THE THAMES VALLEY BUSINESS BAROMETER

JULY 2019

Health and Wellbeing

THE CHANGING DYNAMICS OF WELLBEING IN THE WORKPLACE

The importance of balancing engagement and happiness | 14

CONSULTING
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BEHIND THE GROWTH STORY

The Thames Valley Business Barometer – a collaboration between BDO LLP and C8 Consulting – provides a twice yearly snapshot of business and economic confidence in the Thames Valley.

This latest survey ran from 19th March through to 16th May 2019. Over 100 businesses took part and we would like to thank them for their support.

The Barometer report contains the results of the survey as well as in depth profiles of Thames Valley organisations Kymira, A10 Networks, Qdot, Pro-Counselling and WebTMS. They shared their views on their own performance, the key challenges they face and the current economic conditions.

We would like to thank them all for giving their time to be interviewed.

Finally we would like to thank our Thames Valley Business Barometer panel of over 35 business leaders from across the Thames Valley region for their continued support with this survey.

A WORD FROM SIMON BROOKER

PARTNER AND HEAD OF BDO THAMES VALLEY

At the start of 2012 BDO and C8 Consulting launched the Thames Valley Business Barometer, to survey the region's businesses and track trends in economic confidence and performance across the Thames Valley. In the 7 years since the Barometer began UK businesses have faced a period of seemingly continuous change and uncertainty.

The British economy starting to emerge from the last recession in 2013; the referendum on Scottish independence was held in 2014; the referendum on the UK's membership of the European Union took place in 2016 and Article 50 was signed in March 2017 signalling our withdrawal from the EU after more than 40 years as a member.

In addition, there have been two general elections, three different Conservative Prime Ministers and two delays to the date that the UK was due to leave the EU.

continued on page 02

A WORD FROM SIMON BROOKER

continued

There seems to have been little time for businesses to draw breath or plan ahead with any degree of certainty.

The results from our twice yearly Barometer surveys during that time have shown how business confidence and performance has been affected by these changes. All indicators rose sharply from Autumn 2013 to 2014, as the Thames Valley emerged from the recession, before plateauing throughout 2015, with over 90% of business leaders surveyed feeling positive about the economy and the Thames Valley in general performing very strongly.

In Spring 2016, with the EU Referendum approaching, economic confidence dropped sharply, although all the main performance indicators remained strong. However, by the Autumn 2016 survey, after the decision had been made to leave the EU, both performance and confidence indicators had fallen.

Since then business confidence has risen and fallen without ever approaching the heights of 2014 and 2015 while business performance improved and has remained at levels only slightly below their peak.

While the EU Referendum was meant to put the EU question to bed once and for all, since 2016 businesses have faced even more uncertainty over what the future will hold and the conditions in which they will operate in the future.

It is to their credit that, while confidence levels across the region have ebbed and flowed, performance measures have, by and large remained strong throughout.

The Spring 2019 survey

The most recent Barometer survey took place between March and May and the results show business confidence at its lowest level since the Barometer survey began, with 63% of respondents feeling that confidence had dropped since late 2018.

However, business performance over the previous six months remained relatively strong with 36% telling us that their business pipeline had increased, 43% seeing turnover rise and 51% seeing profitability improve.

However when we discussed the results with our panel of business leaders it was felt that many companies have been tightening their belts and that many longer term projects and investment decisions have been deferred, at least for now.

Wellbeing in the workplace

In the second part of the survey we looked at health and wellbeing in the workplace so that we could get a local perspective of how businesses are addressing an issue that affects every one of us.

We asked companies if and how they encourage their employees to be mentally and physically healthy at work.

Almost 90% of those surveyed think that, as employers, they have the responsibility to encourage their employees to be healthy.

For 48% of respondents, sickness absence is an issue for the effective day to day operation and productivity of their organisation, while 71% of those surveyed said that the financial benefits of spending money on their employees' health and wellbeing outweigh the costs to the business.

However, only 56% of respondents feel that they have an effective health and wellbeing programme in place.

When asked about the solutions they have to support the physical health and wellbeing of their employees, more than half of respondents mentioned cycle-to-work or bicycle purchase schemes and a third mentioned programmes to encourage physical activity such as running, walking and cycling. Another third said that their company has a health and wellbeing section on the intranet, while 34% provide healthy food options.

A full write up of the results of the survey and the round table discussion with our Barometer business panel, can be found in this report, together with profiles of five companies based in the region.

I hope you find this Barometer report interesting and informative and I welcome your feedback. Please feel free to share the report and its findings with others and to contact us if you would like to be involved in future Barometer surveys in any way. The more organisations that get involved the more clearly we will be able to track what is happening across the region.

SIMON BROOKER
Partner
BDO

SURVEY RESULTS

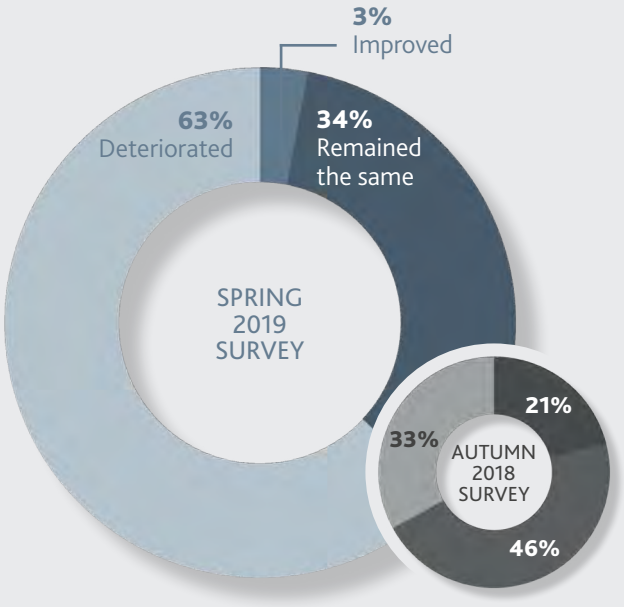
ECONOMIC CONFIDENCE **DROPS MARKEDLY**

ECONOMIC CONFIDENCE

Economic confidence drops markedly

- 3% of those surveyed stated that confidence had improved in the previous six months (versus 21% Autumn 2018 and 35% in Spring 2018)
- 63% stated that confidence had deteriorated (versus 33% in Autumn 2018 and 23% in Spring 2018)
- 34% stated that confidence had remained the same (versus 46% in Autumn 2018 and 42% in Spring 2018)

In terms of the general level of economic confidence among business leaders in the Thames Valley, in the last six months respondents believe this has…

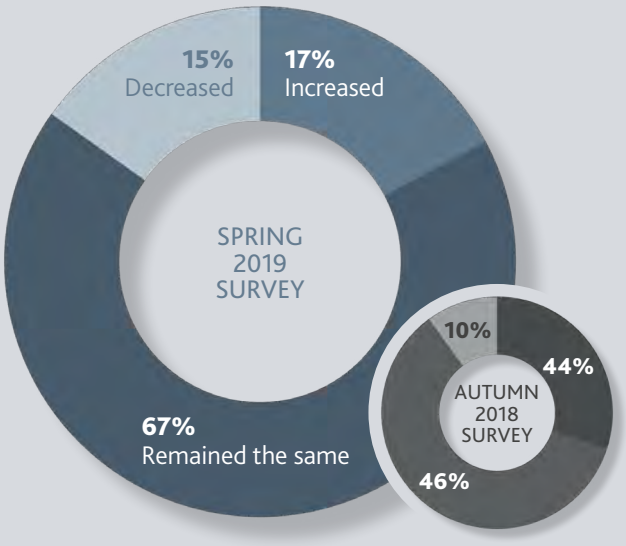


STAFF ATTRITION

Staff attrition levels drop

- 17% of businesses surveyed saw their rate of staff turnover increase in the previous six months (versus 44% in Autumn 2018 and 30% in Spring 2018)
- 15% saw their staff turnover decrease (versus 10% in Autumn 2018 and 10% in Spring 2018)
- 67% saw their staff turnover remain the same (versus 46% in Autumn 2018 and 60% in Spring 2018)

In the last six months staff turnover has …



PROFILE

KYMIRA

FROM UNIVERSITY STUDENT TO ENTREPRENEUR

KYMIRA Kymira was founded by current CEO, Tim Brownstone in 2013, when he was in his final year at the University of Reading where he studied Animal Sciences and undertook five years of academic research and development.

Tim founded Kymira as he is passionate about constantly striving to innovate within the fields of medical technology and clean tech. Fast forward six years and Kymira's subsidiary division Kymira Sport is already a success in the field of sport with its infrared performance enhancing and recovery accelerating sportswear, and Kymira Corporate is now working on adapting the technology for medical purposes and is making significant headway.

The sportswear products use infrared technology to create a variety of enhancements to athletic performance and recovery. These results are supported by ten published independent clinical trials (to date) and have led to Kymira products being given medical device status in the EU, Australasia, and the USA.

The benefits provided by Kymira sports products stand up to scrutiny and as a result its range has expanded to 58 different garments that cover every part of the body: ankle and compression socks, base layer tops and bottoms, cycle wear, and gloves.

