



The Workplace of the Future



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Introduction

ISS (International Service System) is an international facility services company founded in Copenhagen, Denmark. ISS as we know it today was formed in 1934, but the origins of the company date back to 1901. While ISS started out as a company that offered watchmen to local businesses, all throughout its expansion and development, ISS has held onto the same values. Connecting people and places has always been at the core of our business – to make the world work better.¹

ISS offers services in the following categories:

- Cleaning
- Food services
- Technical services
- Workplace management

ISS has launched a new strategy: OneISS. Their goal is as follows:

With our OneISS strategy, we will strengthen our reputation as the most respected global leader in integrated facilities services and the number one in cleaning. We will achieve this by creating a stronger, simpler, closer ISS.²

Stronger

We will become the most respected leader in integrated facilities services and strengthen our position as number one in cleaning, investing in excellence, efficiency and technology to deliver better services and products, tailored to customer needs.

Simpler

We will enhance our key account strategy – benefitting all our stakeholders by delivering better outcomes for customers, with a sharper commercial focus and a new service-led approach to drive better quality, greater efficiency and stronger compliance.

Closer

We will bring our country teams closer to the customer, while acting and operating as one global team – rewarding the right behaviours and leadership by aligning our incentives to strategy execution.

The Covid-19 pandemic has disrupted the way we work. People are working from home and workplaces have become desolated. This has had great consequences for ISS, especially for the cleaning and food services. Cleaning³ has become essential with regards to infection

¹ <https://www.issworld.com/en/about/people-make-places/our-story>

² <https://www.issworld.com/en/about/people-make-places/our-strategy>

³ <https://www.issworld.com/services/services-we-offer/cleaning>

control⁴. Cleaning has become an area of expertise and something all companies need to take very seriously. Covid has also increased the standing of cleaning personnel. Before Covid, cleaning personnel were people customers really did not want to see. Now, visible cleaning personnel are a sign that a company takes hygiene and infection control seriously. Some of the changes may be permanent. The focus on hygiene and infection control will with us for quite some time. It is forecasted that working from home, one to three day a week, for a number of employees may become a permanent solution for a number of ISS' customers. This will affect ISS' food services and workplace management services.

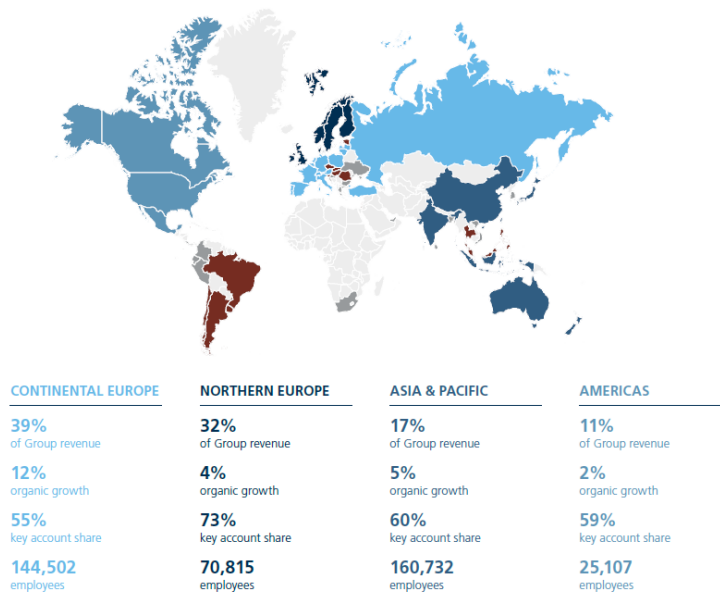
ISS needs to align its strategy for a new workplace situation. What will the future workplace look like? As a student, soon to graduate, how do you envisage your future workplace? And in describing this workplace, what are the consequences for the services ISS provides? ISS runs canteens and provide catering as one of their services. How will this be affected in the new situation? How should ISS develop this service with a large part of the employees working at home?

Your task will be to help ISS in developing their products and/or services/concepts to align with a new workplace situation. As this is a Nordic case competition, we request that you restrict your solution to ISS Northern Europe.

