

A prismatic point of view on smart working

Expert's opinion

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Overview

From remote working to smart working

All organizations, although to different degrees due to the activity carried out, in these past months have compulsorily implemented - and therefore experimented with - telework or remote working.

This operating mode has enabled many industry sectors to continue providing services - despite the pandemic emergency and substantially without interruption - preserving the health of employees, freelancers, collaborators, etc., as well as the existence of the companies themselves, allowing businesses to contain the risk of economic damages that would be difficult to reverse.

Firstly, while approaching the subject in point, it is necessary to clarify the terminology.

Very often, lately, in order to define the work activity carried out in one's own home, people have been using without distinction the term *smart working*, which, is indeed a method reserved only for employees, regulated under the Law no. 81/2017 and is an evolution of the concept of telework/remote working.

According to the definition formulated by Professor Mariano Corso, scientific director of the Smart Working Observatory of the Politecnico University in Milan, "*Smart Working, or Agile Work, is a new managerial philosophy based on giving people flexibility and autonomy in choosing spaces, timetables and tools to be used in the face of greater responsibility for results.*"

A new approach to the way of working and collaborating within a company that is based on four main pillars: revision of the organizational culture, flexibility with respect to working hours and workplaces, technological equipment and physical spaces".

Smart working is, therefore, "*intelligent autonomous employment by objectives*", already implemented and running for a long time in sectors such as software development, high tech, fintech and in activities that constantly interact globally¹.

Remote working, on the other hand, is similar to telework i.e. the delocalisation of work.

Again, in many ways we can say that we could define, more correctly, the phenomenon we are witnessing in this period, as *emergency working*², as it is essentially a "unstructured" telework, not being organised and not being part of a medium-long term company strategy. Beyond the terminology, this operating mode has brought undoubted benefits, allowing us to gain a more widespread understanding of the advantages in terms of efficiency and effectiveness that can derive from it. It has also allowed us to assess how the limits this working modality implies are in part non-existing and largely surmountable (we refer mainly to the employee's absence from the place where the economic activity of the organization he/she belongs to is traditionally carried out).

There is already a strong trend, at least in the intentions, to implement - once the emergency phase will be over - new organizational models that can get closer to actual smart working models, supported by comprehensive regulatory provisions, aligned with the transformed operating framework.

¹ Bruno Lamborghini - *Smart working e telelavoro: due significati diversi diversi* (smart working and telework: two different meanings) in *Harvard Business Review Italia*, April 22, 2020.

² Bruno Lamborghini Ref.



Expert's opinion

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The implementation of “extended” smart working

The different types of smart working

During a recent webinar by ICA (the Italian Association for Informatics and Automatic Calculation), Enzo Rullani theorized three types of smart working that have also been taken up by Harvard Business Review Italia.³

According to Rullani, it is possible to distinguish between:

- executive smart working: it consists of a standard managerial remote working activity, not occasional, structured, carried out with limited autonomy and continuous participation. It is possible to believe that such standard activities in the future may be carried out by machines or algorithms, without or with limited human input;
- adaptive smart working: it is a remote working activity with relative independence for activities that are often demand and tailored, without specific constraints of space and time, with the possibility of participation in the objectives and with continuous learning on the job (some management, commercial or assistance and/or consultancy activities in technical or financial areas may be an example);



- creative smart working: it implies forms of work having autonomy and involving personal participation, able to face conditions of complexity and continuous innovation, with measurable results, for example, in terms of project and with lifelong learning, including in terms of personal commitment. Typical of this type of work are research and project activities, software development, creative marketing.

These are very diverse forms that, as one can see from their description, respond to heterogeneous needs and for which an equally different evolution over time is expected.

The direction and course of the innovating forces underlying the development of the three theoretical operating modes appear, however, common: it is a progressive, but constant, transformation of telework into smart working.

³ Bruno Lamborghini – *Smart working e telelavoro: due significati diversi (smart working and telework: two different meanings)* in *Harvard Business Review Italia*, 22 Aprile 2020.



Digital nomadism

In recent years and, particularly, in recent months, it has been well demonstrated that digital technology and its increasingly more conscious, planned and organized application to working activities have modified the concept and the value of closeness.

