



Sun Microsystems  
Workforce Solutions Initiative  
**“iWork at Sun”**

**The following is a high level overview of Sun Microsystem's “iWork at Sun” initiative, focusing on background, key components, implementation tools, success indicators, lessons learned, and current challenges.**

**I. What is iWork at Sun?**

iWork is much more than a showcase for Sun's corporate vision of "Everything and everyone connected to the Net" – it is an internal initiative that has profoundly impacted the company's work, and its workforce.

iWork at Sun consists of a solution suite of products, policies, and support tools that enable Sun's employees to work effectively wherever their work may take them; whether at the office, at home, or in many places along the way. To do this, iWork provides a distributed work environment that includes “Flexible” Sun workspaces, Drop-in Centers, Employees' homes, “on-the-road,” a variety of group work settings, as well as traditional workspaces for those who need them.

iWork at Sun integrates edge and web technologies, forward thinking work and management practices, and new workplace ideas to support employees' work needs and preferences, optimize resources, control costs, and enable business agility. Key to this is the work infrastructure – technology, workplaces, best practices, and support – which Sun has been steadily rebuilding during the past 10 years to support an increasingly mobile and distributed employee population.

Today, about 43% or 17,000 of Sun's 40,000 employees and on-site contractors participate in iWork at Sun. This participation includes employees from all of Sun's Business Units, representing nearly all job types within Sun: Sales, Service, Engineering, Marketing, Operations, and Corporate. In fact, to some degree, roughly 70% of all employees in the company are “mobile” (travel frequently from place to place to do their jobs) or “distributed” (choose to work in locations some or much of the time that are away from their main work groups). These figures continue to grow, reflecting a phenomenon found in businesses today wherever “knowledge workers” are found.

## **II. What drove the development of iWork at Sun?**

iWork's roots can be traced to changing assumptions about the work practices of knowledge workers, and the unique characteristics of a knowledge-based business. Today's knowledge workers have widely varying needs that stem from different kinds of job types and work tasks, geographically distributed customers and partners, personal and family situations, and work styles. The nature of knowledge work, which relies on thought and information rather than muscle and machinery, allows for greater freedom for individuals to choose where and when to work, but only if the work infrastructure accommodates such choice.

Business organizations also have diverse and dynamic requirements based on rapidly evolving and globally dispersed product and labor markets, changing rates of organizational growth, and product innovations generated from within and without. These dynamic needs inevitably challenge the organization's work infrastructure to evolve in concert with changing business environments, with little or no lag time.

Against this background, Sun has collected a variety of workforce and work pattern data confirming that traditional work infrastructure does not match many employees' actual work patterns. Rather than supporting the way people are already working, traditional workplace and technology provisioning and management practices are ineffective for many employees. In a Sun study 5 years ago, roughly 35% of all employees were not even badging into their assigned buildings on a typical work day. And those who did were often in meetings, or travelling between Sun locations to engage with colleagues and partners. Clearly, there is a pent up demand for a different work infrastructure solution to better support an increasingly mobile and distributed workforce. Since data confirms that employees are, to a large extent, mobile, distributed, and often “out of the office”, the need to rethink design of the work environment is a business imperative, both to better support employees as well as to make more efficient use of dollars devoted to work infrastructure.

## **III. What is the iWork Value Proposition?**

### **A. Value To The Company:**

1. A flexible workforce with flexible infrastructure enables agility in all parts of the company
2. Sun's iWork infrastructure supports business continuity when the unexpected happens
3. iWork positions Sun to quickly, effectively respond to “next waves” of growth in

the industry with manageable capital expenditure

4. Cost control results from highly efficient use of iWork's technology and real estate infrastructure.

#### **B. Value To Business Units and Managers:**

1. Helps attract and retain the best people globally, regardless of their location
2. Uses the Net to organize, expand and integrate work groups across the company, breaking down traditional organizational, physical, and technological barriers
3. Employees who choose a flexible work arrangement report higher morale, higher productivity

#### **C. Value To Employees:**

1. Having choice in when and where to work enables more efficient and effective use of time
2. Provides greater flexibility in planning work and meeting commitments
3. Has positive impact on self-reported productivity and job satisfaction
4. Fosters improved work / life balance. iWork saves time!

