



## Henkel's award-winning approach to the future of work (Ep. 50)

Weston Morris:

Welcome to the Digital Workplace Deep Dive podcast. I'm your host, Weston Morris. Well, this week, I am at the IDC Future of Work Exchange conference in Spain, where Meike Escherich, associate research director for the Future of Work at IDC, has just presented Henkel with the prestigious European Enterprise Award, Future of Work. And I tell you what I love about this award is that it recognizes enterprises for advancing the future of work in the digital workplace. And receiving the award was Stefan Hertzog. Stefan is the IT service manager for workplace operations at Henkel. So I thought it would be great to see if I could grab some time with both Meike and Stefan, first with Meike to better understand what IDC looks for in judging enterprises for this award, what they look for in the future of work, and secondly, with Stefan to better understand some of the unique things, maybe the lessons learned, the accomplishments that Henkel is doing behind the scenes to improve the workplace experience of its employees. So, Meike, Stefan, welcome to the show.

Meike Escherich:

Thank you. Pleasure being here.

Stefan Hertzog:

Thank you, Weston, and hello to everyone.

Weston Morris:

Now, Meike, I think I'm going to start with you because if I've got it right, you're actually one of the judges for this prestigious award. Would you mind explaining what you look for when you're judging different enterprises, especially in the area of digital workplace and future of work?

Meike Escherich:

Yeah. Yes. Thank you, Weston. Right. So, we've been running these awards for a few years now. I think because our experience is that digital transformation is a really, really hard journey. A lot of companies are struggling. Our data actually says that around 70%, that's seven – zero percent of transformation projects have failed in the last few years. So, I guess what we're really looking for is best practices. A company that has done this well so that other companies can learn from them. And I think what we found with Henkel was that they didn't just do well on the technical side of the transformation journey. They also had a really close look at what this change meant for their employees.



Meike Escherich:

So you just mentioned frontline. Very unusual that frontline is included in these digital transformation journeys. Henkel did that. But there are other things, too. It's like when I bring in new technology, do I take care of the process of bringing it to my employees? Do I include change management? And yes, Henkel did that. Do I have a look at the sustainability impact? Yes, Henkel did that. Do I use automation so that it actually augments the employee instead of replacing it? Yes, Henkel did that. So, there are a lot of different criteria we looked for, and it was a very lengthy process. We had about 21 submissions here in EMEA, a lot of companies that were submitted, and Henkel came out top. So, I'm really chuffed to be here today. And I'm really chuffed that we managed to hand over the award to Stefan earlier on.

Weston Morris:

Well, Meike, that actually lays a pretty good foundation here for us now to chat with Stefan. You know, Stefan, I have worked with your company, Henkel, for over a decade. I've participated in, I think, at least four different innovation workshops. And I remember the very first one that I participated in, it was over 10 years ago. It was actually held in the U.S. offices with leaders from your HQ and Dusseldorf coming over from Germany. And actually, they were your predecessors' predecessors' predecessors, I think, something like that. And we were actually bringing up a new idea, talking about this new idea of employee experience. And I remember the representative there saying that, hey, you know what? In IT, we're not in the happy business. And you know what? That wasn't unusual. That was really the point of view that IT had at the time. I mean, after all, we're the smart people in IT. We know the technology, we decide what our employees need, what are the devices, the apps, the services, and you will like it, right? That's how we designed and delivered services back then.

Weston Morris:

But I tell you, just so much has changed in the last 10 years, Stefan. And frankly, I'm just thrilled to be able to kind of pick your brain here a little bit, find out about some of the things that you and Henkel have been doing that are really one of the reasons why IDC selected your company for this Future of Work award. So, I know one of the things that you were working on is helping the frontline worker, and they're really the left behind part of the workforce, aren't they? I mean, we all advanced during the pandemic and they didn't get anything. So, can you tell us a little bit about some of the cool things you're doing to help your frontline workers at Henkel?

