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Organizations are Failing to Deliver on Workplace Promises and Risking Millions in Lost Revenue, New Research Says

Most companies are talking the talk but not walking the walk when it comes to giving employees the tools and technology to thrive in today's post-pandemic world according to Avanade, a market leader in workplace solutions.

LONDON; May 4, 2022— While 83% of companies in the post-pandemic era are confident they have found the right balance in terms of people-first work models like hybrid or remote working, the reality is different altogether – according to Avanade's global research of 2,100 business leaders in 15 countries.

Almost everyone Avanade spoke to (98%) said that their business was taking steps to improve their employees' workplace experience. Furthermore, 85% also claimed their business had embraced (or piloted) hybrid or remote working. In reality, though, workers are being let down by a lack of technology, security and flexibility, according to the survey respondents:

- 60% said they have not provided their employees with genuine choice about when or where they work
- 62% said they were yet to enable employees to more easily access the tools and applications they need to work seamlessly from anywhere
- 61% have not adopted cloud-based platforms for knowledge sharing
- 55% do not have a security model that enables all employees to work securely wherever they're based

Not delivering on their promises, could be costing companies millions of dollars, according to the research, with respondents estimating an average 6.7% growth from successfully implemented workplace experience programs (driven by a partnership between IT, HR and business leaders) over the last year. Based on the participant company revenues, Avanade calculates the growth opportunity could range from \$37 million to \$6.5 billion USD.

In addition to the financial rewards, Avanade's research also showed that organizations have been embracing broader, more progressive workplace experience strategies in the last 12 months, and have generated significant other benefits, both for their people and their business, including:

• 6.83% average overall productivity improvement

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- 6.7% average increase in employee retention
- 6.92% average increase in customer satisfaction scores
- 6.48% average rise in stock market valuation
- 6.34% average reduction in costs

Over the long-term, 72% of the workplace experience top performers felt their organizations were prepared for the future of work, compared with only 33% of bottom performers. Similarly, 91% of top performers are confident that their company has already achieved the right hybrid work approach, compared with just half of those trailing behind.

"The signal from our research is loud and clear," said Veit Siegenheim, Avanade's Modern Workplace lead. "Taking a holistic approach to the workplace experience is critical and benefits both businesses and their most important asset—their employees. The longer leaders delay taking action, the further they'll fall behind and risk losing out, financially and in the war for talent."

The full report is available for download <u>here</u>.

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About the Research

Avanade commissioned independent market research agency Vanson Bourne to conduct research into workplace experience between October 2021 and January 2022.

The study surveyed 2,100 global senior decision-makers from IT, lines of business and HR/training. Respondents were from organizations in a range of sectors, but a focus was placed upon financial services, healthcare, manufacturing and retail. The organizations needed to have 1,000 or more employees and have more than \$500 million global annual revenue.

All interviews were conducted using a rigorous multilevel screening process to ensure that only suitable candidates were given the opportunity to participate.

Countries included: US, Canada, France, Germany, Spain, Italy, UK, Nordics (Denmark, Sweden, Finland and Norway), Netherlands, Japan, Australia and Brazil.

Revenue growth potential calculation:

Participants were asked to indicate their organization's revenue from a scale ranging from \$500 to >\$50b USD. The midpoint for each respondent's indication was used as the basis of the calculation (e.g., If a respondent chose \$5b-\$10b, \$7.5b was used).

Similarly, respondents were asked to indicate, on a scale, what impact on revenue they estimated their organization's workplace programs had had over the previous 12 months. Again, the midpoint of each respondent's indication was used to make the calculation.

About Avanade

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 56,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers.



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We have been jointly recognized with our parent company, Accenture, as Microsoft's Global SI Partner of the Year more than any other company. With the most Microsoft certifications (60,000+) and 18 (out of 18) Gold-level Microsoft competencies, we are uniquely positioned to help businesses grow and solve their toughest challenges.

We are a people first company, committed to providing an inclusive workplace where employees feel comfortable being their authentic selves. As a responsible business, we are building a sustainable world and helping young people from underrepresented communities fulfill their potential.

Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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