

Thrive! in Future

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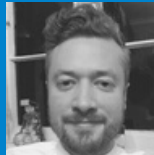
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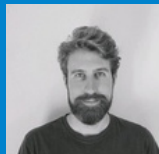
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#01

Gearing up for Growth

What needs to be done to benefit from expansion?

“Outperformers consistently show “decisive strategic leadership”, with 85% citing leadership as critical to business performance.”

[IBM's CEO Study, 2021]

As we head into 2022 and the dust settles, growth is again becoming the priority. Though the focus has shifted to expansion, over the next 12-24 months, organisations will have to navigate multiple issues, from hybrid working, to the great resignation, and supply chain shortages.

Alongside this, they'll be overseeing the digital transformation, to ensure they maximise the benefits out of the technology they've already invested in. To smoothly transition, the culture must be primed, so employees seamlessly co-operate and the company becomes more agile.

Our end of year round up looks at the themes we predict will feature in 2022, drawing insight from several thought leaders, including keynote speaker, leadership coach, James Kerr.

"The reality is that 2021 was a year of pullbacks, now organisations are looking at growth by default to restore their trajectory. they need to drive through uncertainty."

[Anonymous Interviewee Input]

#01

Gearing up for Growth

Tomorrow's leadership

"We can't cut our way to glory. Growth is the only way... organic or acquisition. We have to focus on growth and innovation - and to do that we need positive energy."

[Anonymous Interviewee Input]

The companies that thrive tomorrow will be the ones who establish the right working culture today. Instead of traditional hierarchy, the new dynamic will usher in egalitarian modes of leadership that require senior executives to be open to input from all employees. Leaders should see the business as a learning environment between peers - building this will take time, but it's vital for growth.

Employees now want to take on roles that have more meaning – with a purpose that reaches beyond daily tasks. Leveraging worker's potential will be the key to retaining talent – and will be of huge benefit to companies as they navigate the staff shortage.

As their employees seek to improve their standing, organisations are also looking beyond merely surviving and staying afloat - having learnt from mistakes made, they're accelerating digital adoption, and prioritising innovation.

They'll need to recalibrate to meet the expectations of a changed market - the percentage of consumers purchasing from brands that match their values is projected to rise by a third in 2022, from 47% to 62%. [Forrester, 2021]

Becoming more sustainable is crucial to retaining consumer interest, but sustainability goals have to be authentically achieved, not just green washing. Now is the time for purposeful strategy that re-orientates the organisation's direction –today's leaders have a unique opportunity to decide what comes next.

“This may be the time for CEOs to make bold decisions, reshaping the direction of their organizations and realigning capital and talent accordingly. Companies could remain responsive and flexible in resource allocation, whether that is capital expenditure, operating expenditure, R&D, or employees, to meet changing market opportunities.”

[McKinsey, 2022]



02

Navigating the New Normal

How do we navigate the post-pandemic workplace?

“Feelings of underappreciation are felt across all levels of staff – they are not concentrated among those on relatively lower salaries.”

[LCP, 2021]

The workplace has changed and tackling the worker shortage is paramount - 69% of UK workers will switch jobs, with 24% planning a move within the next 3-6 months. [Randstad, 2021]

Hybrid working's yet another obstacle – there has to be harmony between workers completing tasks remotely, and employers who want staff in the office. Many employees, particularly women and minorities, express a preference for working from home, yet 40% of our executive interviewees say this will be problematic, while 12% feel it could cause major issues.

Creative collaboration drives innovation - but work from home stymies this, if staff aren't in sync. To foster a positive culture, leaders must strategize around remote working, investing in technology that connects all their employees.

Our keynote speaker felt culture will be a definite strength in the new workplace - and that employers should use it to their advantage. By developing a co-operative environment, with a diverse talent pool, they'll enable the business to differentiate.

Workers are reassessing, asking if their potential is recognised, and if their values match their organisations. This contemplation is galvanising the resignation - to respond, companies must orchestrate a purposeful vision and demonstrate value to employees.