On the medical side, Tim and the team are looking at chronic care, circulatory disorders and rehabilitation. The technology is so versatile that Tim is also investigating space applications and looking at undertaking research with the European Space Agency.

Where medical applications are concerned, Tim has two smart garments on the cardiac side that he is currently evolving.

One has the potential to detect a heart attack two days before it happens, the other monitors photocell movement in the last trimester of pregnancy. Tim adds: *"58% of stillbirths are actually preventable and the garment that we are developing will be able to identify these types of problems."*

Kymira has just started its new financial year and has plans to exceed the 90% growth it has achieved over the last 2.5 years. As a result it is now putting additional resources in place. The goal is to realise revenue from the medical side as well as the sports sector and the company has plans to expand into the US in the coming months.

A key decision that Tim has to make is whether the business will look to incorporate in the US or continue operating from arm's length.

Domestically in the UK, Tim's key focus will be on properly establishing the medical side of the business while continuing to grow sports. Kymira's future 2030 vision is that the technology is integrated into everyday wear and that the technology is as simple as possible for the user, with everything built into the one system rather than users needing to carry phones or other gadgets or be concerned about the technology working – it becomes seamless and to that extent invisible.

Today, Kymira comprises 14 people which stretches to 25 when there are larger projects on the go. Likewise, the number of employees is increasing every month. The business has just moved into a much larger building with warehousing and R&D facilities which better accommodates its requirements.

Over the years Kymira has received various external funding and grants and in particular Tim talked about how supportive Innovate UK has been, he comments: *"We literally wouldn't be where we are today if we hadn't had the funding and support from Innovate UK."*

Where Brexit is concerned, the biggest impact that Kymira sees is around access to European engineers and talent. That said, one of the reasons why Kymira set up office facilities in the Thames Valley is because access to talent has been good and there is also a good ecosystem of tech companies in the area, which Tim can turn to, particularly ConnectTVT, so it has been and remains a good place for Kymira to operate from.

> *"58% of stillbirths are actually preventable and the garment that we are developing will be able to identify these types of problems"*

TIM BROWNSTONE
CEO AND FOUNDER | KYMIRA

SURVEY RESULTS

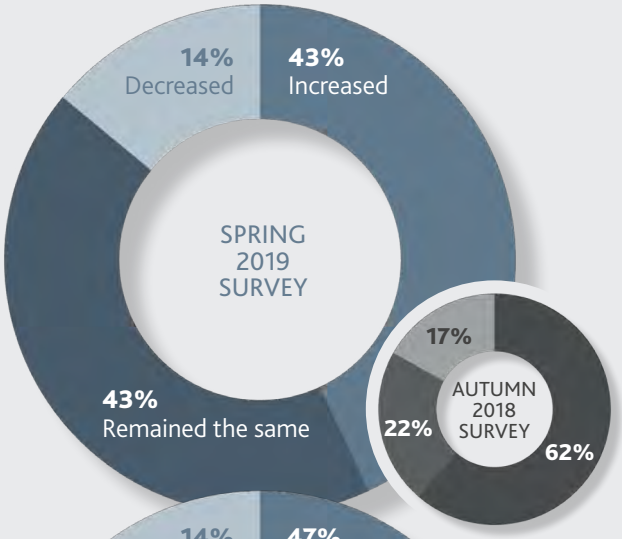
TURNOVER GROWTH **SLOWS**

TURNOVER

Turnover growth slows

- 43% of those surveyed had seen their UK turnover increase in the previous six months (versus 62% in Autumn 2018 and 57% in Spring 2018)
- 14% had seen their turnover decrease (versus 17% in Autumn 2018 and 10% in Spring 2018)
- 43% had seen their turnover remain the same (versus 22% in Autumn 2018 and 33% in Spring 2018)

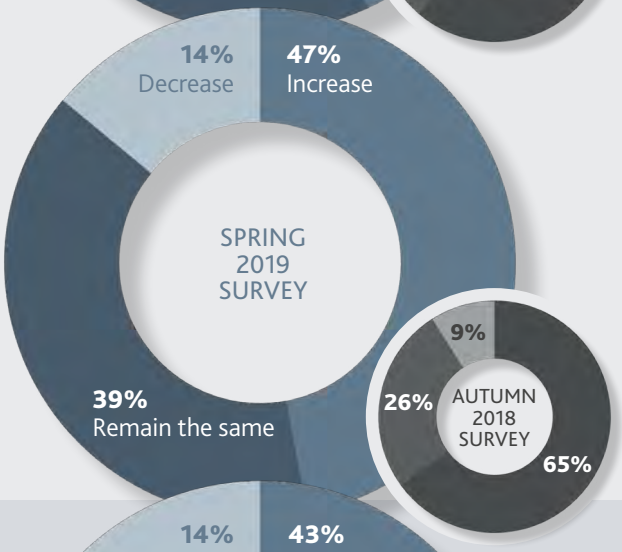
In the previous six months turnover…



Expectations for future turnover slows

Looking forward to the next six months 47% of those surveyed expected their turnover to increase (versus 65% in Autumn 2018 and 63% in Spring 2018) while 14% expect to see their turnover decrease (versus 9% in Autumn 2018 and 9% in Spring 2018).

In the next six months turnover is expected to…

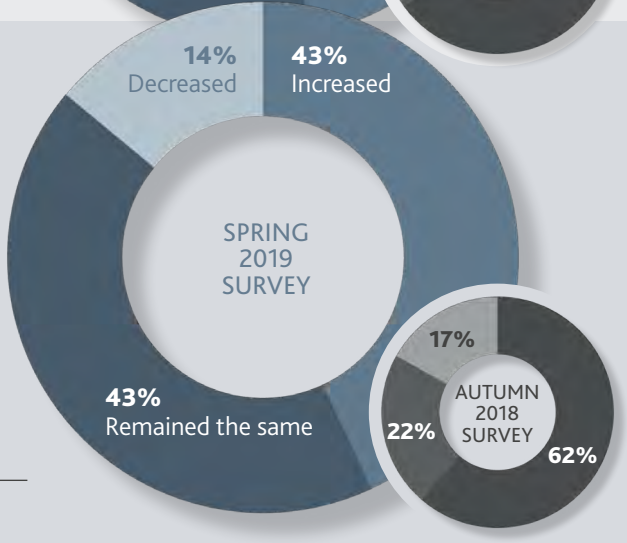


PIPELINE

Growth in business pipeline decreases

- 36% of businesses surveyed had seen an increase in the size of their business pipeline over the previous six months (versus 59% in Autumn 2018 and 53% in Spring 2018)
- 17% had seen their pipeline decrease (versus 15% in Autumn 2018 and 6% in Spring 2018)
- 47% had seen their pipeline remain the same (versus 26% in Autumn 2018 and 41% in Spring 2018)

In the last six months our new business pipeline has…



PROFILE

A10 NETWORKS

TAKING ADVANTAGE OF THE POTENTIAL OF 5G

With its new European headquarters in Theale, A10 Networks is rapidly expanding its team with several senior level appointments in 2018 and 2019 as it gears up for the opportunities that 5G will present to the marketplace.

New senior appointments include Adrian Taylor, who joins as Regional Vice President of Sales in Western Europe, and a new head of EMEA channels, Stephen Dallas. These appointments come on the back of the employment of Anthony Webb, Vice President of Sales in EMEA earlier in 2018 and also as A10 expands its offices in the Thames Valley, tripling in space and size in order to continue to grow and build the EMEA team.

A10 Networks is a leading provider of intelligent and automated cybersecurity solutions, providing a portfolio of high-performance, secure application solutions that enable intelligent automation with machine learning to ensure business-critical applications are secure and always available. Founded in 2004, A10 Networks is a US public company listed on the New York Stock Exchange and based in San Jose, California. A10 Networks serves customers in more than 80 countries with offices worldwide.

The new EMEA team has plenty of tough challenges in the year ahead, but also a wealth of opportunity, as Adrian Taylor explains: *"I've been accountable for creating, leading and executing a software sales transformation strategy for multiple networking vendors and this is what attracted me to A10 Networks as it transitions to deliver cloud, security, digitalisation and 5G to the market. It is a disruptive player and I thrive on working in this type of environment. There is an established customer base, great partners and a solid infrastructure that can be further leveraged and built out."*

Adrian is an established sales leader with over 25 years' experience in developing global and multinational accounts, across a wide range of emerging networking technologies. Since joining A10 in 2018 he has been responsible for driving growth through direct customer engagements as well as leveraging channel, service provider and technology partnerships.

His partner in crime is Stephen Dallas, who also has 20 years' experience of working in the IT industry both in UK and EMEA, spanning service provider, enterprise and channels. Working alongside Adrian, Stephen is responsible for growing revenues through A10's EMEA partners and supporting customer go-to-market initiatives in EMEA. Stephen adds: *"A10's ability to capture major market transitions affecting our customers such as digital transformation, moving to a cloud strategy, enhancing security and creating a more application-centric infrastructure was what made me want to join the company. There are exciting customer and partner developments on the horizon at A10 Networks. The company has a superb reputation in the market for the quality of its products and I am keen to develop new partner relationships as well as build on the great partner ecosystem we already have in place."*

This investment in the senior management team is because A10 Networks sees significant opportunities with the upcoming 5G era as mobile operators are moving towards 5G commercialisation.

