



Software Company Boosts Sales and Employee Satisfaction

Overview

Country or Region: The Netherlands
Industry: High Technology—Software

Customer Profile

Microsoft Netherlands' 700 employees now work, depending on the task that they have to perform, in the regional headquarters office near Amsterdam's airport, at home, or at client sites.

Business Situation

The Dutch subsidiary needed to promote its technology vision to customers, find more efficient offices, improve its appeal to new employees, increase employee retention rates, and boost sales.

Solution

Microsoft Netherlands implemented a New Way of Working that uses Unified Communications and other technologies to promote deeper collaboration, enhance employee mobility, and enable more efficient workstyles.

Benefits

- Reduced real estate costs 30%
- Named country's best employer
- Improved employee satisfaction
- Increased specific product sales 50%
- Reduced IT, administration, and communications costs

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Theo Rinsema, General Manager, Microsoft Netherlands

The Dutch sales and service office of the software company adopted a new approach to collaboration and greater employee mobility, one that demonstrates the value of the products it sells. The changed culture at Microsoft Netherlands combined with the Unified Communications technologies offered by Microsoft® enable varied employee workstyles and demonstrate the anytime, anywhere approach to business in a global economy. Increased employee satisfaction and improved sales results prove the value of the new culture, workplace, environment, and tools.





Summary

Faced with growing competitive pressure and a diverse workforce with varied workstyles, Microsoft Netherlands designed and implemented a New Way of Working to fit its new social and business realities. The Dutch subsidiary adopted the latest Microsoft technology and changed its physical infrastructure, operating practices, and behaviors, which resulted in improved productivity and higher employee satisfaction. The transformation leveraged the three interrelated elements of “People, Place, and Technology,” which together dictate the way an organization functions.

The transformation, though not without challenges and setbacks, exceeded Microsoft Netherlands’ financial goals and became a real-life demonstration of the products and services it sells. The result of the three-year process is a new approach to work called “2bPR” or “To Be People Ready,” which leverages the “People Ready” motto of the Microsoft Business Software Solutions group and demonstrates the vision of Microsoft to its customers.

Situation

Following a decade of success, Microsoft Netherlands faced the challenge of meeting aggressive sales goals in a nearly saturated market. In this daunting environment, the Dutch subsidiary realized that improving sales over time hinged on a number of complex and interrelated factors, among them:

- Inspire customers to use the latest versions of Microsoft technologies.
- Become an outstanding facilitator of employee relationships.
- Become a premier workforce for its diverse employees.

However, the organization’s cramped office environment did not mesh with a workforce

that strives to promote a vision of productivity that depends on the ability to work anywhere, anyplace, or anytime rather than shackle people to desks. “Every day, people entered the office, occupied the same desks, worked on their notebooks, went to meetings, returned to their desks, packed their notebooks, and went home,” recalls Theo Rinsema, general manager at Microsoft Netherlands. “I didn’t see our philosophy ‘anyplace, anytime’ adopted here. And they had to sell our vision? First, we needed to live our vision.”

Rinsema says the only way to demonstrate the New Way of Working vision was “to eat our own dog food.” The subsidiary had to use its own principles and technology in the same way that its customers would to fully understand their needs. At the same time, Microsoft Netherlands needed a more alluring office and workstyle environment to support these efforts and to attract—and retain—a diverse talent base.

Immediately, it was clear that the main obstacles to a New Way of Working initiative revolved around people, politics, and culture, which typically trump technology in change-management projects. Employees could achieve a New Way of Working only through a work culture that provides less command and control, and thereby promotes better efficiency across a wide range of employee activities and workstyles. The New Way of Working, Microsoft Netherlands officials realized, could only succeed through changes in employee—and managerial—attitudes and philosophy.

Solution

The Dutch subsidiary adopted a New Way of Working based on the Microsoft philosophy of a “New World of Work,” where performance is driven by mobility

"Not everyone on my team was enthusiastic about the idea of not having a private office, but I volunteered because I really believed in the concept."

Toby Wilson, Finance Director,
Microsoft Netherlands

and employee enablement. The New Way of Working builds on this plan by focusing on the many economic, technological, and social factors that will continue to shape the future workplace, such as the blending of work and home life, globalization, and an always-connected world.