Being close to clients, relating to suppliers, organising the team's activities, and interacting within a work group do not require a physical presence any more, without this to significantly prejudice efficiency or operating effectiveness.

The use of new technologies allows a further optimization of time, which is the only rigid, inextensible and non-multipliable factor of production. It is agreed that, without distracting one's attention, short messages can be sent via chat while on a video conference.

This increases closeness and subsequently, in a wider perspective, favours a quicker completion of one's own and others' working activities, as well as the achievement of working goals.

This is one of the pillars of the evolution of remote working towards smart working, i.e. being aware that the use of technology does not generate a decrease in interpersonal relations but, on the contrary, it can grant higher promptness, efficiency and effectiveness.

In an intentional evolutionary process (i.e. not suffered due to the current serious circumstances), *“business processes and behaviours will need to be carefully analysed and re-designed in a digital perspective, re-assembling the physical and digital dimension into an innovative combination”⁴*.

⁴ Andrea Granelli – *Lavoro e formazione nell'epoca delle pandemie. Una riflessione sull'esigenza di ripensare format, strumenti e processi* (work and training in the era of pandemics. A consideration on the need to rethink formats, tools and processes) in *Harvard Business Review Italia*, March 23, 2020.

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Implementation process

As mentioned, a conscious and structured implementation of one of the possible smart working options starts from the identification of the business organizational model and of the interconnections between internal and external functions, as well as from the tracing of relations among the functions covered by employees.

Once such mapping activity is finalized, further difficult phases concern the definition of objectives, which necessarily originate also from the ethical values shared within the organisation, the identification of structural gaps (mainly digital ones, also concerning the safeguard of proper privacy levels) and of the actions needed to close them, the definition of the scope of the actions (which could originally concern the whole workforce), etc. However, it is also important to understand the relevance of a proper training for a correct implementation of such an innovation process. Sharing targets, first, and developing employees' awareness, then, are the cornerstones of the implementation process. As it usually happens during organizational changes, the implementation of a cultural change is the most delicate phase, which most of the times determines the success or failure of the project.

A new operating mode needs to be learnt, in order to understand its potential and limits, to recognise and manage its criticalities, and to maximise its potentialities.

Diversity & Inclusion

A modernization process aimed to implement the culture of smart working is certainly relevant within the scope of Diversity & Inclusion policies.

The use of unified communication and collaboration platforms cancels distance almost totally, maximises closeness and leads (finally) to a reduction of what is perceived as “absence from the workplace”, which on the contrary is a mere adoption of flexible working hours that allow a proper co-management of working and personal life.

A modernization policy in this direction could be key to allow an equal, serene, and effective co-existence of two goals that have always been seen as opposed, i.e.: a desired family realization (and the management of emergencies) and the achievement of professional goals for the whole working life. It is extremely clear, most of all to new generations, that these are actually not conflicting and divergent interests, but they are rather converging towards a more balanced and complete realization of human beings.



Conclusions

The epidemiologic emergency that we are currently facing has allowed us to acknowledge and appreciate the potential of new technologies, in general and, particularly, of sharing and collaboration platforms, acquiring a greater awareness of the impact that these can have on working processes that are too bound to space-time ties, which have now had their day.

It can be recurrently noticed that a proper work/life balance is the first driver for choosing an organization, especially for those that have been working for no more than five years.

Therefore, it is now necessary to shift to new organisational models which, besides labour law definitions, lead to a cross-implementation of smart working, as defined in this article.

The role of training is crucial in this as in other evolution processes of an organisation, as it is aimed at creating the required cultural change.

As known in educational contexts, learning is an important social and national integration mean, a pillar to build a sense of community. It therefore aims not only to develop the individual, but also to help individuals build a common future, a shared experience.

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Focus on...

The evolution of flexible working over time: the new frontier of the world of work

In this period, more than ever, a tide of change is impacting the world of work; employees are no longer working from the “office”, but proving their extreme flexibility and adaptability, have succeeded, together with their employers, in turning their homes (or other location) in their places of work.

This evolution can be summarised with a single expression: flexible working or smart working, as it is commonly called in Italy.