Adrian explains: *"Mobile service providers anticipate significant revenue opportunities from the coming deployment of high-speed 5G networks, but they also believe much-improved security will be essential to realising that potential. This is where A10 Networks can help with our range of high-performance application networking solutions that help organisations ensure that their data centre applications and networks remain highly available, accelerated and secure."*

The location of offices in the Thames Valley was deliberate in order to ensure good access to transport links both in the UK and overseas as the team is truly internationally focused and moves seamlessly around EMEA. Likewise the area has a good source of talent and this will help the organisation to meet its ambitious growth plans. Where Brexit is concerned, it is business as usual and Adrian and team have yet to see any impact. Adrian concludes: *"Mark my words, the combination of 5G and AI will be one of the most disruptive technology combinations we have ever seen."*

> *"Mark my words, the combination of 5G and AI will be one of the most disruptive technology combinations we have ever seen"*
>
> **ADRIAN TAYLOR**
> REGIONAL VICE PRESIDENT OF SALES IN WESTERN EUROPE | A10 NETWORKS

SURVEY RESULTS

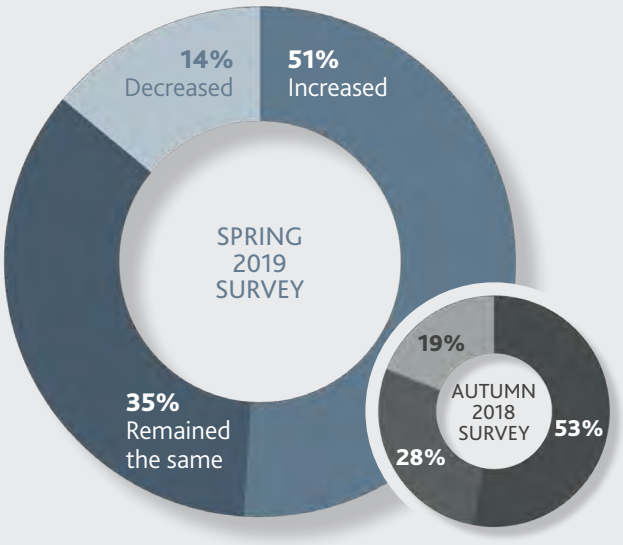
PROFITABILITY AND HEADCOUNT **STABLE**

PROFITABILITY

Profitability increase remains level

- In the last six months 51% of those surveyed had seen their profitability increase (versus 53% in Autumn 2018 and 56% in Spring 2018)
- 14% had seen a decrease in their profitability (versus 19% in Autumn 2018 and 11% in Spring 2018)
- 35% had seen their profitability remain the same (versus 28% in Autumn 2018 and 33% in Spring 2018)

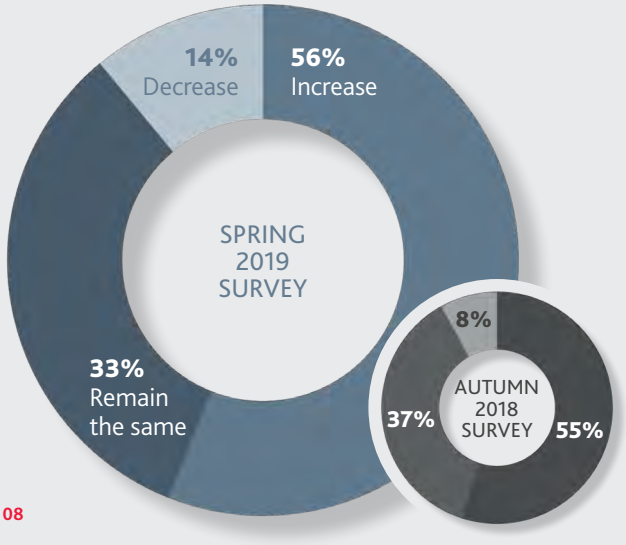
In the previous six months profitability…



Expectations remain the same

Looking ahead to the next six months 56% of businesses surveyed expected their profits to rise (versus 55% in Autumn 2018 and 62% in Spring 2018) while 11% expected profits to decrease (versus 8% in Autumn 2018 and 3% in Spring 2018).

In the next six months profitability is expected to…

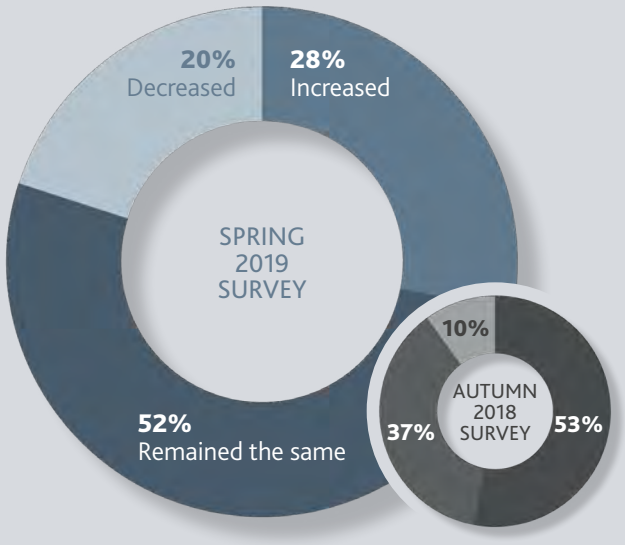


HEADCOUNT

Headcount remains the same

- 28% of business leaders surveyed had seen an increase in headcount over the previous six months (versus 53% in Autumn 2018 and 37% in Spring 2018)
- 20% had seen their headcount drop (versus 10% in Autumn 2018 and 12% in Spring 2018)
- 52% had seen headcount remain the same (versus 37% in Autumn 2018 and 51% in Spring 2018)

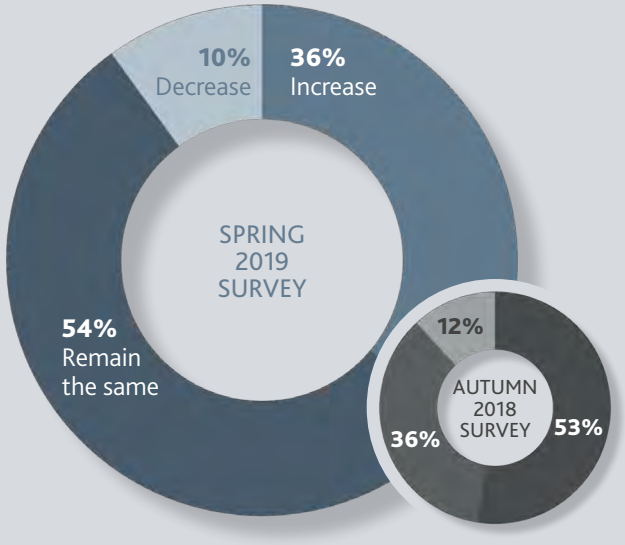
In the previous six months headcount…



Headcount expected to stay the same

Looking ahead to later in 2019 36% of those surveyed expect their headcount to have grown (versus 53% in Autumn 2018 and 50% in Spring 2018) while 10% expect headcount to have dropped (versus 12% in Autumn 2018 and 4% in Spring 2018)

In the next six months headcount is expected to…



PROFILE

QDOT

SERIAL PROBLEM SOLVERS IN THE FIELD OF HEAT TRANSFER

Founded in 2018, Qdot is a University of Oxford spin-out that develops heat transfer technology for some of the most challenging of thermal environments. Applications include nuclear fusion reactors (distinct from fission currently used in electrical generation) such as JET at the Culham Centre for Fusion Energy, and overcoming the numerous thermal engineering challenges found in the fast-growing industry of electric vehicles.

Dr Jack Nicholas, Dr Tsun Holt Wong and Professor Peter Ireland are the three founders of Qdot. All three are renowned and world leading engineers and researchers at the Oxford Thermofluids Institute in central Oxford. An early stage business, but one that has big ambitions, Qdot is on the brink of commercialisation and recently moved to the Harwell Science, Technology and Innovation Campus near Didcot.

Tsan Holt Wong did his PhD at the University of Oxford in the field of gas turbine cooling and he pioneered the use of pressure-sensitive paints as a means of active flow visualisation. Likewise Jack Nicholas also did his PhD at the University of Oxford in the field of heat transfer for nuclear fusion tokamak reactors. He worked as a research fellow in the EU fusion programme. Jack talks about the vision that Qdot is working on: *"To limit the impact of climate change there is a need to accelerate our transition from a fossil-fuel based society to an electric one. However, serious questions still remain about how we generate this electricity in a green manner. Power from nuclear fusion offers an ideal solution to this problem, and there is now increasing interest around the globe in making this a reality."*

Jack goes on to explain that one of the key technological challenges for fusion is to handle the large heat exhaust from such machines. Imagine magnifying the Sun's rays on a sunny day 100,000 times - that is the scale of the cooling challenge we are facing. Qdot is working hard to solve this problem in order to help usher in the age of fusion power.

