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The C-suite Agenda

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LEGISLATION

Employment rights bill: what's next for HR?

Much of the employment rights bill won't come into effect until 2026. But HR teams must ready themselves for a long transition period and start preparing for the changes now

Sam Forsdick

Earlier this month the Labour government unveiled its eagerly anticipated employment rights bill. The 158-page document outlines 28 workers' rights reforms, including a day-one right to protection from unfair dismissal, further restrictions on zero-hours contracts and new protections for working mothers.

The government also released a companion publication titled *Next Steps to Make Work Pay*, which details the next phase of its strategy to reform the relationship between employers and employees. It proposes introducing a right to 'switch off', legislating mandatory ethnicity and disability pay gap reporting and moving further towards the single-worker status, subject to consultation.

So what do HR leaders make of the bill – and how will the changes impact the function's workload?

Unsplash

Although the reform package was not as comprehensive as many expected, Amanda Rajkumar, formerly the HR chief at Adidas, is "encouraged" by the bill's contents and hopes the legislation will raise employment standards and create "fairer, more equitable, working practices" in the UK.

But not all HR teams are optimistic about the bill. Brightmine, an HR tech provider, polled its clients following the bill's release. The results reveal that HR professionals are worried the changes will create additional work for their teams, as well as for legal departments and line managers, particularly at small businesses.

Zuraida Curtis, Brightmine's senior employment law and compliance editor, says: "While some see the bill as a move in the right direction, others think it is too heavy and will bring more costs to businesses, which are already under pressure."

She says there will be "quite a bit" for HR to do to prepare. Teams must review all policies, procedures and contracts to ensure they are still fit for purpose and adaptable to any future changes. "HR will be down in the weeds until consultation starts and more details become clear," Curtis adds.

The introduction of a day-one right to claim unfair dismissal is one of the bill's most controversial reforms. Under the current rules, employees must have at least two years of continuous service at an organisation before they're allowed to claim unfair dismissal. The employment rights bill removes this qualifying period.

This means that any decision to dismiss a new hire must be able to stand up to scrutiny in an employment tribunal. "Therefore, decisions to hire new staff will come with more risk and, potentially, higher costs," explains Gareth Burrows, founder of Breathe HR, an HR solutions provider.

Employers warned in advance of the bill's publication that this change could lead hiring teams to take fewer risks and increase the use of temporary contracts.

As a compromise, the government suggested a nine-month statutory probationary period, which would give employers additional time to assess new recruits.

But despite this, HR teams may need to review their hiring processes to ensure they provide the "right level of selection and assessment", Rajkumar says.

Business leaders are also concerned about the bill's potential impact on workplace arrangements. The new legislation will give workers the right to formally request flexible working from the first day of their employment, abolishing the current qualifying period of 26 weeks' continuous service.

However, employers will retain the right to refuse flexible-working requests if they believe such arrangements are not practical.

Jo Mackie, partner and director of employment at Burlingtons Legal LLP, explains that employers can deny flexible-working requests for eight different reasons. "There is very little change here," she says. "Businesses have always been able to refuse these requests, for example, if it doesn't work for their hours or they can't afford it."

But Burrows believes the change places an unreasonable burden on employers, as it's now up to them to prove a flexible-working request is unreasonable. "Requests to work differently will create time-consuming work for HR teams that are already stretched," he says, adding that accommodating such requests will be particularly challenging for service-industry teams and employers of manual labourers.

Although HR leaders will be responsible for adapting to the reforms, many are still seeking clarity on how the new legislation will be implemented. So says Lisa Townsend, chief people officer at Mony Group, the parent company of MoneySuperMarket.

According to Mackie, the government has set out a "skeleton of what it wants", but key details are still missing. "There is a lot of detail on trade unions and there's a good bit of detail on zero-hours contracts, but there's not a lot of detail on anything else," she says.