Despite having applied it autonomously and effortlessly ourselves, the question more frequently asked in this period is: what does it imply, exactly?

This article is aimed at explaining, in a brief and simple way, what the so-called “smart working” - this new tool which is proving the best and more flexible way of working - actually is.

Smart working originated in the 70s and was introduced in Italy only when Law n. 81/2017 entered into force and laid the foundations for its adoption.

Specifically, smart working is a way of carrying out the employment relationship, regulated by an agreement between the parties, without specific obligations as concerns the working time or place.

With smart working, work is carried out partly from the corporate premises and partly remotely, without a fixed workstation and within the limits of the maximum duration of the daily and weekly working times, as set forth under the law and collective labour agreements.

In other words, basing on a dedicated agreement, the employee carries out part of his working activity from the ordinary place of work and part remotely, in any other place of his choice. The above in compliance with the maximum daily and weekly working time limits set forth by the law and national collective labour agreements and with the employee’s right to disconnect at the end of the contractual working time.

Usually, smart working implies the need to enter into a dedicated individual agreement, to be notified electronically to the Ministry of Labour and Social Policy on the website *Cliclavoro*⁵.

Smart working should not be confused with teleworking: the latter implies the performance of work exclusively from the employee’s domicile.

Smart working can be considered as a flexibility tool, not only with reference to the performance of one’s working activity, but also as concerns the obligations relevant to safety on the workplace. Actually, in flexible working such obligation is considered to have been complied with by the mere provision by the employer of a written notification outlining the general and specific risks connected with the specific ways in which the working relation is carried out.

⁵ <https://www.cliclavoro.gov.it/Pagine/default.aspx>



The employee, in turn, is required to cooperate for the implementation of the prevention measures provided for by the employer and indicated in the abovementioned notification.

As far as the employee's rights are concerned, the protection against accidents at work still applies to smart working, as well as the same economic and regulatory conditions, which should not be lower than those applied to employees carrying out the same tasks exclusively from the corporate premises. Furthermore, the right to lifelong learning can be granted to flexible workers.

As mentioned above, smart working has nowadays become (like it or not) a new flexibility tool allowing many people to carry out their job, due to the Covid-19, or Coronavirus, public healthcare emergency affecting Italy.

Being used as a flexibility tool during the Coronavirus pandemic, smart working has undergone some minor changes to make it more widely and promptly applicable.

First of all, the Decree of the President of the Council of Ministers dated 25 February 2020 recommended the use of smart working wherever possible in the first regions identified as "red zones" (Lombardy, Veneto, Piedmont, Friuli Venezia Giulia, Liguria, Emilia Romagna), with reference to businesses located in said regions and employees resident or domiciled there, even though working outside said zones, without the need of specific individual agreements.

Subsequently, with the worsening of the situation and the extension of the state of emergency, the Decree of the President of the Council of Ministers dated 1 March 2020 extended the recommendation to adopt flexible working on the entire national territory. In particular, for the entire duration of the state of emergency (to date established up to 31 July 2020), the Government recommended the use of smart working for all employment relationships, even if lacking the individual agreements provided for by the law.

Finally, given the effectiveness of this tool, not just in terms of performance of the working activity, but also as a way to contain the spread of the virus, the future regulatory measures (first of all, the so-called Relaunch Decree) will provide for working parents employed in the private sector and with at least one child below 14 years old the right to carry out their work remotely up to the end of the state of emergency.

To date, lots of companies have made use of this new way of working (about 570k employees in Italy). The reasons behind the widespread adoption of smart working can be found not only in the fact of "having no alternatives", but in the socio-economic benefits that it allows to obtain.

Flexible working is undoubtedly a tool granting employees a better work-life balance, especially to working women; this is a way to grant welfare, allowing employees to truly organise their working activity without renouncing to private commitments or to their free time to spend with their families, thus improving their life quality, health and personal well-being.



It also turned out to be a way for companies to attain cost savings; by correctly applying smart working, the employer also obtains some benefits in terms of energy consumptions and purchase/lease of working spaces.

And as a last note, the environment is also benefitting from smart working; with employees no longer commuting, sharp reductions in Co2 emissions have been recorded.