Jack explains that one of the biggest obstacles standing in the way of the mass uptake of electric vehicles is range anxiety. Whilst battery technology will undoubtedly improve to partly address this, enabling extremely fast charging (adding up to 200 miles of range in less than 10 minutes) is also key. Facilitating extremely fast charging will require advancements in battery thermal management technology, which is where Qdot intends to lead the way.

Near term, Qdot is working with Tokamak Energy, a fusion power plant development company, which has built several tokamaks, with the final aim of achieving commercial fusion power generation. After an initial approach the organisation responded asking for Qdot to help with the heat transfer side of their reactors. Jack continues: *"We have already performed the fundamental research on this cooling technology in the lab, but its development now needs to be taken further by a company."*

Qdot is currently waiting to hear back on a collaborative funding bid it made with Tokamak Energy to the Department for Business, Energy and Industrial Strategy's Advanced Modular Reactor competition. Likewise, Qdot is also in discussions with the Faraday Institution regarding opportunities in battery thermal management, as well as seeking further seed funding.

As a result, Qdot is on a recruitment drive with an immediate requirement to expand by another three to four people, which will include not only engineering talent but also business development and marketing.

Where Brexit is concerned Jack doesn't see any immediate impact on the source of funding and grants but there could be longer term consequences. Right now, the business is determining whether to licence or make its own products, Jack adds: *"We could licence our IP but we are engineers at heart, we would want to be involved in some way in the supply line. For now it is all systems go as the business scales up and our problem solving team looks to resolve some of the most challenging heat transfer problems."*

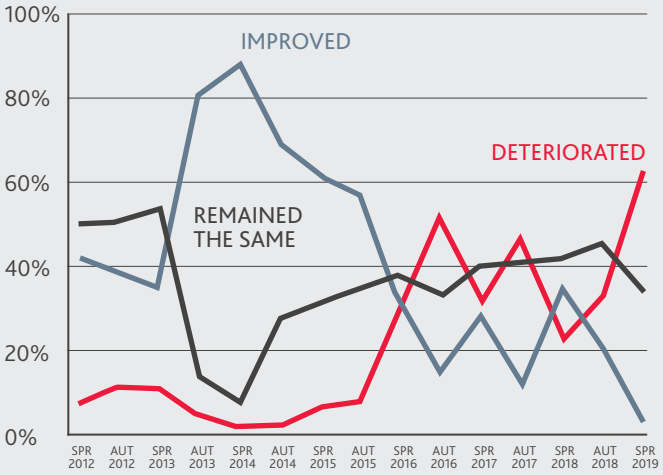
> *"To limit the impact of climate change there is a need to accelerate our transition from a fossil-fuel based society to an electric one. However, serious questions still remain about how we generate this electricity in a green manner"*
>
> **DR JACK NICHOLAS**
> CO-FOUNDER | QDOT

BAROMETER TRENDS

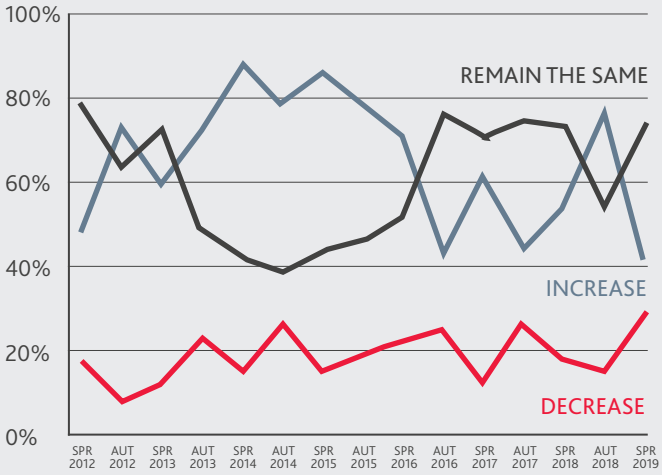
TRENDS IN BUSINESS PERFORMANCE

AN ANALYSIS OF KEY PERFORMANCE TRENDS ACROSS THE THAMES VALLEY, FROM BAROMETER SURVEY RESULTS SINCE SPRING 2012

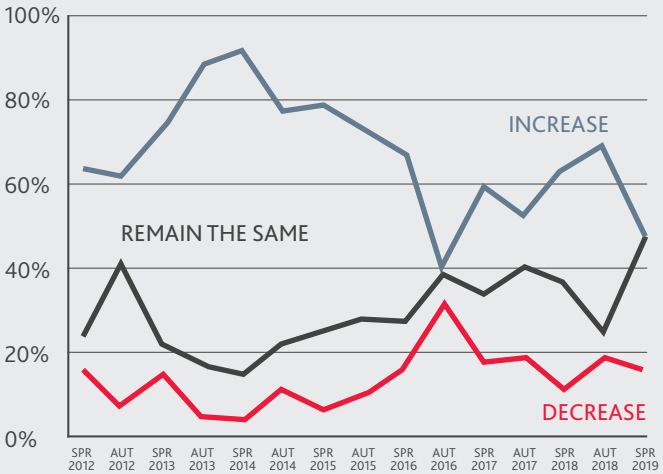
IN THE LAST SIX MONTHS, DO YOU THINK GENERAL LEVELS OF ECONOMIC CONFIDENCE IN THE UK HAVE



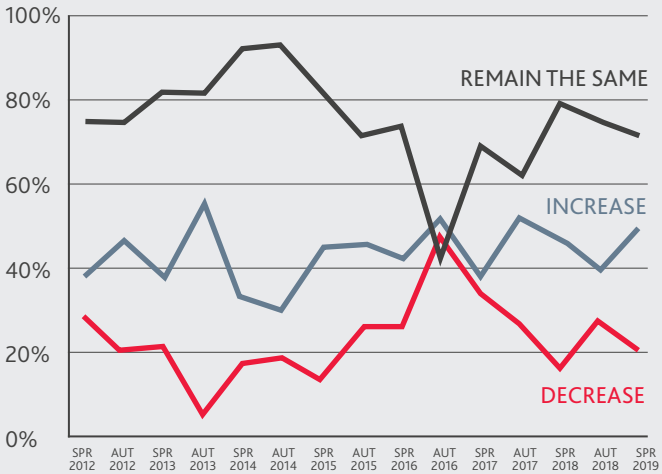
IN THE LAST SIX MONTHS, DID YOUR HEADCOUNT



IN THE LAST SIX MONTHS, DID YOUR TURNOVER



IN THE LAST SIX MONTHS, DID YOUR PROFITABILITY



PROFILE

PRO-COUNSELLING

MAKING COUNSELLING SERVICES AFFORDABLE AND FREELY AVAILABLE TO ALL

PRO-COUNSELLING

24/7 online portal with qualified counsellors available in real time

Pro-Counselling Ltd is an Employee Assistance Programme (EAP) provider designed for adults that supports companies who want to look after the mental health and wellbeing of their employees via an online portal of qualified counsellors. Founded in Reading in 2016, Pro-Counselling's parent company has successfully provided these services in France since 2007. In the UK the organisation works with an extensive network of counsellors, qualified under the British counselling standards, to provide telephone, online and face-to-face counselling support to employees for a wide range of personal and work-related issues.

In France the government has legislated that any company that has more than 1000 employees must have a plan in place to support the mental health of employees and Pro-Counselling France developed a very innovative and efficient platform to deliver counsellors, matching their profiles with the requirements of employees.

The business quickly developed and today it is the number 1 counselling support platform in France, with more than 400 companies including Phillips, Siemens, the French government, EDF and many others. The decision was taken to expand these services in other countries. Maud Fontanier, managing director for Pro-Counselling takes up the story: *"We chose Reading because of its proximity to London and we knew that the town is well-positioned in the Thames Valley, which is the heart of business in Europe. We chose the UK as we felt that it was now really starting to talk about and support mental health issues."*

After setting up the business in 2016, Maud and her colleague Rodrigo Perez Vega set about developing the platform, the systems and processes and recruiting counsellors and today it has over 60 counsellors involved. Rodrigo continues: *"We were fully operational by March 2017 and we opened our services not just to organisations but also to the general public."* The B2C service is called Instant Counselling and provides online and telephone counselling to consumers. This product is really growing not just in the UK but also overseas and is seeing rapid take up in the US, Middle East and Australia. Rodrigo continues:

"Online, the US is our main market. For example, consumers buy a pack of minutes via PayPal. They don't have to use these all at once, they receive a customer code which has the number of minutes purchased allocated to that code." He goes on to explain the B2B model: "With companies, we sign yearly contracts and this covers all their staff as well as, in some cases, family members."

Maud goes on to explain that wellbeing is much broader in the UK than just counselling support, it includes legal advice, gym membership, healthy eating schemes and more. In France the focus is very much on counselling support only. Therefore the UK is being used as a blueprint which it can then take back to France and other countries.

Maud reveals that the organisation is just about to launch a new service - Geo-Psy. This was launched in France a month ago. Both the website and mobile app use geo location in order to deploy a counsellor or psychotherapist onsite when needed. This is available to both B2C and B2B customers. For example if mediation is needed for a critical situation at work, a counsellor can be deployed right away.