02

Navigating the New Normal

Hybrid to High Performance

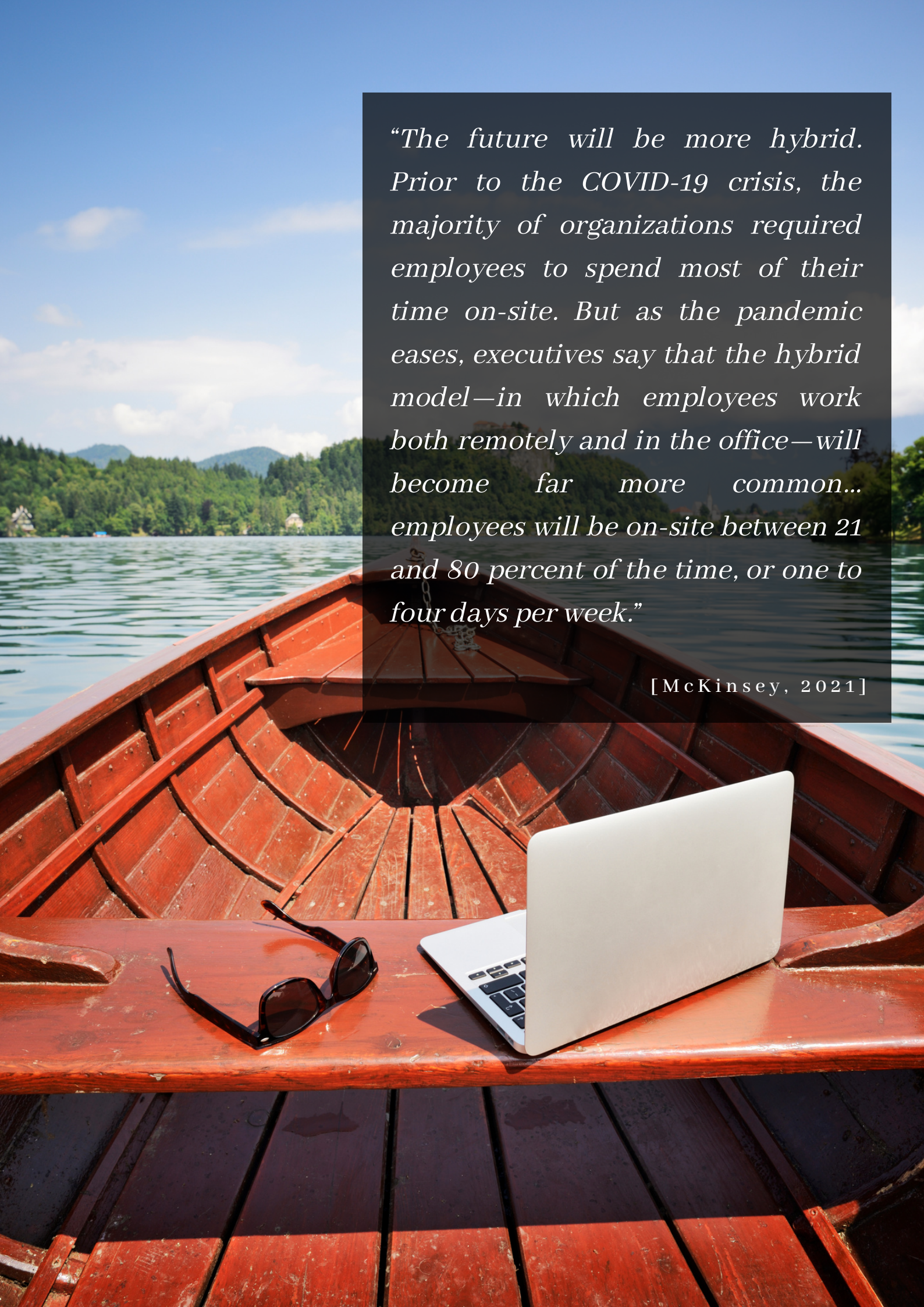
“Part of the challenge is what actually is hybrid working? We’re building a barrier by putting a name on it that maybe not everyone understands, leading to gaps between executives and employees.”

[Anonymous Interviewee Input]

Hybrid working’s fusing with the resignation to challenge the way companies have traditionally operated. Enabling more flexible working schedules gives staff much needed autonomy yet this is also causing tensions to rise across the employee base.

The transition won’t be easy- data shows that 20% of first attempts to switch over fail. [HBR, 2021]
One factor is employee inequality - those who can’t work remotely feel remote staff enjoy a better quality of life, without taking a pay cut.