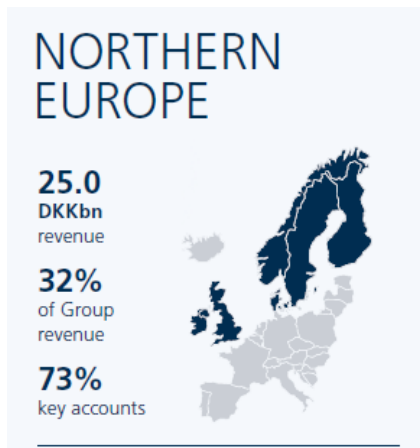
⁴ <https://www.fhi.no/en/op/novel-coronavirus-facts-advice/advice-and-information-to-other-sectors-and-occupational-groups/cleaning-and-disinfection/>

ISS

ISS is a Denmark-based company providing facility services to public and private sector customers. It offers a wide range of services such as cleaning, security, surveillance and catering services. The company has more than 400 000 employees and operates in more than 50 countries across Europe, Asia, North America, Latin America and Pacific.⁵

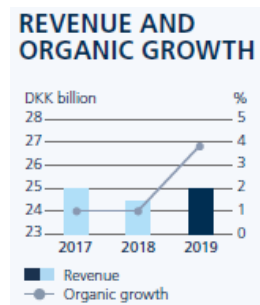


ISS – Northern Europe



The Market

ISS holds a market-leading position across the region where markets are generally mature, developed, very competitive and with high outsourcing rates. Key customer segments are Business Services & IT, Public Administration, Industry & Manufacturing and country-specific segments such as Healthcare and Transportation & Infrastructure.⁶



⁵ <https://www.reuters.com/companies/ISS.CO>

⁶ <https://brand.issworld.com/m/35347f5ab9373b4a/original/ISS-Annual-Report-2019.pdf>

Business update

Revenue was DKK 25,037 million (2018: 24,413 million). Organic growth was 4%, while the impact from divestments and acquisitions, net reduced revenue by 1%.

Commercial momentum was solid across most of the region in 2019 with the strongest growth in many years and an increasing retention rate of 95% for our key accounts (2018: 91%), reflecting strong operational delivery on ISS' value proposition. Growth was driven by contract wins and expansions with key accounts, including several contract launches in the UK and Denmark. Furthermore, demand for projects and above base work remained high in particular in the UK & Ireland, Finland and Norway, albeit with a slowdown towards the end of the year.

Trends



In their Future of Service Management White Book⁷ from October ISS identifies a number of megatrends and discuss their effect on the service management industry. Although they are from 2016 they still apply today. The Covid 19 pandemic, as a *disruptive force*, has moved some of these trends to the foreground.

New ways of working, obviously, with the explosion of home office working. Many experts believe that home office working will become a new norm, with employees working two to three days at home each week.

New Service Needs. The change in where and the way people work will require ISS to develop new services. The Covid 19 pandemic has resulted in a greater focus on cleaning. From being something done when the employees were not present, it is now something that has to be done continuously, and visibly to show that the company takes infection control

⁷ <https://www.servicefutures.com/iss-vision-2020-white-book>

seriously.

ISS will need to define and develop new food services. With fewer employees present at the work place, there will be fewer people in the canteens. But employees still need to eat – should they receive meals delivered to their homes?

The continuous demand for the availability and flexibility of all the services provided will require *new business models*, or at least an adjustment of current business models. Another factor that affects current business models is the increased focus on sustainability and climate change. This will affect the way all companies do business and will require all their service providers to align with their customers' sustainability strategy – from the way they do their cleaning to the type of food they serve.

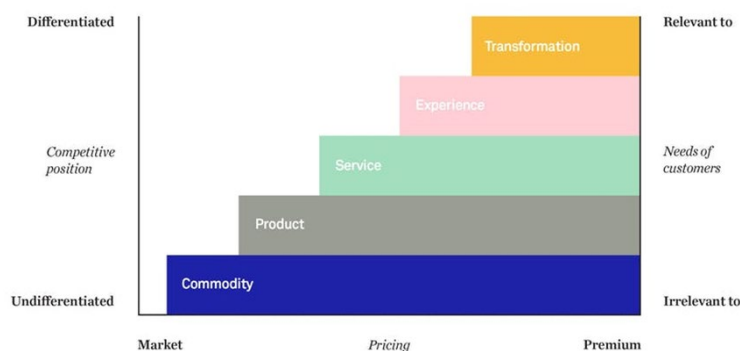
Another newly observed megatrend is the transition from *experience economy* to *transformation economy*, focusing on the customers' need for self-actualisation.

In the Experience Economy, businesses and brands curate memorable encounters, thus the 'experience' becomes the product.

In the Transformation Economy, consumers are seeking more than mere experience. They crave something authentic and meaningful - some call it the 'soul' of the business - to which they can connect on the most personal level and, in doing so, undergo an actual sense of transformation. Consumers are desperate to connect with themselves. Brands that can offer them a meaningful route to that soulful luxury will be the ones that stay ahead of the game.⁸

The transformation economy

Moving beyond experience



As the above graph demonstrates, in the future consumers will choose products and services not only according to how closely they match their likes and interests, but also how they will transform them (appearance, health and fitness), their lives (relationships, work life or wellbeing) or their ways of thinking (politically, socially, morally and self).⁹

The trend of Transformation Economy will have an effect on how ISS need to develop their services, especially in their food and catering services.