Maud continues: *"With this new service we can really reduce the likelihood of a delayed response to trauma. Either the company or the individual can go online immediately, they don't have to subscribe to a contract."*

In term of future plans, Pro-Counselling would like to grow its network to 200 counsellors, particularly in London and greater London. *"Our vision is to make counselling services affordable and accessible to everyone and that in 10 years' time, mental health will be treated in the same way that physical health problems are."* Rodrigo explains that the company would like to develop its video and text-based counselling services more and to really build a community that everyone feels involved in.

> *"We chose Reading because of its proximity to London and we knew that the town is well-positioned in the Thames Valley, which is the heart of business in Europe"*
>
> **MAUD FONTANIER**
> MANAGING DIRECTOR | PRO-COUNSELLING

THE THAMES VALLEY BAROMETER ANALYSIS

HEALTH & WELLBEING

In this survey we looked at the increasingly important issue of Health & Wellbeing in the workplace and asked companies in the Thames Valley how important they think this is for their business and their employees and how they are addressing the matter.

The survey asked questions around how else companies encourage their employees to be mentally and physically healthy and the solutions they have in place. In particular the survey asked what other ways aside from the ones already explored are organisations offering support to their employees. Key responses that came up frequently included:

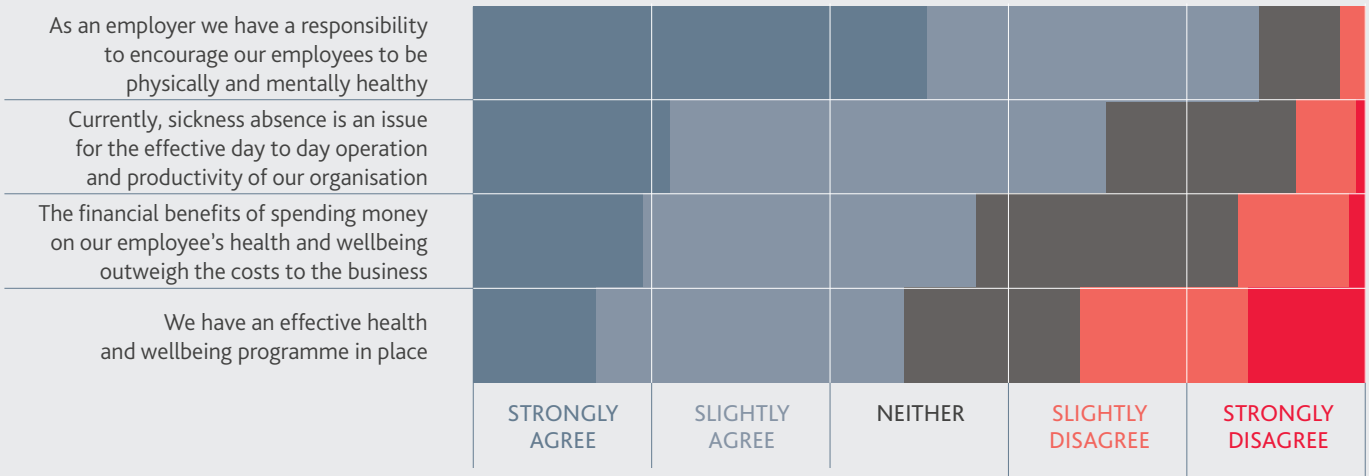
- Creating a more flexible environment in order to enable more of a work/life balance
- Supporting different CSR initiatives throughout the year such as the Virgin Global Challenge
- Providing a doctor at work and mental health cover and access to cash plan schemes in order for employees to pay for dental or optical care.
- Sport activities, encouraging walking on campus at lunchtime, as well as a range of social activities to create more team bonding and sharing.

Looking specifically at mental health, the survey concluded by asking respondents if there were any other ways that they supported employee mental health. Key responses that came up frequently included:

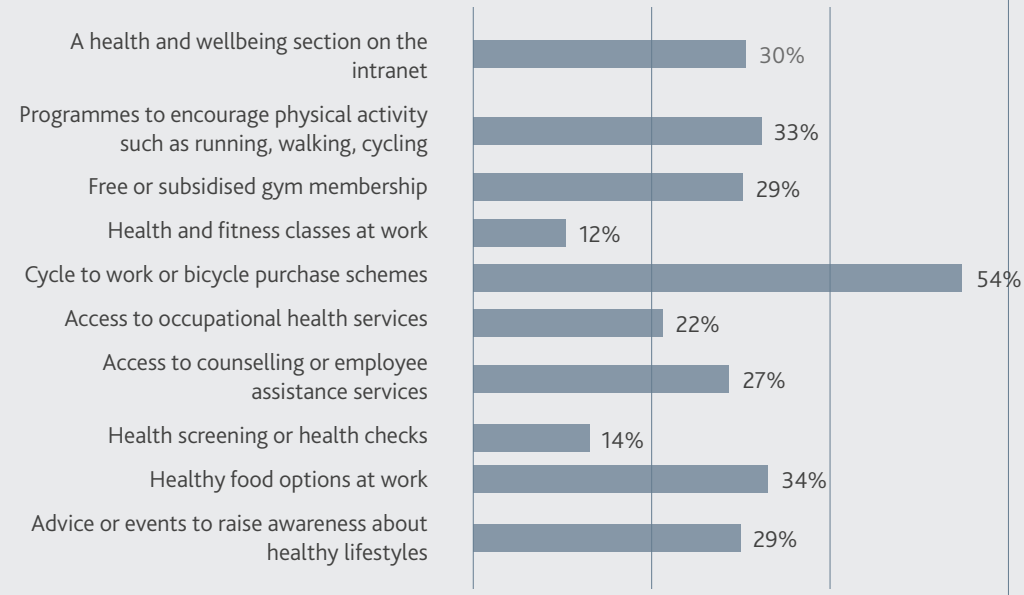
- Dedicated employee assistance helpline
- Mental health first aiders
- Engaged and open door management policy
- Return to work assistance from stress related leave
- Positioning mental health issues as equally important as physical health problems.

A summary of the responses we received is shown on the following page.

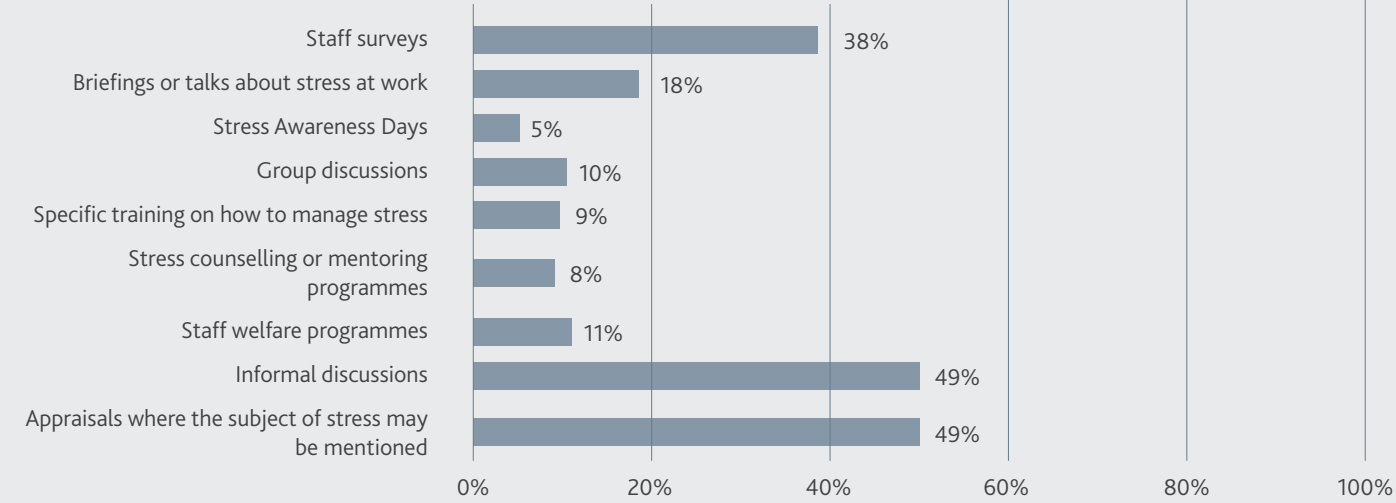
HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?



DOES YOUR ORGANISATION PROVIDE ANY OF THE FOLLOWING TO SUPPORT THE PHYSICAL HEALTH AND WELLBEING OF YOUR EMPLOYEES?



WHAT KIND OF ACTIVITIES HAVE YOUR PEOPLE BEEN INVOLVED IN WHERE STRESS OR MENTAL HEALTH AT WORK WAS A SPECIFIC FOCUS?

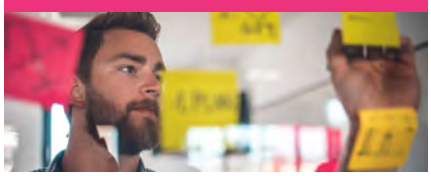


THE THAMES VALLEY BAROMETER FOCUS

THE CHANGING DYNAMICS OF WELLBEING IN THE WORKPLACE

The idea of employee wellbeing has evolved over the years, as workers' behaviour and employers' expectations have changed.

Today's modern workforce and remote workplace culture are driving a significant shift in the way organisations deal with employee wellbeing.