### **IV. What are the key components of iWork at Sun?**

The basis of iWork's success lies in its integrated IT, physical, and policy infrastructure, developed and “bundled” to meet rigorous objectives for performance, customer acceptance and satisfaction, scalability, and cost effectiveness. The following is a list of the essential components of the iWork infrastructure:

**A. Three Primary Work Arrangement Choices:** Sun's employees can choose, with managers' approvals, from three distinct, high value work arrangements. **“Sun Assigned”** provides employees who need a single primary work location within a Sun building with a traditional “assigned” office. **“Home Assigned”** provides employees the ability to work from home 3-5 days per week. These employees benefit from avoiding commutes or attending to family needs, while doing work that can be done “at a distance” from their main work groups. **“Flexible”** provides employees with the ability to work “from anywhere,” including support for work from home up to 2 days per week, in “drop-in centers,” on the road, with colleagues at other Sun locations, and at main Sun locations as and when needed.

**B. A Network of Places:** A variety of workplace types are used to meet the needs of Sun's diverse, “Flexible” workforce. Employees can work from any number of “Flexible Offices” around the world, where offices are shared, and workspace can be reserved in advance through Sun's web based reservation system, SunReserve. Drop-in Centers and “Flex Zones” are also provided; their distribution based on work patterns and employee need. In addition, Sun provides a robust support system for employees who want to work from home, either part time or full time. Today, nearly 2,000 Sun employees work primarily from home, and any of Sun's 15,000 Flexible employees are able to work from home up to 2 days per week,

when they need to or choose to do so.

- C. Technology Solutions:** Sun's technologies make it possible for employees to stay *securely* connected and be productive, whether on Solaris, Linux, Mac or Windows, using a variety of desktop and mobile devices. Sun hardware, software and network intelligence are crucial to the success of iWork, providing secure access to information, data, applications, and services "anywhere, anytime". Essential iWork technologies include the Java Card, Sun Ray thin client, JES portal, directory, web and identity servers, and JDS on Linux, Sun's affordable open source desktop software. These technologies enable anywhere access to computing services securely and easily, minimizing the risks of data loss and viruses.
- D. Distance Collaboration:** Communication, knowledge sharing, collaboration, and team work take on new dimensions within distributed organizations. Sun has established a Distance Collaboration program to improve the ability and ease with which Sun employees' work with colleagues from a distance –whether across town, or around the world. The program drives improvement in collaboration tools and best practices needed for effective distributed work.
- E. iWork Policy & Provisioning:** Explicit policies, outlining the guiding principles and “big rules” for employee participation and management approval are crucial to the success of iWork at Sun. When endorsed by upper management, and made readily available to employees, such policy statements have an important stabilizing affect, especially in the areas of change management and user acceptance. Equally important are the policy statements addressing provisioning of furniture and equipment, and reimbursement of employee incurred iWork costs.
- F. Education & Training:** In order to learn about iWork, prepare themselves for change, and to quickly become effective in the new work environment, people require easy access to information. Relevant, effective education and training programs are essential aspects of change management and user acceptance. Therefore, Sun has established various web-based and classroom iWork training courses for both employees and managers, whose needs differ. Focal areas include time management and personal organization, remote management, staying connected to colleagues, and distance collaboration.

## V. What tools support the expansion of iWork at Sun?

- A. Services & Support:** Scalable, effective, user-friendly tools and services are required to make employee participation in iWork at Sun a quality experience. The following are considered to have high impact on employee acceptance of, and satisfaction with, iWork:
  - 1. SunWeb portal:** The comprehensive internal employee portal, featuring up-to-the-minute information on news, life and work at Sun. The portal provides personalization capabilities for users, making it a model for

delivery of web services.

