

This is risk managers' new weapon

By [Joe Sullivan](#)

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The use of flexible working and a connected property strategy as tools for risk management is a relatively new trend, and one expected to grow significantly as more businesses understand the new workspace strategies available to them.



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We are entering a workspace revolution, powered by digitalisation and increased connectivity.

IWG, the parent company of workspace companies such as Regus and Spaces, recently surveyed 19,000 business people from around the world (96 countries to be precise).

The results were astonishing:

Most relevant for risk managers, 73% of respondents said that flexible working helped them to mitigate against risk. How? Perhaps some of the other results may provide insight:

- 89% believe it helps their business grow and optimise costs
- 87% believe it helps their business stay competitive
- 83% believe it helps their business maximise profits
- 82% believe it helps them create a presence in new markets

- 80% stated that enabling their company's employees to work from anywhere helped them recruit and retain top talent

“ This revolution means that businesses are increasingly studying how flexible working can help them to grow. As part of that, they are also discovering how it can help them manage different types of risk. ”

Financial risk

First, financial risk. Research by real estate company JLL recently estimated that by 2030, 30% of corporate real estate will be flexible. That's three out of every ten buildings.

Why are companies using so much flexible workspace? One big reason is cost. Companies can save significant costs on real estate that they outsource, sometimes as much as 50% or more.

Clearly, reducing long leases, capital expenditure and overall costs provides a financial boost that helps financial risk.

Incoming new regulation IFRS 16 – which will put leased assets onto a business's balance sheet - will be a trigger for more businesses to recognise this advantage and to take advantage of the broader advantages of flexible workspaces.

Strategic risk

Second, and linked, is strategic risk. Global businesses need to expand and move into new territories. They do this to be closer to customers, employees and suppliers.

To do this successfully often demands commitment, but it can be challenging to understand what level of commitment is required.

Do you want to sign a long-lease on an office only to discover that the opportunity didn't materialise? And then find yourself tied to that office, with the overheads it requires, while you identify a fresh opportunity in another market? Again, a flexible workspace strategy negates this risk.

Flexible working is not simply about personal employee productivity (although this is undoubtedly a key advantage) – it is also about ensuring that businesses of all sizes have the agility to seize an opportunity.

Talent retention

Third, talent retention. In a connected, extremely competitive world, business success is determined by talent. It's clear that the expectations and demands of employees are changing and indeed, that the demands of top talent are changing.

“ A recent study found that 87% of workers would like the option to work flexibly. And by that – they don't mean working from home one day a week. They mean the chance to work on the move, explore new locations, and fit their work commitments around their life commitments. If you can deliver that, your appeal as an employer will rocket. ”

A flexible workspace strategy offers talent a package that they know will enable them to be their most productive, without compromising their work-life balance unnecessarily.

It also helps a business to retain that talent – at all levels of the company. That is a key factor in ensuring that ambitious, global businesses keep one of their most important differentiators – their people.

A plan in place for unforeseen events

Finally, flexible workspace strategies can give risk managers peace of mind that they have a plan in place for those

unforeseen events that can play havoc with business continuity from a physical and digital perspective.

Having a flexible workspace provider as your recovery partner means you are not tied down to any one location and can adopt a location recovery strategy at any time. Best of all, you can test the business when and where you want - because workspace providers like nothing better than showing people their great workspaces.

This also has benefits in terms of network security - if your network is compromised you can use a workspace supplier's network instead. A properly-networked flexible workspace partner can provide this.

The workspace revolution has transformed how individuals view office life. Now business leaders are recognising the specific strategic and financial benefits that it will bring to organisations of all sizes. Central to that is how it will help them to mitigate against threats and seize opportunities.

That's why the smartest risk managers are paying close attention to their property portfolios and flexible working.

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