Stefan Hertzog:



Sure. Thank you for that question. Basically, at Henkel, one of the strategic pillars in the strategic framework is digitalization. And also, Mikke mentioned already that upskilling is always a topic. Our HR department created a brand-new learning platform, added a lot of content to it, and then, at some later point, we realized we had forgotten part of the workforce. The blue-collar workers or the frontline workers, they do not have their own device. They cannot access the learnings, they cannot access the digital content. So we need to do something about it. And then basically we kicked off an initiative. So the IT department, together with the HR department in, Germany, to basically equip all our employees covered by collective agreements with iPads, and thus allowing them basically to enter the digital world, to enter the learning platform, but also to enter other digital tools, like Microsoft Teams, for instance, for collaboration, Microsoft SharePoint, to get information, to also get company information at home, if they like to. This whole initiative brought up, of course, a lot of new challenges because we suddenly had to deal with the type of user that we didn't deal with before. So normally we were focusing on the many office users having their laptop, working on the desktop, you name it. Suddenly we had users we hadn't in scope before. And that, of course, was the pioneering part also behind it.

Weston Morris:

Hey, you know, Stefan, I love that you mentioned from the very beginning that you were connected with HR. And I know, Meike, your firm, IDC, has really encouraged that a lot. You've talked about the importance of the CIO and the CHRO having conversations, particularly about employee experience. So, Stefan, the other thing that you mentioned I thought was interesting was providing frontline workers in the factories with access to Microsoft Teams. I mean, if you think about it, when we all went home during the pandemic, most of us got Teams or Zoom or something like that to collaborate remotely. And then we upgraded our home environment. We got video cameras, upgraded our screens, good monitors, good microphones, and we just learned to collaborate with each other remotely. We figured it out. Hybrid work, right? But the frontline workers didn't get any of that. They didn't have that technology. But now at Henkel, you've given it to them. So, I'm really excited about that and seeing how that advances their ability to communicate and collaborate.

Weston Morris:

And I know there's a third thing that you've done to improve employee experience while reducing costs, and that's not always easy to do, and I'd love for you to talk about that, too. Now, just to warn our listeners when you hear this, we're actually going to be talking about how Henkel has improved the employee's ability to print. And I know some of you might be thinking printing, is that really something that impacts employee productivity or contributes to a negative work experience? But I think you'll be surprised to hear that is definitely true in the case of Henkel here. So, Stefan, can you explain what you've done to improve printing processes at Henkel



Stefan Hertzog:

Printing is, as you know, a commodity service, right? So, as long as everything works, no one notices it, best case. But as soon as this is not working, you have a severe issue, especially if it's not working for the wrong people, we noticed. So basically, where we came from is from a traditional, I would say, printing environment. So we had around 200 local print servers around the world. And it was a nightmare, to be fair, for end users, basically adding a new printer. So, if you moved to another office, you had to add a new printer because you wanted to print whatsoever, it was basically a nightmare if you didn't know the host name. And how should a normal user know the host name of the printer? It was pretty complicated to basically add the printer.

Stefan Hertzog:

And together with Unisys, in fact, we started, or kicked off, a project to move away from this local print server solution to a direct print solution, meaning Boolean will be done in the future, always on the clients. We can get rid of the print servers with that, also achieving a sustainability impact because, of course, the CO2 emission is reducing with getting rid of the print servers. And this solution also basically enabled us to implement something which is called secure print or pull print. So basically, you have only a virtual print queue and you can pick every physical printer you like, you just tap your batch to basically log in and you can fetch your printout. And basically, I can submit a job in Dusseldorf and then move over to our office in Rocky Hill, for instance, and basically fetch the print job there.

Weston Morris:

Stefan, I tell you, I really appreciate that you connected the dots here between what, for a lot of people, might seem like a very ho-hum program, printers. And you've connected the dots with security, sustainability, and lastly improving employee experience of the office workers as well. Now, earlier, you talked about frontline workers, so I'm just curious, did you do anything in this printer management program to also help your frontline workers in the factory, or did they kind of miss out on that?

Stefan Hertzog:

So, production printing is always a tricky part, right. We were focusing mainly on the office printing part. Of course, we also have office printers in the production area, so there was some impact there as well. And at the present minute, there's also some consolidation ongoing regarding all the printouts from SAP, where the solution we choose, together with Unisys basically could offer a doable solution as well.