A Deloitte 2018 Human Trends report shows more than 40 per cent of all workers suffer from high stress, which negatively affects their productivity. The report also adds that the costs of lost productivity are 2.3 times higher than medical and pharmacy costs, which is a major concern for company performance.

THE HAPPINESS INDEX

Technology is changing the world at an unprecedented pace, quicker than organisations realise. Companies need to adapt to survive and those that adapt the best will thrive. Individuals and organisations can complain about the effects of technology or they can embrace it, I personally believe that the future of technology is in empowering people.

How and why has the idea of employee wellbeing evolved over the years?

The idea of employee wellbeing has evolved from providing free fruit for employees through to personalised wellbeing programmes. The current problem surrounding wellbeing is that companies frequently confuse wellbeing with company perks.

Initiatives like free fruit and gym membership are perks, they are not a comprehensive wellbeing programme.

I wish I could say the evolution of employee wellbeing has been driven by good, visionary people and altruistic motives, but it hasn't. It has been driven by the negative effects of poor employee wellbeing on the business, such as high staff turnover, burnout and mental health issues.

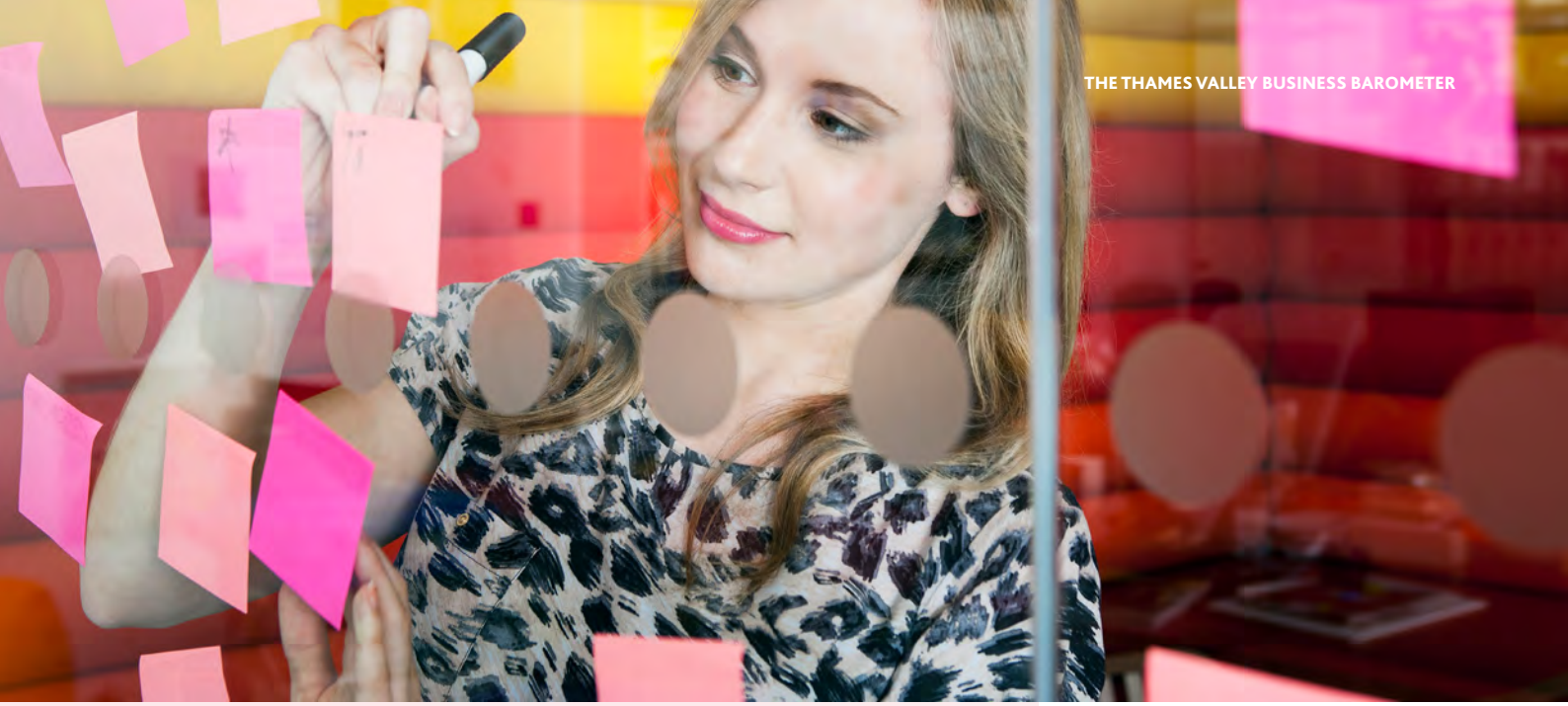
This is both good and bad. Bad because there are good people who have been talking about this subject for years and not getting anywhere; good because companies are finally starting to see the correlation between wellbeing and performance.

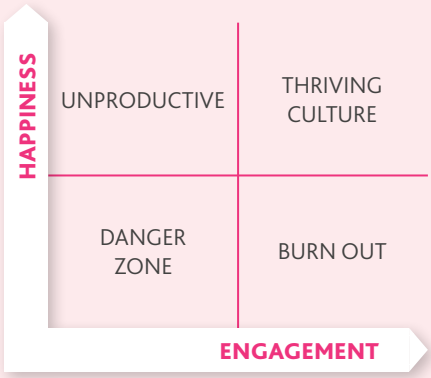
The importance of balancing employee "engagement" and "happiness"

The technology revolution has given individuals more freedom than ever to work when and how it suits them. Companies that don't understand this power shift will struggle to develop a healthy, productive workforce.

Employee engagement is a great measurement, but it comes from an age where the employer held most of the power. Employee happiness is focused on the employee but that alone is not the answer. An employee engagement-only model will lead to more symptoms like burnout; a programme focused solely on happiness will lead to low productivity.

Our insight across 68 countries shows how important it is to run employee engagement and happiness in tandem to create a thriving work culture. Below is a data-driven model that we use to track this.





We use this model as it illustrates not only where you are but helps you focus on your future journey.

How can organisations improve workplace wellbeing?

Workplace wellbeing starts with busting three myths:

- Myth 1: Workplace wellbeing is expensive and only companies like Facebook can afford it
- Myth 2: Wellbeing is a fluffy metric not related to performance
- Myth 3: Feedback fatigue means people are tired of being surveyed about their work

There is no such thing as feedback fatigue, but there is something called action fatigue. If you don't act on feedback you will quickly find a culture of cynicism growing within the workforce. It doesn't cost anything to create an environment where all your staff have a voice to feed back, but it's important that they see actions resulting from their input.

Once you have busted the three myths, start by asking your staff how they are feeling and what they would like you to do to improve their wellbeing. It is not rocket science, there is a lot that can be done in-house before you invest in an enterprise wellbeing programme. Start by asking your team how you can help, and act on their replies. If you get everyone in your business thinking like this, you have kicked off your wellbeing programme.

Here's how long employees are staying at the 10 biggest companies in tech:

- Facebook: 2.02 years
- Google: 1.90 years
- Oracle: 1.89 years
- Apple: 1.85 years
- Amazon: 1.84 years
- Twitter: 1.83 years
- Microsoft: 1.81 years
- Airbnb: 1.64 years
- Snap Inc.: 1.62 years
- Uber: 1.23 years

Source: Business Insider

What impact does employee wellbeing really have on business success and profitability?

You will never truly know until you rebuild your P&L, but you can start with baby steps. Start tracking wellbeing against things like staff retention, customer satisfaction and Net Promoter Score (NPS). Here at the Happiness Index, we help organisations build what we call P&L 2.0 which brings previously intangible factors like people and leadership into their financial reporting. Our mission has always been to visualise company culture just as Google maps visualises the world for us.

THE THAMES VALLEY BAROMETER FOCUS

THE CHANGING DYNAMICS OF WELLBEING IN THE WORKPLACE

What is the Happiness Index and what are its goals?

The Happiness Index has 4 symbiotic services

1) We build robots and technology that collect data on factors like employee engagement, employee happiness and Net Promoter Score. Increasingly we collect this via our Always On Technology which means employees can feedback 24/7 365 days a year at their convenience and not when the HR team or CEO decide. This relates back to the shift in power from employer to employee.

2) We have a team of humans that use our AI-driven technology to turn this data into insight.

3) Our strategists then work with you to turn this into a strategy.

4) Once we have a strategy, we work with you to turn this into your story.

These 4 services help us deliver on our vision of Freedom To Be Human.

It is not a vision in the traditional sense but a future destination where all companies treat their employees like humans and not resources. We believe, and our data backs this up, that by giving your people the freedom to prosper, your business will not only survive but thrive.

Any predictions for the coming years?

Work will not be location based, the power will continue to shift from the employer to employee. Robots will continue to replace low value jobs, freeing us to focus on higher value work. Companies who stick to the command and control structure will lose out to companies with a strong purpose.

"Unilever announced that its 26 Sustainable Living brands (including Dove, Lipton, Hellman's and Seventh Generation) grew 46% faster than the rest of the business and delivered 70% of its "turnover growth." so in summary, their brands with a purpose are outperforming their brands without a purpose.