The Dutch subsidiary's approach to a New Way of Working began with an internal vision and goals in three areas—People, Place, and Technology. The aim was to empower workers with more freedom while still holding them accountable for results. The initiative included both short-term and long-term goals, in addition to specific metrics to measure progress and success.

GM Theo Rinsema coordinated the entire project. "Stakeholder virtual teams" were assembled based on the passion of members and their skills to further the steps of the initiative, such as implement change-management workshops, roll out Unified Communications technology, and train partners and internal personnel. External partners were chosen based on their flexibility and their willingness to buy into this vision.

The following are some of the key People, Place, and Technology tactics and findings from the project:

People: Stress Personal Discovery

An ongoing focus on strong change management enabled the culture to be changed in 6 to 12 months. The process began by analyzing employee workstyles and patterns and then searching for areas of improvement. For instance, workers were surveyed on how much time they spend sending and receiving e-mail messages and attending meetings. Thirty percent of the workforce completed questionnaires about how they were *expected* to do tasks versus how they *actually* did these tasks.

Equipped with such knowledge, Microsoft Netherlands developed a master plan and "guided roadmap" to steer employees to a New Way of Working. The subsidiary realized that "personal discovery"—which encourages employees to engage with tools, space, and other people in ways that are comfortable and productive for them as individuals—gave them an ownership stake in the initiative.

Employees and their managers learned more about the initiative's concepts and each other after completing "homework assignments,"—short online tests that measure personality and lifestyle. The test results were used to group people together at offsite meetings, where employees shared their personal New Way of Working stories. These meetings helped employees and managers discuss the exciting changes and voice their concerns.

Place: Promote Mobility

The Dutch subsidiary moved to a new headquarters office with an open design that promotes mobility. Private offices and isolating cubicles were removed. State-of-the-art user-centric technology gives employees greater freedom of movement. Each employee now can work anywhere in the office by using a laptop, headset, webcam, and smartphone—connecting to the network either wirelessly or by plugging in at a desk.

Technology: Connect Outside the Office

Colleagues can contact each other when out of the office, too. The technology seamlessly connects them via telephone or Internet while they are in transit or at client offices. The "presence" technology shows people's availability and the best way to contact them. It is like being able to "look over the cube or walk down the hall" without actually doing so.



The process has been an ongoing one, with successes and setbacks. For example, the subsidiary tried to implement a new hospitality management (HM) system, which called for employees to plan their own meetings with external visitors—including reserving meeting rooms and organizing beverages, lunch, and parking spaces. This self-service concept was implemented with an internal tool that did not meet employees' expectations. As a result, some employees refused to use the customer relationship management (CRM) tool and planned their meetings the old-fashioned way—by walking to the reception area and arranging meetings through the receptionists. But the receptionists were not trained to work in the new and improved hospitality process, and the resulting misunderstandings led to several conflicts among Microsoft Netherlands employees.

This impasse was resolved by taking one step backward. The subsidiary simplified the self-service process by shelving the CRM tool and using technology that workers were already familiar with—Microsoft® Office InfoPath® 2007, the information gathering program that easily creates XML-based data forms. With Office InfoPath 2007, employees fill out the forms on an intranet site and then send them to the hospitality team, which handles the request within 24 hours.

This experience showed that sometimes you have to take small, incremental steps toward change. By beginning with the familiar and easy-to-use Office InfoPath 2007 form and an extended HM team, the subsidiary will be able to transition slowly to the new tool and eventually allocate some HM team members to other duties.

On the other hand, the subsidiary found that new practices were adopted quickly

when executives adopted them first. For example, executives work at home on occasion, which created a culture of trust and commitment to the objectives of the initiative. Managers also began sitting among their coworkers at different places each day, thereby disconnecting status symbols like a private office from the company hierarchy.

Benefits

The New Way of Working initiative at Microsoft Netherlands has resulted in improved sales, increased employee satisfaction, and higher visibility of the organization as a whole.

Despite the Dutch subsidiary's high market saturation, sales increased dramatically—improving in specific product areas by 51 percent or more.