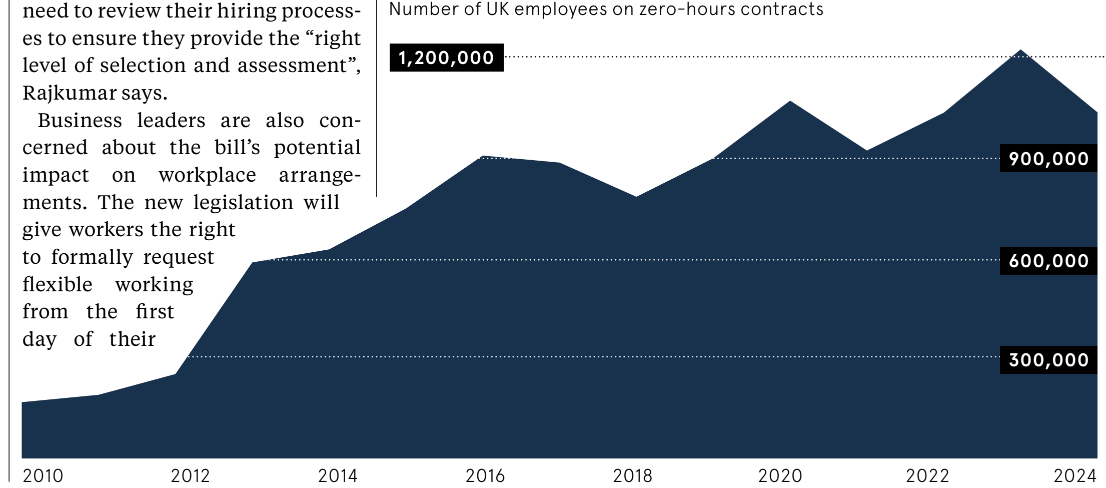
Moreover, she says some elements of the bill, such as the ban on fire and rehire, have been watered down and will continue to be watered down in consultations.

Employers should expect a lengthy transition period. But Alistair Logan, advisory director at Dayforce, an HR software provider warns that, "HR teams must be ready for the increased complexity on day one. To be successful, they must be able to pivot quickly in an environment of changing legislation."

Although the majority of the reforms won't come into effect until 2026, it's advisable for HR teams to prepare for the changes now. Rajkumar says: "If firms start working on these implications now, it should be all OK."

TIME TO CUT BACK ON CASUAL CONTRACTS?

Number of UK employees on zero-hours contracts



REMUNERATION

New tool shines a light on executive pay practices

The Fair Reward Framework gives investors greater insight into how some of the country's largest companies pay their leaders and the fairness of a firm's remuneration process

Sam Birchall

After years of debate on excessive executive salaries, a new tool has been created that makes it easier for investors and stakeholders to scrutinise the pay practices of some of the UK's biggest companies.

The Fair Reward Framework (FRF) was launched in September to help investors assess the pay policies and practices of the UK's largest public companies. The tool has been developed by a group of asset owners, including the Church of England Pensions Board, Brunel Pension Partnership, People's Partnership and Scottish Widows, in collaboration with think-tank the High Pay Centre.

Using publicly available data, the framework details pay outcomes across different companies, including executive salary levels, CEO-to-worker pay ratios and the gender pay gap. It also reveals how businesses divide the wealth they accumulate, for example through their living-wage and tax-reporting credentials, as well as the extent of their engagement with trade unions and worker representation at board level.

"While the dashboard doesn't allocate scores to companies on their performance, it will enable an understanding of gaps in performance relative to peers," says Vaishnavi Ravishankar, head of stewardship at Brunel Pension Partnership. "It is a one-stop shop that provides data points on inter-related issues that often get assessed in isolation."

The tool currently covers two-thirds of the FTSE 100, based on data from the 2022 and 2023 financial years, with further company assessments to be added over the coming months. A pay assessment for the entire FTSE 100 will be published by early 2025.

The tool was developed in response to ongoing issues surrounding remuneration for executives and the fairness of the processes behind their pay packets.

"Conversations about pay in the investment community and outside are highly polarised," Ravishankar says. "We wanted to create a tool that will enable investors to have thoughtful conversations with companies about corporate reward practices and how they are generated, as well as distributing value across shareholders, employees and society."

This comes amid calls for higher pay for CEOs in the UK. Both the London Stock Exchange and investment bank Schroders recently argued that bosses should be better rewarded to compete with the higher compensation that executives typically receive in the US.

In 2022, FTSE 100 CEOs earned an average of £4.3m and this figure increased to £5m last year. Meanwhile, median FTSE 100 CEO pay stood at 109 times that of the median worker, according to analysis by the High Pay Centre.

UK bosses are still paid significantly below global benchmarks, however, and their pay packages pale in comparison to CEOs at major US companies. Indeed, CEO pay at S&P 500 companies increased by more than $4m (£3m) to an average of $17.7m (£13m) in 2023.