2. **iWork website:** A site on the SunWeb portal that provides Sun employees and managers with a “one stop” source of services and information about all aspects of iWork. Users are able to easily find links to detailed information about iWork at Sun, as well as to tools and support, policies, and iWork reports.
3. **iWork Select:** A web service for employees and their managers, iWork Select enables users to learn all about iWork, take an on-line iWork Suitability Assessment, and initiate an automated Category Change process. iWork Select provides a standard methodology for determining which work arrangement – “Sun-Assigned”, “Flexible”, or “Home-Assigned” – is the best fit for each individual, and, upon manager approval, also facilitates all aspects of the category change.
4. **SunReserve:** A Sun web-based tool that enables employees to reserve Flexible Workspace in advance, and locate mobile colleagues, anywhere around the world.
5. **Accessline:** A communication management system chosen by Sun to enable employees to manage their telephone calls and faxes in the iWork environment. Accessline gives mobile employees the ability to direct calls to multiple locations and devices, making it easy to stay in touch with colleagues regardless of distance or location. Accessline will soon be supplemented by Voice over IP on the Sun Ray thin client.

**B. Change Management:** Sun's ability to expand iWork hinges on the use of effective change management tools. Employee and Manager awareness, readiness, and acceptance are three distinct areas of change management upon which the success of iWork at Sun depends. Robust communications planning, socialization of issues, education and training are equally important in achieving these goals.

Two of the most valuable tools Sun uses in Change Management are:

1. **Sun CAP methodology:** The Change Acceptance Process (CAP) is Sun's standard approach to managing change effectively in our business, enabling change capability across the company. Sun CAP facilitates change by identifying obstacles – such as stakeholder resistance, or lack of alignment – and providing tools for analyzing and overcoming those obstacles.
2. **Engagement Agreement:** The iWork Engagement Agreement is the primary tool delineating the standardized roles, responsibilities and expectations for delivery of an iWork Project. It is the service level agreement, or “contract”, between members of the iWork project team

(Sun WR, IT and HR) and the local management team representing end users. Each entity is responsible for specific deliverables, and each is evaluated / scored based on the quality and timeliness of those deliverables.

## **VI. How is the impact of iWork at Sun measured?**

A variety of metrics indicate the impact iWork has on people, business, and cost:

- A. iWork Scorecard Survey:** An on-line survey administered annually to all employees working in iWork environments. Data collected reflects levels of satisfaction with iWork in specific areas such as technology, work space, and management support. Current data indicate that, overall, employee satisfaction with iWork at Sun stands at 73% vs a desired target of 80%. Sun's Corporate, Engineering, and Americas Field employees rate their satisfaction at over 80%. Our European and Asian employees (where all components of the program are not yet fully available) rate satisfaction at about 65%. Scorecard data is used to identify and prioritize continuous improvement efforts each year.
- B. Business Impact:** Currently, our primary measure of business impact is infrastructure costs saved or avoided. In FY04, implementation of Sun Rays resulted in \$53 million of savings. Reductions in our real estate portfolio through the Flexible Office program allowed Sun to avoid/save \$71 million in FY04.

Though impacts on business are often difficult to quantify, they are nonetheless evident through observation in the areas of Business Continuity, Organizational Agility, and Productivity.

- 1. Organizational Agility:** Our Sales organization in the U.S. was able to reorganize its market coverage model from a geographic to an industry and customer focus, without incurring the time and dollar costs normally associated with moving people based on new reporting, work group, and customer relationships.
- 2. Business Continuity:** iWork has played a significant role in Sun's ability to respond to emergency situations, supporting rapid recovery of operations, and enabling work despite debilitating events. The loss of a major Sun facility at the World Trade Center, the impact of SARS on travel and work arrangements, and a shut-down blizzard in Colorado are all events which Sun was able to quickly mitigate with its networked, flexible iWork infrastructure.
- 3. Productivity Indicators:** Information about employees' perceptions of Work, and how the initiative affects their jobs, are gleaned from a variety of sources:
  - **Performance Reviews:** analysis of annual performance reviews

indicate that Sun Assigned, Flexible, and Home Assigned work arrangements, when matched to an employee's work needs and preferences, each results in the demanding performance ratings “profile” that Sun targets each year. The key to impact on performance is not the specific work arrangement, rather, it is the proper match of arrangement to an employee's work and preferences.