In conclusion, in the light of the positive data recorded in these last two months and a half, it is clear that smart working, discovered and experienced in such a difficult period for our Country, proved to be today's flexibility tool and a new frontier for tomorrow's work, a new way to guarantee equality between women and men, in which professional skills and meritocracy (in the end) prevail.

Smart working & cybersecurity

Further to the spread of the Coronavirus and of the consequent lockdown the Authorities imposed, all organizations have found themselves having to adopt remote working.

Remote working, thus, is not the result of a strategic conscious decision, but comes from a forced choice; this has led many companies - not ready to work in this new way yet - to quickly implement technical and organizational solutions that would ensure their business continuity.

A snapshot of pre-Covid 19 smart working in Italian businesses - as illustrated by a research by the Smart Working Observatory of the Politecnico University in Milan, whose data were up to October 2019 - portrayed an uneven Italian reality, with a clear differentiation between Large Enterprises and Small Medium Enterprises.

The report clearly highlighted that - though smart working was common for more than half of the Large Enterprises (about 70% of these already had more or less formal agile working methods in place or were about to start such initiatives) - the level of maturity of Italian SMEs was much lower. Only 12% of them had already started structured projects and 18% was about to do so.

This backwardness of SMEs was mainly due to the difficulty of applying the 'agile work' model to their own business reality and to the internal resistance of the management.

Since the end of February, however, the pandemic emergency that has hit us has disrupted the business framework; everyday life is ravaged and, consequently, so it is our way of working: smart working has become a mandatory choice.

As always happens when contingency solutions are adopted without the necessary preparation, one can obtain the expected



benefits by working on the effectiveness of the solutions, though sometimes failing to consider the efficiency of the solutions themselves, facing risks that are not adequately assessed, managed and monitored.

As the hoped-for return to a new normal gets closer, albeit not immediately and with timescales not yet well defined, many companies are trying to make the most of what they have learnt of the situation.

The use of agile work - moving from its application in an emergency to its regular and conscious use - is certainly a priority item among the many topics on the agenda.

This decision, in order to be truly conscious, must bring with it the analysis of all the critical factors arisen; agile work amplifies a series of risks, including cybersec risks, which are good to know in order to be able to face them, manage and mitigate them.

Which risks can compromise confidentiality, integrity and availability of corporate information? When it comes to cybersecurity, the issue must be addressed from both an organisational and technical point of view.

Starting from the technical point of view, the pandemic emergency has further spread the use of personal IT equipment also for professional use (Bring Your Own Device - BYOD), not only to mobile devices but also to personal computers.

Various questions arise:

- How are these PCs protected (e.g. antivirus, antimalware, configuration, etc.)?
- How is the communication/exchange with the company network protected? (strong authentication? encryption?)
- How is the home network protected?
- What collaboration tools are in use? Are they properly set up?
- What backup policies are in place?

These are just some of the aspects that need to be properly analysed, but they are not the only ones.

Businesses shall also address organizational and personal risks related to people, employees and collaborators that the pandemic emergency has led to isolation, lack of confrontation, exchange of information with one's desk neighbours. All this has led to a further spread of phishing and social engineering attacks such as, by way of example, fake emails from entities usually considered reliable to try to steal sensitive personal information.

Once the risks have been identified, businesses must then act on how to mitigate them, either through actions aimed at decreasing their likelihood to occur or, whenever this is not possible - the pandemic emergency being such case - by acting on limiting the impact, should a risk occur.

Here again, the subject must be addressed from both a technical and organisational viewpoint.



Here below you can find a checklist of operations we deem useful to help you manage cyber risks in smart working:

- devices: amplify the supply of corporate devices; for BYODs use MDM solutions for compartmentalized the 'personal' part from the 'professional' part in all devices
- VPN: pay attention to configurations and keeping VPNs up-to-date
- Strong Authentication: insert MFA (Multi-Factor Authentication) solutions for multi-factor user authentication
- encryption: encrypt data both on the network (VPN) and on the device
- backup: define backup policies and solutions to limit the impact of any possible loss of information
- control and monitoring: adopt SOC (Security Operations Centre) solutions and services
- infrastructure and organizational system robustness test: vulnerability assessment and penetration test - phishing simulations
- policies and procedures: prepare policies and procedures so that people work according to clear and well-defined rules and procedures; nothing must be left to chance and improvisation, even in terms of roles and responsibilities
- training and raising awareness: working on training resources, on safe use of technology, and on raising awareness of cyber risks
- business continuity plans: further to the events of these past months, think - for those who have never done so - or rethink about business continuity plans.