Despite the increasing UK pay packages, there is now strong evidence that shows executive pay is not linked to performance. Even the highest paid bosses have failed to deliver for shareholders in recent years, which challenges the justification for their substantial salaries.

For example, Abrdn's share price decreased by 23% in the year to May 2024, despite the fact that its former CFO – now chief executive – was paid double that of the average FTSE 250 finance chief. Similarly, the CEO of Schroders received an average pay of £6.2m and yet the company has continued to underperform on the stock market.

This is causing concern for investors. Earlier this year, in a letter sent to FTSE 350 companies' remuneration committee chairs, the Investment Association (IA) emphasised the need for clearer alignment between pay and performance, one of the goals of the FRF.

Corporate pay policies have always been assessed by investors, given their role as a key indicator of governance. Going forward, however, Ravishankar says the data from the framework will be used to amplify investor engagement on this issue.

Finance chiefs have a critical role in framing the financial impacts of any compensation plans, so must ensure they are prepared. Ravishankar says CFOs will have to be more explicit about the connections between CEO reward, governance quality and employment conditions in their corporate engagement.

The tool will also be an additional source for voting decisions, Ravishankar says. "We would like to see engagements and voting decisions on executive pay to be anchored to employee pay, working conditions and other factors that demonstrate alignment with employees and stakeholder expectations, not just to peer rankings."

Remuneration is key to retaining and motivating critical senior executive talent. But as it continues to be scrutinised by major investors and stakeholders, businesses may have to re-examine their existing compensation plans.

The framework also includes an indicator on employee share ownership, which could encourage greater reporting on initiatives that allow workers to share in the success of their employer.

Ravishankar hopes more investors will use the FRF data to engage with the companies they invest in and give credit to those that are moving towards fairer reward practices.

Social epidemiologists have argued that larger income gaps are detrimental to society, something the financial industry appears to have recognised. There is now a greater emphasis on financial practices that promote fairer societies and economies.

A new task force was launched on 27 September to develop a framework for companies to identify and assess social-related impacts. The Taskforce on Inequality and Social-Related Financial Disclosures (TISFD) aims to address social inequality and will operate in a similar way to the Task Force on Climate-Related Financial Disclosures.

Proponents claim that companies that integrate social factors and inequalities into their decision-making are better equipped to attract and retain workers, increase innovation and productivity and maintain strong relationships with communities and consumers.

"This reference to inequality is really important," says Regina Lau, CFO at Weavr, a fintech. "Social inequality is an area that has been traditionally overlooked by businesses thanks to a lack of metrics for assessing risk and impacts on people and communities."

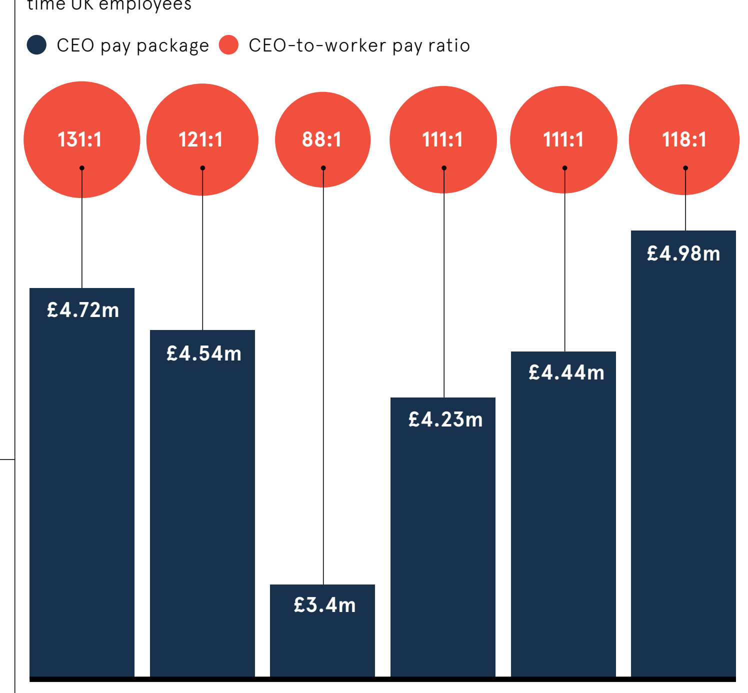
For Lau, the framework proposed by the taskforce provides a "great starting point" for businesses to begin calculating the potential benefits of social-related initiatives.