Some of those sales were the result of onsite customer visits. Microsoft Netherlands has conducted more than 100 onsite tours, showing up to 1,000 customers per month how the subsidiary lives the New Way of Working. "It is better to show the actual environment and see people working with the new products and services than it is to show a video, demonstrate a piece of software, or tell an abstract story," General Manager Theo Rinsema says.

The new building, which opened in April 2008, has no assigned desks and requires only 95 square feet (or almost 9 square meters) per person, roughly half the amount of space typically allocated to white-collar employees in office buildings. This efficient use of space slashed real estate costs by 30 percent and saved the subsidiary \$644,000 a year.

"There were significant improvements in workplace satisfaction. These significant improvements can be attributed to moving to the new office building in April 2008 that had been designed according to New World of Work principles."

Eric van Heck, Professor of Business Administration, Erasmus University

Two studies attest to the improvements in work quality and employee satisfaction following the initiative. Microsoft Netherlands was honored as the "best employer" in The Netherlands, scoring 92 out of 100 in an employee survey that measured credibility, camaraderie, and other factors that make for a vital workplace. The subsidiary also topped all other companies in the survey in terms of "employee pride."

A study of the Microsoft Netherlands initiative, conducted by the Rotterdam School of Management, Erasmus University, showed that employees' satisfaction regarding their workplace improved significantly after moving to the new building. "There were significant improvements in Workplace Satisfaction," noted principle study author Eric van Heck, professor of Business Administration. "These significant improvements can be attributed to moving to the new office building in April 2008 that had been designed according to New World of Work principles."

In addition, more employees adopted the mobile workstyle promulgated by the New Way of Working initiative. The majority (70 percent) of Microsoft employees had a mobile workstyle before the initiative. That already-high number jumped to 77 percent of employees after it was put in place.

The New Way of Working has provided payback in numerous other areas. Costs for IT, communications, and administration have been reduced. The initiative also complements the organization's desire to go "green." It has reduced carbon emissions by 50 percent to 80 percent through reductions in office space, commuting, and employee travel.

Because the New Way of Working is an ongoing process, new benefits are constantly emerging. A study currently underway is expected to provide additional metrics that demonstrate the cross-functional benefits of the New Way of Working throughout the Dutch subsidiary.

Lessons Learned

1. Secure executive support with a business case. Because the New Way of Working is a transformational initiative, it needs to be articulated in clear business terms that include goals, needs (specific resources such as budget and headcount), and approximate timelines, in addition to milestones and the approach to pilots and scalability. Without a top-down leadership commitment, it is unlikely that you will gain any momentum for the transition to a New Way of Working.

2. Create an internal vision and goals. Define a vision that aligns with the broader mission, vision, and strategy of the organization. The New Way of Working vision should state all of its values as they impact People, Place, and Technology issues. Start by defining the top-level goals for the initiative, and then extend the definition to include both short-term and long-term goals.

3. Assemble a virtual team of stakeholders who share the vision. Virtual team members should be selected based on their function or skills that are needed to implement the initiative, along with their personal interest in and passion for the journey. Once the initiative nears the deadline, participation can become a half-time job. The Dutch subsidiary made the mistake of not providing team owners with dedicated time for the New Way of Working initiative. As a result, the associated tasks were simply added to their existing workloads.

4. *Transform the physical environment.* Such a move can create an opportunity to examine how space is used, what activities take place in that space, and how the physical environment contributes to goals like employee retention, productivity, and innovation.

5. *Embrace changes in work culture among managers and employees.* Early adopters should be selected to lead either departmental pilots or elements of the initiative as they are rolled out to a larger part of the workforce.