It is precisely on this last point that further investigation can be done in this difficult period, by verifying which business processes, including support processes, i.e. administration or back-office, can be somehow automated, by way of example through Robot Process Automation (RPA) solutions. These solutions indeed help contain operating costs, entail lower dependency on the human element, thus making them useful, if not essential, when people availability becomes critical.



Smart working as a cost management strategy. Some takeaways in the era of Covid-19

Cost management is a set of actions – many of which almost always preventive ones – aimed at identifying and managing the causes of costs with some very precise aims. Among the objectives of cost management strategies, we can count:

1. capturing links between costs and value creation
2. increasing the effectiveness of business decisions while safeguarding their overall efficiency
3. combining short-term and long-term effects.

In a disruptive moment like the present one, conditioned by the deep changes the Covid-19 pandemic emergency has brought with it, cost management actions – like any other urgent action – have to be:

- accelerated
- adapted to ongoing changes.

The aim, in some cases, is to maximize marginality (EBITDA) against a decrease in turnover and overall complications in cash collection.

There are many cost items on which to operate.

Critical to the success of any operation is not to act “linearly”, but in a strategic and coordinated way. This enables to avoid affecting containment and recovery actions that, although potentially onerous, can be vital for the company in the immediate future. It is therefore inevitable that any action aims to put the client at the centre of the strategy.

In the era of Covid-19, one of the solutions proposed and implemented to allow a large number of workers to continue their daily tasks is smart working, the only effective way for most companies to preserve part of their operations while protecting the safety of their workforce.

However, how can smart working become a strategic lever to implement cost management activities while maintaining client centricity?

The areas of impact of smart working are many, obviously not all immediately relevant for this pandemic emergency but, in principle, all of them can be considered as strong mitigators:



Cost item	Cost impact	Covid-19 impact
Fixed workstations	Direct savings related to office rentals and related costs (concierge, security, cleaning, etc.)	Not immediate. Nonetheless, it becomes relevant should it be necessary to resort to additional resources to implement recovery plans.
Parking spaces	Direct savings related to parking spaces rental and related costs	Partially immediate, it depends on the type of contract in force and on subsequent agreements between the parties
Company Canteen	Direct savings related to the interruption of food supply contracts and company canteen services	Partially immediate, it depends on the type of contract in place and on subsequent agreements between the parties
Utilities and telephone services	Direct savings related to the decrease in consumption	Immediate, especially for consumption rates. For flat rates it depends on the type of contract in place
Guests reception	Direct savings related to the dematerialization of meetings	Immediate
Travels and business trips	Direct savings related to the dematerialization of meetings	Immediate
Company flat	Direct savings related to the dematerialization of the employment relationship	Partially immediate, it depends on the type of contract in place and on subsequent agreements between the parties



The above table only mentions some of the savings that can be achieved through the smart working operational leverage; their quantification clearly varies and has to be considered on a case-by-case basis.

There are several studies conducted by various institutions, either scientific or professional ones, which have attempted to quantify the economic impact of this activity. The Telework Research Network is one of the most authoritative international

observatories on this topic and - through a survey conducted on some of the main Western countries (including the USA, Canada and the UK) - it has estimated that a single employee can generate general savings up to 10 thousand euros per year, should he/she be a 100% “smart” worker.

It is clear that, especially in the long term, it is necessary to consider three further aspects that affect smart working as a cost management lever:

Lever	Type of impact	Significance of the impact
Technological infrastructure	Capex Increase	High
Productivity	Increase in operating margin	Medium
Flexibility	Increase in operating margin	Medium / Low
Reduction in Human Resources	Increase in operating margin	Low
Organisational changes/ adjustments	Reduction in operating margin	Low

Smart working is the new frontier of cost management; and it is indeed from the new rules smart working is imposing on the labour market that cost management activities will have to start.

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