How can you prepare for this future?

Companies that continue to focus on command and control will have nice-looking spreadsheets with their employee engagement KPIs all in green, but the bottom line will be red.

The glue of yesterday was command and control hierarchical structures, the glue of tomorrow will be a shared set of values and purpose used to supercharge your efforts to achieve your vision. The future of technology is people and the new bottom line is happiness.

MATT PHELAN
CEO, THE HAPPINESS INDEX

WEBTMS

HELPING BUSINESSES PROTECT THEIR INTELLECTUAL PROPERTY

WebTMS Founded in 1997, today WebTMS is the flagship online Intellectual Property management system devised by Intellectual Property Online Ltd. WebTMS is a comprehensive yet intuitive IP management platform that supports the efficient handling of all IP matters with a strong focus on Trade Marks. It can be supplied via software subscription, hosted systems or as an installed solution.

It enables organisations to flexibly and efficiently manage their trademark data, choosing the most cost-effective solution with the features they need. The solution is capable of handling from 1 – over 1,000,000 trademark records and, being browser based, is fully device agnostic, enabling staff to access critical IP records from anywhere. WebTMS links to online trademark databases in more than 180 jurisdictions and allows IP professionals to directly compare their records with those held by the relevant Trademark Office.

Back in 1997 Brid Madeley, one of the founding directors, started developing the system and the software and soon after was joined by co-directors Andrew Partridge and Rita O'Kyere

Brid takes up the story: *"We started marketing the product and targeting UK clients. We knew where the need was and we focused on law firms and brand owners. Back in those days we would sit with our clients in order to understand their needs and requirements - you have to remember that there was no WebEx then. Spending time with clients is a philosophy that we have carried forward into present day in that we still like to visit customers and get that face time."*

WebTMS has always prided itself on having a very stable product which is thoroughly tested with each new version or upgrade. The big break for the company was working with big law firms and brands that had multiple offices around the world.

Now the company has around 600 clients who have anything from 1 to 350 users. WebTMS prides itself on delivering first-class customer service which is one of the reasons that it has kept its clients and nearly all business is via referral.

In fact, it has a reported uptime for its software of 99.9%. Brid continues: *"We are global. USA is our biggest market, but we also have customers in mainland Europe, UK, Asia, Australia and the Middle East. The software is very specialised and we have focused on this niche, always looking to improve and progress, constantly taking on feedback from our customers via user group meetings and workshops."*

Today the company has 22 employees and staff retention rates are particularly high. Brid goes on to say: *"We are flexible in our approach, staff are able to move into any area into which they show an interest and we encourage input and ideas."* As a result of the success that it has had over the past 20 years the company is still expanding and hiring new staff. *"With the ever-evolving threat landscape, as you can imagine, security is huge around IT and this is a key area of focus,"* says Brid.

Collaboration is also another key focus and priority. WebTMS is working closely with its third parties in order to deliver the data services that clients require. WebTMS is also looking to automate as much as possible and provide more data analytics tools to its clients.

For now, the business is continuing to grow and its current location in Reading provides it with great access to other parts of the UK and internationally.

> *"The software is very specialised and we have focused on this niche, always looking to improve and progress, constantly taking on feedback from our customers via user group meetings and workshops."*

BRID MADELEY
FOUNDING DIRECTOR, WEBTMS

PANEL DISCUSSION

THE SURVEY RESULTS

The senior level roundtable discussion was designed to unveil the main findings from the most recent Thames Valley Business Barometer survey, allowing panel members to discuss the results as well as the challenges and opportunities facing businesses in the region.

The event was held at BDO's Thames Valley Office in Thames Tower, Reading on 22nd May 2019 and was attended by panel members from BDO, Boyes Turner, BtL, Carbon Black, C8 Consulting, Hays, Hicks Baker, HSBC, Integris, Mabey, Morgan Lovell, MD2MD, NatWest, The Leaders Romans Group, University of Reading and the UK Property Forum.

Leading the discussion were Simon Brooker from BDO and Paula Elliott from C8 Consulting who together summarised the high level findings from the survey. With Britain in Brexit Limbo and an extended Brexit deadline to 31st October, on a macro level business confidence has crashed to the lowest point since 2012. According to BDO's national key sentiment indicator, the economy is only growing because firms are stockpiling ahead of Brexit. The BDO optimism index, which charts how businesses expect output to develop in the next three to six months, fell faster in March than at any time since the bleakest days in the aftermath of the Lehman Brothers collapse in 2008.

Paula Elliott compared these national results with the Thames Valley Business Barometer results to see how businesses are faring and unsurprisingly, like the national picture, business confidence is falling. 37% felt that economic confidence had stayed the same or improved with 63% stating that it had deteriorated. In autumn 2018, 67% felt that economic confidence had stayed the same or increased versus 77% in spring 2018. Paula Elliott went on to explain that, by taking a measure of positive responses minus negative responses and therefore stripping out the "remain the same", these figures show quite clearly that there has been a big decrease in confidence. Not only is the latest figure dramatically lower than the results this time last year, it is in fact the lowest figure since the Barometer started back in 2012.

The performance indicators show a slight decrease but overall are holding up reasonably well. Looking at the last six months order book and pipeline, this shows that 83% saw an improvement in pipeline and order books or that these had stayed the same. 86% said they were either more profitable or profitability stayed the same in the last six months, versus 81% in autumn 2018 and 89% last year. A vast majority (89%) stated that they expect profitability to increase or stay the same in the next six months, versus 92% in autumn and 97% last year. Turnover, recruitment intentions and future predictions were also relatively robust. So overall a good picture of results but a dramatic decrease in confidence. Even though the region has still not seen an immediate impact from Brexit, 29% of businesses think they will see improvements or no change after leaving the EU compared to 30% in autumn 2018. A quarter think it will have a negative impact while the remaining 47% are undecided.

Simon Brooker kicked off discussions by asking two key questions: Was the group surprised by the fall in confidence and does confidence really matter? The point being that the barometer has tracked confidence over the past 8 years, and while confidence has fluctuated during that time key performance indicators have remained robust regardless of how confident or not businesses in the region are feeling.

Robert Lamden from BtL replied that the figures show that there is uncertainty and doubt and this will at some stage filter through to the results.

Matthew Battle from the UK Property Forum added: "Confidence is about sentiment. We read our media outlets, and this affects us, but we crack on at work with

our daily goals to deliver the results and ignore the huge noise out there."

Sarah Stevenson from Hays Recruitment said that there is confidence in the recruitment market. She added: "We've just had our best quarter for years. But we are quite conservative in our forecasting and then we keep exceeding our forecasting, but no one wants to be overly ambitious and then get it wrong."

Simon Brooker agreed and said that at BDO what has held the business back tends to be availability of good staff.

Colin Allan from Morgan Lovell talked about how his business is in the infrastructure service sector and, while business is good, he has seen a lot of people moving, but again he sees a lot of positivity in the future. He went on to say that he thinks people are moving around as they believe the grass is greener and this seems to be a particular cycle in this space.

Mark Reeves from Carbon Black agreed and said: "Our biggest challenge is staff retention and skills shortages; we went from 20 to 100 employees easily. Then employees are being offered 50% more than their current salary by our competitors and we just can't, or aren't prepared to, compete with that."

Sarah Stevenson went on to explain that, in her experience, staff don't typically move for money, it is more around the softer issues such as culture, flexibility and the work environment.

Simon Brooker asked Michael Palmer to comment on the residential property market. **Michael advised that** sales in the property market is a challenge and has been in decline since 2016. In fact the market has now dropped more than it had back in 2008. In particular the second-hand housing transaction values have dropped and there are a lot of new house developments in the Thames Valley. Therefore today the new homes market is stronger than the second-hand homes market. That is because of the help-to-buy schemes and other incentives for first time or new home buyers.

The conversation moved on to look at how some of the industries and markets are fundamentally changing. **Bob Bradley commented:** "Whether our problems are to do with Brexit or not, the power of the likes of Amazon and Google is crucifying retail and there are some real structural changes in the retail industry, for example."

The group talked about how Jamie Oliver's restaurant chain had collapsed and overall how the dining and leisure market was suffering. **Giles Blagden from Hicks Baker commented** that this was probably down to the quantity and choice of restaurants in Reading, rather than people not eating out. He added: "It is also down to the extra cost of food imports, wages and business rates."

Simon Brooker asked the two banks around the table how they viewed the economic landscape. **Cameron Rathwell from HSBC said:** "We don't know what is going to happen but we are seeing an increase in cash out transactions. The results seem to be okay, but businesses are not confident about the future. This means they might take cash off the table now."

Robin Barnes from NatWest added: "We see some confidence in the short term but without a doubt consumers are holding off and a lot of businesses are not so bullish about their plans."

The conversation moved onto how young people today are a lot more selective about their choice of job, the universities they choose and how they are intelligently thinking forward towards their career and the various different career paths open to them.