Alongside the Fair Rewards Framework, it is yet another sign that the investment community is looking at social-related issues more closely, adds Lau. Businesses and their finance chiefs should take note.

> We wanted to create a tool that will enable investors to have thoughtful conversations about corporate reward practices

HOW EXCESSIVE IS EXECUTIVE PAY?

Average pay package for UK CEOs, plus CEO-to-worker pay ratio for average full-time UK employees



High Pay Centre, 2024

Commercial feature

Shaping the future of work for people, purpose and performance

In an era of rapid digital transformation and shifting employee priorities, businesses must adapt to the needs of a diverse, multigenerational workforce

The modern workforce has been transformed by the intersection of shifting demographics, decreasing birth rates, the Covid-19 pandemic, the Great Resignation, digital transformation, geopolitical uncertainty, large-scale migration, and other continually evolving socioeconomic factors. Consequently, for the first time in history, workers now span five generations – bookended by generation Z at the bottom end and the silent generation, born between 1928 and 1945, at the other – each with unique needs and expectations. Accommodating everyone is a complex challenge, but one worth solving to improve performance today and tomorrow. Moreover, against a backdrop of talent scarcity, businesses must get this right.

Talent advisory and solutions company Adecco's *Global Workforce of the Future* research explores the main reasons employees will either stay with or leave their employer, with generational differences evident in their findings.

Niki Turner-Harding, Adecco's senior vice-president and UK country head, emphasises how much the workplace has changed since we exited the pandemic. Yet while the workforce has evolved, Niki argues that "managers have not been equipped with the skills needed to address the individual and diverse needs of each generation".

Jorge Aisa Dreyfus, executive vice-president of talent, capability and culture at finance, HR and payroll software firm Sage, views the multigenerational workforce as an opportunity to tackle talent challenges. He cites the example of a 57 year-old apprentice at Sage embarking on his third career, this time in tech. However, Aisa Dreyfus also stresses the importance of being "a nice human being" and providing feedback, guidance and a sense of purpose, which transcend generational boundaries.

The challenges of managing a multigenerational workforce are not to be underestimated. According to research from the London School of Economics, published in January, generational tensions are linked to lower workplace productivity in the United Kingdom and the United States. Workers with managers over 12 years their senior are nearly 1.5 times as likely to report low productivity. The study also found that older employees often struggle with younger managers. These findings highlight the need for effective communication and understanding across generations.

Turner-Harding says Adecco has provided managers with toolkits and brought in subject matter experts to facilitate workshops. She says the most crucial aspect is fostering mentorship and reverse mentorship to encourage conversations and build confidence in approaching these discussions. "In some cases, they're not easy conversations," she says. "They talk freely to their own generation or the generation directly next door, but not wider."

Creating a sense of belonging

People business partnering director at Tesco, Anna Wisniowski, notes that 36% of Tesco's UK workforce is comprised of gen X – after baby boomers and before millennials – surpassing the proportion of gen Z (23%). She says there is a growing importance placed on flexibility for all generations, with gen X colleagues seeking part-time arrangements and gen Z prioritising work-life balance and hybrid working. Tesco has responded by offering digital upskilling for its core workforce and reskilling opportunities across different departments. "For that gen X cohort, we could be doing so much more as a country to help with their skills and future within the workforce," she says.

Anna Purchas, vice-chair and London office senior partner at KPMG UK, underscores the value of experience in navigating uncharted waters. With an average age of 27 at KPMG, many employees have never weathered an economic downturn. Little wonder Adecco data finds 62% of large employers are trying to persuade older people back to work.

Purchas advocates for cross-generational knowledge sharing and nurturing a sense of belonging in the modern workplace. "Yet in a hybrid world, that is hard because you're not always all sitting around a table together." Purchas asks: "How do you best focus on creating inclusion across your organisation so that people of different generations feel they belong, and everybody is confident to share their views?"

Theresa Palmer, global head of diversity, equity and inclusion at BAE Systems Digital Intelligence, argues that the answer lies in how a company engages with a new recruit. A question she typically uses is: "Tell me how you work best". She adds: "We always listen to our people. We use our employee resource groups to discover intersectionality."

Flexibility has emerged as a vital consideration for employees across the generational spectrum. Palmer points out that the definition of flexibility varies among companies and roles. Further, flexibility is about where work is performed and how companies interact with their employees. "Communication styles are completely different across the generations," she says. "Very few organisations have got it right. It's still a work in progress for many, even down to the employee benefits offered."