- **Employee Turnover:** Voluntary turnover data indicate some higher-than-normal voluntary turnover during the first months of implementing the iWork program within a business group, and then rapidly declining to significantly lower-than-average turnover as the group goes through the change process. Employees who are able to choose their work arrangements show voluntary turnover at a rate that is ½ of the company average.
- **Employee Choice:** Self reported productivity scores are very high for those employees who are able to choose their work arrangement, and are supported in that arrangement by their managers.
- **Time Saved:** Data on time saved through flexible and home options indicate that Sun's employees typically give Sun 60% of the time saved, and “take” 40% of the time saved for themselves and their families...a real win-win outcome.

## VII. Lessons Learned

The level of success of Sun's iWork Initiative has, from the beginning, relied on continuous improvement efforts driven largely by lessons learned through implementation. Many factors contribute to Sun employees' positive perception of iWork, but we have found the following themes to be critically important in delivering quality iWork solutions inside Sun:

**A. Collect Data:** Sound data is the most persuasive argument for change, and forms the foundation for decision making and commitment. iWork at Sun has essentially been built on data that sheds new light on employee attitudes, work effectiveness, and infrastructure cost and functionality. This data, and resulting strategies for improvement of Sun's work environment, has given iWork credibility and viability throughout the company, and has had a strong influence on people's willingness to accept and embrace change.

**B. Understand “Ability”:** The migration toward new ways of working, triggered by new business realities and evolving technologies, is made possible by knowing exactly how people work, and what they need to succeed in their jobs. In particular, understanding the “work profiles” of individuals and groups has enabled us to help employees and their managers properly match work arrangement with the work they do.

**C. Understand “Willingness”:** In addition to being *able* to work in new ways, people

need to be *willing* to adopt new arrangements as well. To that end, Sun's iWork program provides clear but differentiated value within each arrangement: Sun Assigned, Flexible, and Home Assigned. Employees are able to choose the arrangement that not only fits their work needs, but also their personal and family needs and preferences. Within Sun, approximately 20% prefer Sun Assigned, 20% prefer Home Assigned, and 60% prefer Flexible, particularly including the ability to work from home or from a drop-in location 1-2 days per week.

- D. Provide Operational Support:** For flexible work solutions to succeed, thoughtful development and implementation must be followed by effective operational support. This means establishing support services for technology set-up and troubleshooting, providing training on how to use new technologies, and offering education on best practices and organizational skills. In addition, since many offices and other work resources are shared amongst Flexible workers, proactive support on issues of “rules of etiquette,” cleanliness, and office supplies has proven to be a key to the success of the program.
- E. Manager Support and Acceptance:** One of the most important issues when rolling out flexible or telework programs has to do with management perception. To many managers, the value of organizational agility, hiring “anywhere,” supporting customers wherever they are, and employee satisfaction is apparent. To others, particularly to managers who “supervise” rather than “lead,” this kind of program can be a challenge. Certainly, some new skills and management techniques are required to assure group productivity and cohesion. We have learned the importance of enabling managers to help structure the overall program, assuring that they maintain reasonable “control” through approval of work arrangements and manager-employee agreements, as well as providing necessary training and sharing of best practices.

## VIII. Summary

Sun has developed its iWork program over a number of years. Currently, 43% of its workforce are active participants. We have developed tools, processes, policies, and the needed IT and Real Estate infrastructure for an effective program. Development and improvements will continue in the years to come. We now have the capability to help Sun's customers develop and implement similar programs to support their mobile and distributed workforces, whether for purposes of cost control, employee benefit, customer benefit, business continuity, or environmental concerns. These are all important needs that an effective, flexible work program can address, and that we are now ready to offer Sun's customers.

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