Darren Browne from University of Reading commented: "Taste for what they want to study is changing. Cyber security and AI are very popular. In the short term we don't have as many 18 year olds coming through. Prospective students look on social media to gauge what the university is like. They look at the future and job prospects in that area. My job is to develop bridges between the university and business. We have to change our curriculum and be smart and mirror what our customers want. For example, we now have a block chain technology course and we are the first university to do this." Darren added that the demographics are changing as well and explained how the university gets a lot more overseas applicants and fewer from the UK. He added: "Students don't want to be lumbered with debt and they can see how it has worked out for their siblings."

Simon Brooker asked the group how representative the results were compared to the rest of the UK.

Colin Allan replied that his businesses has some 400 to 500 projects across the UK and that the forecast is positive and as a result Morgan Lovell is still recruiting. **Bob Bradley added** that the Midlands seems to be very buoyant and growing.

Robin Barnes commented with his Thames Valley LEP hat on and stated that the Thames Valley still has a strong position but that other areas of the country are catching up.

PANEL DISCUSSION

THE SURVEY RESULTS

continued

Bill Gornall-King from Boyes Turner asked the group whether foreign businesses are worried about doing business in the UK, as he was seeing a number of investment decisions for the UK by international companies being put on hold or cancelled.

Mark Reeves replied: "I get a lot of calls from ex-colleagues asking why they would come to the UK now because of Brexit? Asking where they should expand in EMEA and they're talking about places like Germany and France. I do point out to my American colleagues that it is much cheaper to do business in the UK now because of the exchange rate fluctuations - staff and premises cost 25% less."

Paula Elliott added that because we speak the same language it is easier for US companies to start up in the UK.

Mark Reeves agreed: "Yes, it certainly feels that way, not just language but also culture similarities. For example there is a very different culture in France."

Bill Gornall-King added: "Ireland is an attractive prospect for American companies now."

Simon Brooker moved the conversation onto employee wellbeing, which formed the second half of the survey. Questions were asked around how and if companies encourage their employees to be mentally and physically healthy and the solutions they have in place. Simon added: "Question 1 asked: Do employers have a responsibility to look after staff and the vast majority of those surveyed (88%) agreed that they do with 51% strongly agreeing. However, when we asked the question: Do the financial benefits outweigh the costs, businesses were less certain, with 71% of those agreeing but only 22% strongly agreeing. So I think businesses think they should support employee wellbeing, but they are not certain of financial benefits or how to measure the payback." The group agreed that this might depend on the size of business and certainly some of the wellbeing support solutions would be hard for smaller businesses to provide.

Sarah Stevenson disagreed and said: "SMEs are often better at the softer benefits than bigger companies because they are closer to employees. What I took from this is that many companies see wellbeing as a bit of a tick box exercise and in my experience folks are not interested in cycle to work schemes, but they are interested in benefits like flexible working, extra holiday days, sabbaticals and more wellbeing-type solutions."

Bob Bradley added: "Essentially, millennials are looking at different ways of working - not your standard 9 to 5 or even just one role. For example my son doesn't want a full time job. He has two or three different jobs."

Brian Poxon from Integris added: "Also with globalisation, email and other social platforms, as we communicate with our partners and customers around the world, so we work evenings, weekends, bank holidays, we are always on, so there needs to be more flexibility in the workplace as the standard day has extended."

Mark Reeves replied: "The question I have is does it improve productivity, if you never switch off? This is why flexibility is so important."

Robert Lamden agreed, but said that employees need to decide what constitutes value and a good day's work, although it is harder for the junior members of staff to work this out. He added: "I worked in the morning, played golf in the afternoon and then went back to work in the evening."

Simon Brooker concluded by talking about culture: "If we are all working from home, how do we get together as teams and collaborate, how do we manage flexibility and what does this look like?" Robert Lamden agreed that this is not about working at home full time but about having a more open, flexible approach, rather than rigid working hours.

Cameron Rathwell agreed and said: "In my opinion, this is not about fruit, or cycle schemes, these are tick boxes for organisations. A cultural shift is needed which the whole organisation must embrace. We are on a journey to improve wellbeing. We need to talk about it and I would challenge those here today to actually talk about wellbeing in their business."

A BIG THANK YOU TO OUR PANEL MEMBERS FOR THEIR HELP AND SUPPORT WITH THE THAMES VALLEY BUSINESS BAROMETER:

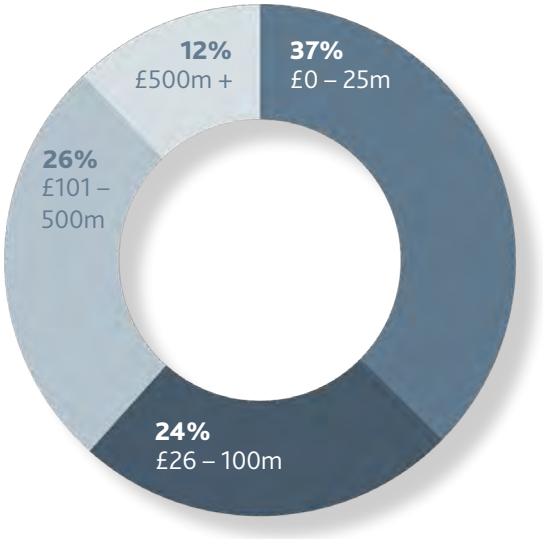
ACTIVATE LEARNING | BOYES TURNER | BTL COMMUNICATION | CARBON BLACK | CH&CO | COMXO | DIAMOND LIGHT SOURCE | GRUNDON | HAYS | HENLEY BUSINESS SCHOOL | HEWLAND ENGINEERING | HICKS BAKER | HR WALLINGFORD | HSBC BANK | INTEGRIS | INTERNATIONAL BRAND DEVELOPMENT COUNCIL | MABEY | MD2MD | MEDICAL SUPERMARKET | MORGAN LOVELL | NATWEST | OCEAN CONSULTING | OXFORDSHIRE LEP | PITMANS | RBS | STOKE PARK | THAMES VALLEY SCIENCE PARK | TVB LEP | THE BUSINESS MAGAZINE | THE ROMANS GROUP | TVCC | UK PROPERTY FORUM

SURVEY METHODOLOGY

The survey was conducted between 19 March and 16 May 2019.

A total of 104 companies took part in the latest survey.

RESPONDENT COMPANY UK TURNOVER (£M)



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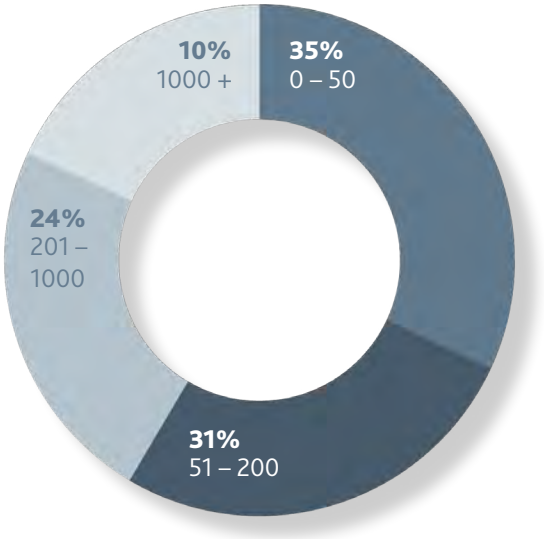
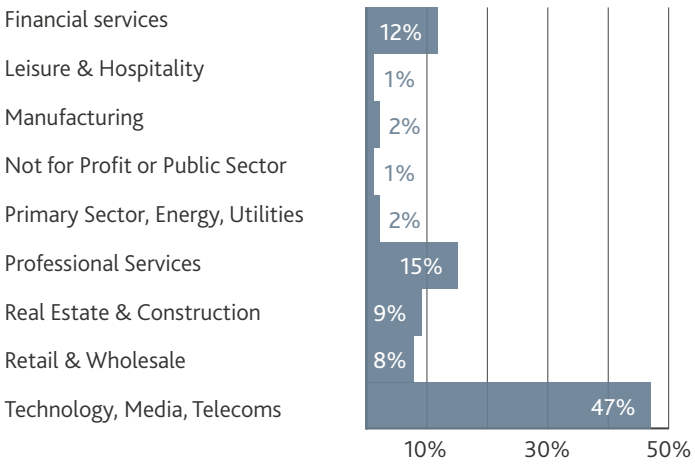
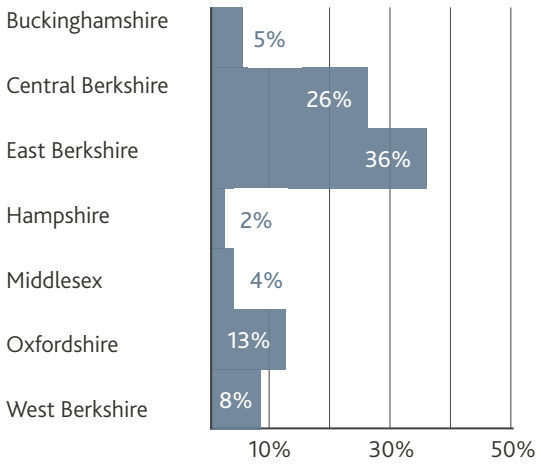


RESPONDENT COMPANY SECTOR



RESPONDENT COMPANY THAMES VALLEY LOCATION



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