> How do you best focus on creating inclusion across your organisation so that people of different generations feel they belong

Wisniowski points out that Tesco has developed a two-way communication platform that enables colleagues to engage with the business and each other in real-time, using video posts and local-level interactions. The internal channel boasts an impressive Net Promoter Score (NPS) of 31, higher than that of Instagram and Facebook, and has been a transformation for Tesco. With over 200,000 colleagues using the platform, it has become a crucial engagement tool across the organisation.

What workers want

Mark Wilson, group people director of talent acquisition at Babcock, highlights flexibility limitations in industries such as manufacturing and logistics, where work must be performed on-site and in coordination with others. He also raises concerns about the impact of the UK's housing crisis on workforce mobility and the feasibility of remote work for new entrants.

"The opportunities for flexible working for the 3,500 people that we have building warships are minimal because you can't take that work home," Wilson says. "Yet knowledge workers within the projects definitely have the opportunities for flexibility because the work can be digitally shared." He adds: "The real opportunity sits from an internal mobility piece."

Palmer agrees, voicing fears that this situation could unwittingly create a two-tier workforce. "I work with digital intelligence, where we have a lot of software engineers and data analysts, but the wider organisation traditionally has a lot of electrical and mechanical engineers, so we have very different workforce populations to cater for," she says. "That's why workforce mobility has to be more available. There have to be other paths made available; otherwise, job satisfaction will be low."

Purpose power

Purpose is one of Adecco's five megatrends, and its research shows that job satisfaction is increasingly important, as 20% of employees are looking to change jobs in the next 12 months because they don't find their work meaningful. In an era of heightened visibility and polarised views, leaders must be authentic, value-driven, and comfortable with change, says Purchas.

The onus is on those at the top to create "a sense of belonging and ensure that everyone feels like a true colleague". She underlines the importance of believing in the organisation's purpose, giving colleagues time to explore its meaning, and for leaders to be willing to apologise when mistakes are made.

The road ahead may be challenging, but by embracing the imperatives of flexibility, skills, purpose and authentic leadership, organisations can unlock the full potential of their multigenerational workforce and thrive in the face of uncertainty.

DON'T DISMISS THE DISCOUNTS

Consumers are still reeling from the cost-of-living crisis that helped to define everyday life over the past few years. The use of discounts and other promotions therefore has become a common strategy to entice cash-conscious shoppers. Although many consumers agree that some experiences justify premium prices, the battle for business is increasingly being decided by the depth of the discount.