Despite these hurdles, hybrid working’s here to stay - the 30% of companies who plan to stick to a fully in-office model will see employee resignation rates rise to 2.5% per month. For the 60% of companies who’ll shift, the main challenge will be to harmonize all employees - and ensure they’re equipped to work collaboratively. [Forrester, 2021]

A wooden boat is shown from a first-person perspective, floating on a calm lake. The boat's interior is made of reddish-brown wood. On the deck in the foreground, a silver laptop is open, and a pair of black sunglasses lies next to it. The background features a lush green forested shoreline under a blue sky with scattered white clouds.

“The future will be more hybrid. Prior to the COVID-19 crisis, the majority of organizations required employees to spend most of their time on-site. But as the pandemic eases, executives say that the hybrid model—in which employees work both remotely and in the office—will become far more common... employees will be on-site between 21 and 80 percent of the time, or one to four days per week.”

[McKinsey, 2021]

03

Back to the Future?

What's next as we move beyond the crisis?

“The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years, largely on strong rebounds from a few major economies.”

[The World Bank, 2021]

No matter what happens next, tomorrow won't wait, and it will bring a host of fresh challenges for organisations to address. The AI and automation rollout has to happen - but leaders need to manage the lag between investment and expected results. Cryptocurrency will also feature, though its significance will depend on whether it's recognised as legal tender.

Our members foresaw a rise in ransomware attacks, though as the market matures and insurance companies stop offering coverage, bounties will decline accordingly. Investing in cyber security to prevent data leaks and ever-evolving fraud should be a priority over the next 12 months.

60% of our interviewees feel that Covid will no longer be the focus in 2022, while less than half (40%) disagreed. Facilities with the capacity to manufacture 30M vaccines per month for the next 10 years are already in production, and the second generation of jabs will be a game changer.

This optimism is behind many organisations shift to an expansionary mind set - for the first time in nearly 2 years. Though supply chain disruption and the labour shortage will temper some of this confidence, analysts predict growth will be the focus in 2022.

03

Back to the Future?

Automated efficiency

“Organisations need to focus on gaining greater visibility into their supply chain, so they can leverage the right solution whenever there's disruption.”

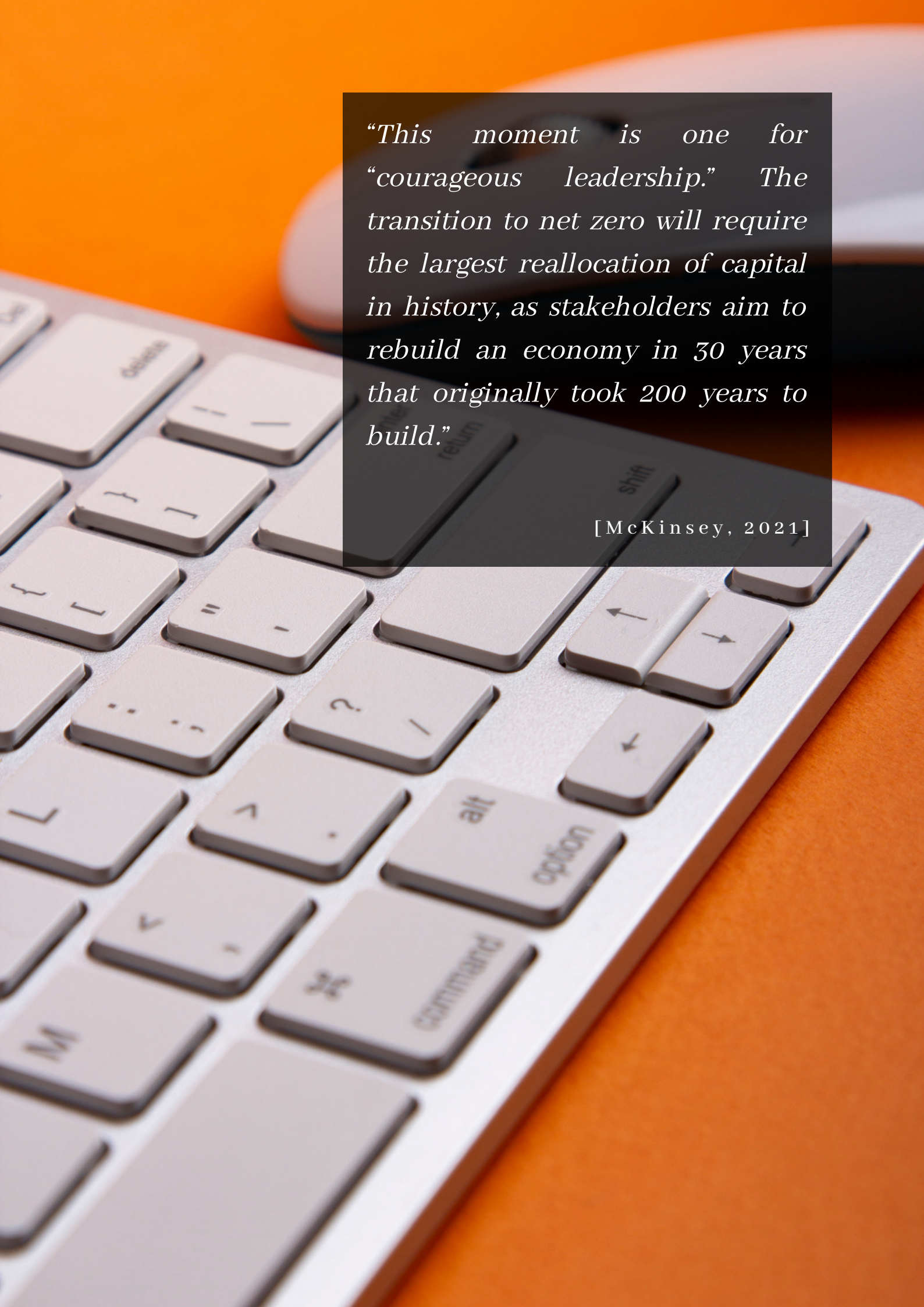
[Anonymous Interviewee Input]