⁸ <https://www.thehappyprizecompany.com/blog/the-shift-from-the-experience-economy-to-the-transformation-economy>

⁹ <https://www.dalziel-pow.com/news/brands-thrive-transformation-economy>

Competitors

ISS is the largest facility services company in Norway, 2.5 times larger than their next competitor, with more than 11 000 employees and a 5.5 BNOK revenue. It prides itself of being a company that puts people first. The work stock is multi ethnic, and (in ISS' own words) Norway's most significant integration channel. ISS is the winner of the Diversity Award.

Some of ISS' competitors include:

Coor¹⁰

Coor operates principally in Sweden, Norway, Denmark and Finland. The largest part of the business is carried out in Sweden (including operations in Belgium), which operations accounted for 50% of their net sales in the year ended December 31, 2019. The operations in Norway accounted for 25%, with Denmark and Finland representing 18% and 7% of net sales, respectively.

Sodexo¹¹

Sodexo (formerly **Sodexo Alliance**) is a French food services and facilities management company headquartered in the Paris suburb of Issy-les-Moulineaux. It has 428,237 employees as of 2019 and a presence in 80 countries.

For fiscal year 2020 (ending August 2019) revenues reached €22.0 billion, with a market capitalisation of €15.8 billion. Its revenues by region are 47% from North America, 38% from Europe, and 15% from other areas.

Sodexo serves many sectors, including private corporations, government agencies, schools from preschool through university (including seminaries and trade schools), hospitals and clinics, assisted-living facilities, military bases, and prisons. As of 2016 subsidiary Sodexo Justice Services operated support services in 122 prisons in eight countries, including 42 in the Netherlands, 34 in France, and others in Belgium, Italy, Spain, and Chile, as well as directly running 5 prisons in the UK.¹²

¹⁰ <https://www.coor.com/who-we-are/>

¹¹ <https://www.sodexo.com/home.html>

¹² <https://en.wikipedia.org/wiki/Sodexo>

CBRE¹³

CBRE Group, Inc. is an American commercial real estate services and investment firm. The abbreviation CBRE stands for Coldwell Banker Richard Ellis. It is the largest commercial real estate services company in the world.

CBRE provides services to both occupiers of and investors in real estate:

- For occupiers, CBRE provide facilities management, project management, transaction (both property sales and leasing) and consulting services, among others.
- For investors, CBRE provide capital markets (property sales, commercial mortgage brokerage, loan origination and servicing), property leasing, investment management, property management, valuation and development services, among others.¹⁴

Compass Group¹⁵

Compass Group plc is a British multinational contract foodservice company headquartered in Chertsey, England. It is the largest contract foodservice company in the world. Compass Group has operations in 45 countries and employs over 600,000 people. It serves around 5.5 billion meals a year in locations including offices and factories, schools, universities, hospitals, major sports and cultural venues, mining camps, correctional facilities and offshore oil platforms. Compass Group is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index. It is also a Fortune Global 500 company.¹⁶

Toma (Norway)¹⁷

Toma Facility is a complete supplier of business services. Toma Facility is provided by Tomagruppen, one of the leading Facility Management suppliers in Norway. Toma Facility has 4000 employees within the service areas of cleaning, cafeteria, office support, security and property management.

¹³ <https://www.cbre.no/>

¹⁴ https://en.wikipedia.org/wiki/CBRE_Group

¹⁵ <https://www.compass-group.no/>

¹⁶ https://en.wikipedia.org/wiki/Compass_Group

¹⁷ <https://toma.no/english>

Conclusion

ISS is the largest facility services company in Norway with a market share of more than 35% and is 2.5 times larger than their next competitor. ISS Norway has over 11 000 employees and a 5.3 BNOK revenue.

ISS offers services in the following categories:

- Cleaning
- Food services
- Technical services
- Workplace management

ISS has launched a new strategy: OneISS

Stronger – Building on their unique heritage

Simpler – Making life easier for their people and customers

Closer – Working together and embracing the right values

The continuous demand for the availability and flexibility of all the services provided and the increased focus on sustainability and climate change requires ISS to further develop and change. The way ISS' customers do business will force ISS to align with their customers' sustainability strategy – from the way they do their cleaning to the type of food they serve.

In addition the Covid-19 pandemic has disrupted the way we work. People are working from home and workplaces have become desolated. This has had great consequences for ISS, especially for the cleaning and food services.

ISS needs to align its strategy for a new workplace situation. What will the future workplace look like? As a student, soon to graduate, how do you envisage your future workplace? And in describing this workplace, what are the consequences for the services ISS provides?

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ISS are looking forward to listening to your solutions.

Good luck!