Weston Morris:

So Stefan, as you take a look back at some of the innovations that you've driven at Henkel, we really haven't had time to cover all of them here. But I do see some connection between every one of the things you brought up here in the digital workplace and a way to improve employee experience as well. But let's focus on the business side just for a moment, because that's important. I imagine our listeners might be curious to see how this investment you've made in employee experience in your various programs is having a positive impact on Henkel's business. So, I mean, after all, at the start of the podcast, we said none of us were really in the happiness business. But clearly, Henkel is today.

Stefan Hertzog:

Well, at least we hope we are. yeah. So there's always room for improvement, right? There continues to be room for improvement, to be fair as well. But I believe we have this basically mind shift to say, okay, we need to focus on the end-user experience and on the end-user output. Because for an internal IT department, and we are an internal IT department, the end user is basically our customer. Right. For all the end customer-facing business, the clear criteria is keep your customers happy. And that's basically the same thought or the same mindset. we now try to implement to say, okay, our end users need to be happy. And that starts with simple things like simplifying how people can print. And there's a lot of other topics going on where we try to simplify the life of our end users. And at the same time, because we're not a charity organization, we're also trying to basically make our own life easier. Also easing up the whole support processes that we have, reducing workload on the field support team, that's basically key topics that we tackled in the past and we continue to tackle right now.

Weston Morris:

So I hear you saying that clearly you provide a benefit to the end user as well as IT and the business, and that's super important. But at the very beginning of our conversation, Stefan, you did start off by saying that HR was also involved with the process and these programs. So is there anything you could say about how this focus on employee experience has impacted HR?

Stefan Hertzog:

First of all, yes, involving HR is a key topic because the digital workplace is not an IT topic alone. And it's even not only HR, there's also corporate communication, you name it. A lot of different teams are, basically involved. And for HR, especially the topic of the iPads, for the frontline workers, of course, is a huge benefit that also when hiring new talents, they can basically sell as a unique position. For Henkel, even if you are a production worker, we enable you to be part of the digital work.



Weston Morris:

And with that, Meike, I'd like to come back to you if you could pull out the IDC crystal ball, maybe gathering some of the things that we've collected here at the Future of Work conference here in Spain. What else do you see on the horizon in terms of the digital workplace, the future of work, that you could share with us?

Meike Escherich:

Well, let me start by saying that there's a good reason that Henkel won this award, because Stefan has actually already mentioned quite a few of the topics that I think still need sorting. So, Henkel's obviously at the forefront. They've done really well. But a lot of companies aren't quite there yet. So, let's talk evergreens. Employee experience doesn't work for all companies, still a big problem for many. Companies have issues retaining, attracting talent. Frontline for many, a huge problem, isn't included in digital transformation. As I mentioned earlier, we know that a lot of people think they have been left out of the digital revolution. So, one of the things that I think is also still very high in the future of work agenda is how to manage change. Very important.

Meike Escherich:

I think the other thing, and you're probably not happy with me for mentioning this, but I can't go any other way, is we also need to talk about the impact of automation and quite particularly the impact of AI on the future of work, the impact on processes and people. Yes, AI and automation will take away the mundane part of jobs and make jobs more enjoyable. However, a lot of employees are still worried that they're not skilled enough to actually use the systems that they're being given to. And in fact, some of them even fear that they might lose their jobs. So, there's a lot of management to be done, which all falls onto the topic of future of work. A lot of thought work that companies have to do before they even can start implementing things like automation and AI. There's things like security testing, cooperation with HR, et cetera. A long story to be told, I think we'll probably still be here next year talking about the impact of automation and AI on the workplace.

Weston Morris:

Well, when you mentioned AI, I just realized we probably can't have a podcast in 2024, Meike, where we don't at least mention AI or generative AI. So thank you for bringing up that topic as well. It is an important component. And really, I'd like to thank both of my guests, Meike Escherich, associate research director for future of work at IDC, and Stefan Hertzog, the IT service manager for workplace operations at Henkel. Hey, thank you both very much for joining me today.



Meike Escherich:

My pleasure. Thanks for having us.

Stefan Hertzog:

Thank you for having us.

Weston Morris:

You've been listening to the Digital Workplace Deep Dive podcast. I'm your host, Weston Morris. Thanks for listening.