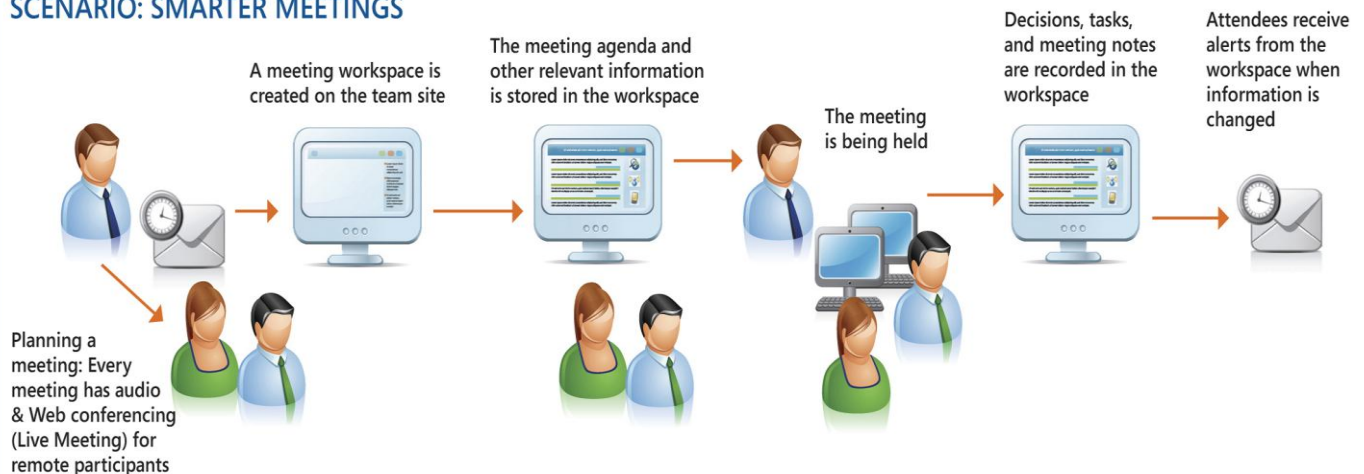
For example, Microsoft Netherlands Finance Director Toby Wilson volunteered to be an early adopter of “hot desking”—the sharing of permanent work surfaces that are available to any worker as needed. Wilson abandoned his office because of his enthusiasm for the concept. “Not everyone on my team was enthusiastic about the idea, but I volunteered because I really believed in the concept,” Wilson says.

6. *Realize some ideas will fail.* Microsoft Netherlands tried to spread enthusiasm by appointing “change agents,” but many of these volunteers resigned because they felt left out of the decision-making process and believed that their only role was “to spread the word.” In addition, time was wasted on clashes between enthusiastic people who worked from their own vision, rather than the stakeholder virtual team’s vision.

7. *Create excitement and momentum with communication and involvement.* The initial communication and involvement program will take approximately 6 months, and it should complement the primary organizational transformation issues. Communicate the New Way of Working initiative with a solid mixture of already existing digital and physical communication instruments, such as weekly newsletters, intranet project status sites, wikis, blogs, e-mail messages, and company meetings.

8. *Leverage technology to enable change.* The Dutch subsidiary used a practical

SCENARIO: SMARTER MEETINGS





Theo Rinsema,
General Manager,
Microsoft Netherlands

approach so that employees could develop both the mental and the technical readiness required for the New Way of Working initiative.

For example, Microsoft Netherlands created a path to “smarter meetings” by developing guidelines and identifying key ways to organize and execute meetings more effectively through technology such as collaboration and e-mail suites (see the figure, “Scenario: Smarter Meetings,” on page 6).

Extend the Success: Rabobank Nederland

Financial services provider Rabobank Nederland is just one company that has successfully leveraged the Microsoft Business Software Solutions New World of Work philosophy. The company’s Rabo Unplugged, an integrated style of working inspired by the philosophy, provides a flexible work environment that is supported by innovative technology.

The program includes a new physical location with 250 flexible workplaces. Microsoft technology provides a flexible platform for employees to access the information and resources they require to work together safely and securely anytime, anywhere—whether they are at home, on the road, or in the office.

The result: “Managers and employees are finding it easier to locate each other,” says Henny van Egmond, program manager for Rabo Unplugged. “There is more interaction between the different departments. I believe in the potential of these chance encounters. Rabo Unplugged puts people who would not normally work together in contact with each other. This can lead to tremendous innovations.”

Additional Resources

[New World of Work white paper](#)
[Navigating in a Turbulent Economy](#)
[Microsoft Netherlands New Way of Working video](#)

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