Supply chain issues have forced their way to the foreground, burdening companies suffering from a lack of visibility as they attempt to respond. To address rising materials costs and the labour shortage, organisations can leverage automation – which helps to free up staff, and act as a counterweight to employees who can't be in the office.

They'll have to invest, but they'll be in good company - European businesses will spend up to 3.3 billion on automated technology over the next 12 months, to boost productivity, build resilience, and fuel growth. [Forrester, 2021]

While addressing these pressing issues, organisations will have to keep a firm grip on their social standing as customers now expect organisations to contribute to society - they know business has the resources to create change and are prepared to buy in on their values.

By the end of 2022, 33% of buyers will prefer shopping with sustainable and carbon neutral businesses - prioritising ESG is pivotal, but organisations must tackle this in a way that positively impacts the business. [Deloitte, 2021]



*“This moment is one for
“courageous leadership.” The
transition to net zero will require
the largest reallocation of capital
in history, as stakeholders aim to
rebuild an economy in 30 years
that originally took 200 years to
build.”*

[McKinsey, 2021]

Conclusion

Keynote speaker James Kerr is the author of acclaimed leadership book *Legacy*, and uses his insights into company culture to help organisations set up for growth. James highlights the importance of establishing a creative crucible of collaboration that can act as a springboard for innovation. If companies can wield culture as an advantage by offering employees purpose- they'll differentiate when it comes to attracting talent.

In 2022, our members expect an increase in demand for crèches and after school activities - as one of the biggest reasons employees want to work remotely, is having children under the age of 12.

There's also a need to crack the data issue - getting better data will be critical to the automation roll out. Data needs to be centralised and interoperable, whether on premises or in the cloud – so hybrid cloud will become the fastest growing model.

Several key themes emerged from our member's discussion, automation as a platform for growth, the supply chain, and cyber security – but there could be more disruption headed our way.

The future's uncertain and to navigate 2022 successfully, leaders will have to optimise the workplace. This won't be easy, but it is certainly possible - if they're decisive and wield a bold, courageous strategy.

[end]

Thrive in an Uncertain World

Boardroom Club

The Boardroom Club is a private community of board-level Executives of FTSE350-sized organisations. Our mission is to our members make faster, better, more profitable strategic decisions by surfacing the right topic at the right time with the right question. We bring experts with opinion and surround our members with peers in order to bench test thinking and validate your plans. The community is a peer level environment, exclusively limited to end user board-level executives and our partner, SAS, to maintain a collaborative environment.

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We would like to thank our Club partner, SAS Software for their support of The Boardroom Club and their contribution to this report. SAS is the world leader in AI and Advanced Analytics. As well as being our long-term, commercial partner they contribute their knowledge to the discussion and understand the importance of discussing business issues at a peer-level. Our members value their advice and insights, often leading to further engagement.

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