Boomers leaving the AEC workforce and Millenials entering it, firms must develop new ways to ramp up the Millennials faster. Karen McAteer, Business Solutions Advisor with Avanade and a Perfecting the

Pivot panelist, is seeing firms invest in overcoming this challenge. "On a very large Microsoft Dynamics AX assignment we completed recently for a construction and engineering firm, the key driver was weaving in a new HR talent solution," McAteer said. "That included recruiting, benefits and project management components but also a talent management system that empowers workers so they can personally manage their professional CV or resume and build their own career development plans and position themselves to be staffed on stretch assignments."

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Another Perfecting the Pivot panelist, Ted Maulucci – CIO of Tridel Corporation - put a strong summary cap on the conversation. He said, "Companies that fail to respond to these changes and do not succeed in redefining their employee value proposition will fail to attract, retain or develop talent effectively."

Pivot-Ready Technology For Your Changing Workforce

Technology used to play a supporting, follow-on role to strategy, people and process. Today instead, the power of new technology precedes and informs corporate strategy and drives people and process. You can either anticipate or react to the rate of technological change. There is little in between. It is in your best interest to prepare to pivot well ahead of your need to do so by equipping your firm with the right supporting technologies and the best expert advisors to implement them.
The right human capital technologies, in particular, will allow you to most efficiently shift direction and support scaling without derailing.
We have intentionally crafted Avanade's pivot-ready service offerings and the Microsoft Dynamics AX and CRM systems that we implement to enable maximum agility for firms like yours. Our commitment to provoke your thinking on issues such as the changing workforce is an example of our dedication to AEC industry success. Stay tuned for our final Avanade Executive Briefs on Perfecting the Pivot. In the meantime, consider this question: How pivot-ready are you? Contact Avanade's AEC technology experts for a Pivot-ready Assessment and we will help you find the solution.

1 The webinar, "Perfecting the Pivot: How AEC Firms Can Gain Agility through Innovative Technology and What Happens When They Don't" occurred on Thursday, February 27, 2014.

About Avanade

Avanade helps customers realize results in a digital world through business technology solutions and managed services that combine insight, innovation and expertise focused on Microsoft® technologies. Our people have helped thousands of organizations in all industries improve business agility, employee productivity and customer loyalty. Avanade combines the collective business, technical and industry expertise of its worldwide network of experts with the rigor of an industrialized delivery model to provide high quality solutions using proven and emerging technologies with flexible deployment models–on premises, cloud-based or outsourced. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture LLP and Microsoft Corporation and has 20,000 professionals in more than 20 countries. Additional information can be found at www.avanade.com

North America
Seattle
Phone +1 206 239 5600
America@avanade.com

South America
Sao Paulo
Phone +55 (11) 5188 3000
LatinAmerica@avanade.com

Africa
Pretoria
Phone +27 12 622 4400
SouthAfrica@avanade.com

Asia-Pacific
Singapore
Phone +65 6592 2133
AsiaPac@avanade.com

Europe
London
Phone +44 0 20 7025 1000
Europe@avanade.com