SHOPPERS ARE INCREASINGLY ATTENTIVE TO VALUE FOR MONEY

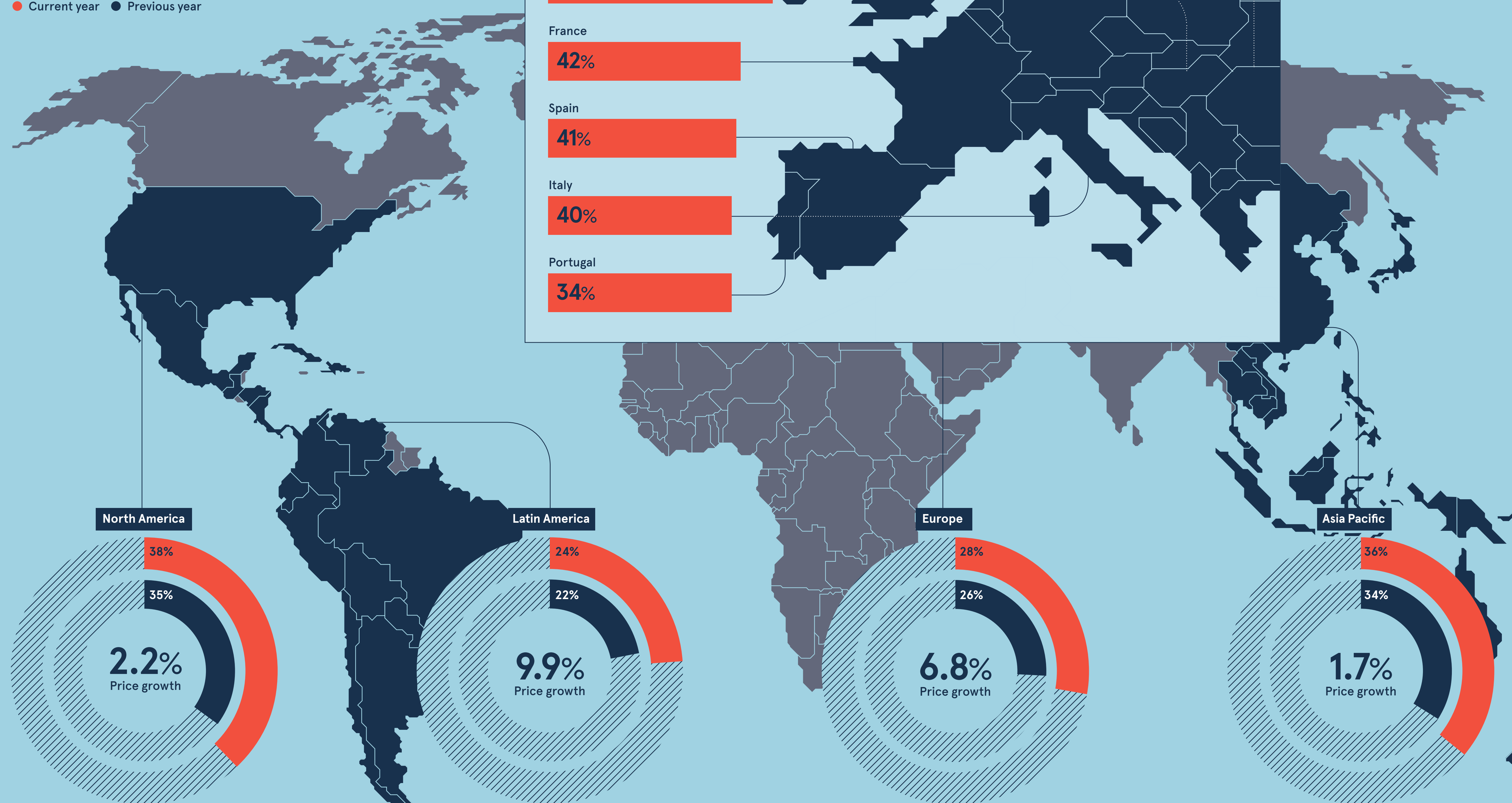
Share of consumers ranking the following as top shopping strategies to save money

Buy whichever brand is on promotion	36%
Switch to a lower-priced option	36%
Shop more at discount/value/lower-priced stores	32%
Monitor the cost of my overall basket of goods	32%
Stop buying certain products to focus on essentials	32%
Stock up of buy in bulk when things go on sale	28%
Shop online to get better deals or save	27%
Collect/use loyalty points to manage spend	26%
Use digital technologies to find better deals	24%
Substitute/trade out for lower-priced alternative	23%

CONSUMER PACKAGED GOODS ACCOUNT FOR A SIGNIFICANT SHARE OF PROMOTIONAL SALES WORLDWIDE

CPG share of promotional sales by region, plus price growth in those regions

● Current year ● Previous year



DISCOUNT DEPTH – THE DIFFERENCE BETWEEN AN ITEM'S PROMOTIONAL AND NON-PROMOTIONAL PRICE – IS GROWING ACROSS EUROPE

Share of consumer categories where depth of discount has increased compared with the previous year in particular European countries

Poland	66%
Romania	58%
UK	57%
Germany	50%
Hungary	49%
France	42%
Spain	41%
Italy	40%
Portugal	34%

64% of consumers would choose to purchase a product that has innovated to be as affordable as possible

48% would switch to a cheaper OTC medicine that is considered biosimilar or of equal quality

ECONOMY AND SUPER-ECONOMY OPTIONS HAVE SEEN THE BIGGEST SALES BUMPS

Share of global CPG sales growth compared with the previous year, plus share of sales, by price tier

Price tier	Share of sales	Year-over-year sales growth
Super economy (price index <70)	19.1%	+8%
Economy (price index 70 to 90)	17.8%	+7%
Mainstream (price index 90 to 110)	35.9%	+5%
Premium (price index 110 to 130)	20.8%	+5%
Super premium (price index >130)	6.7%	+5%

Price index compares an item's price point with the average price for that category. For instance, an item with a price index of 110 is priced at 10% above the average price for that category; a price index of 90 is priced at 10% below the average.

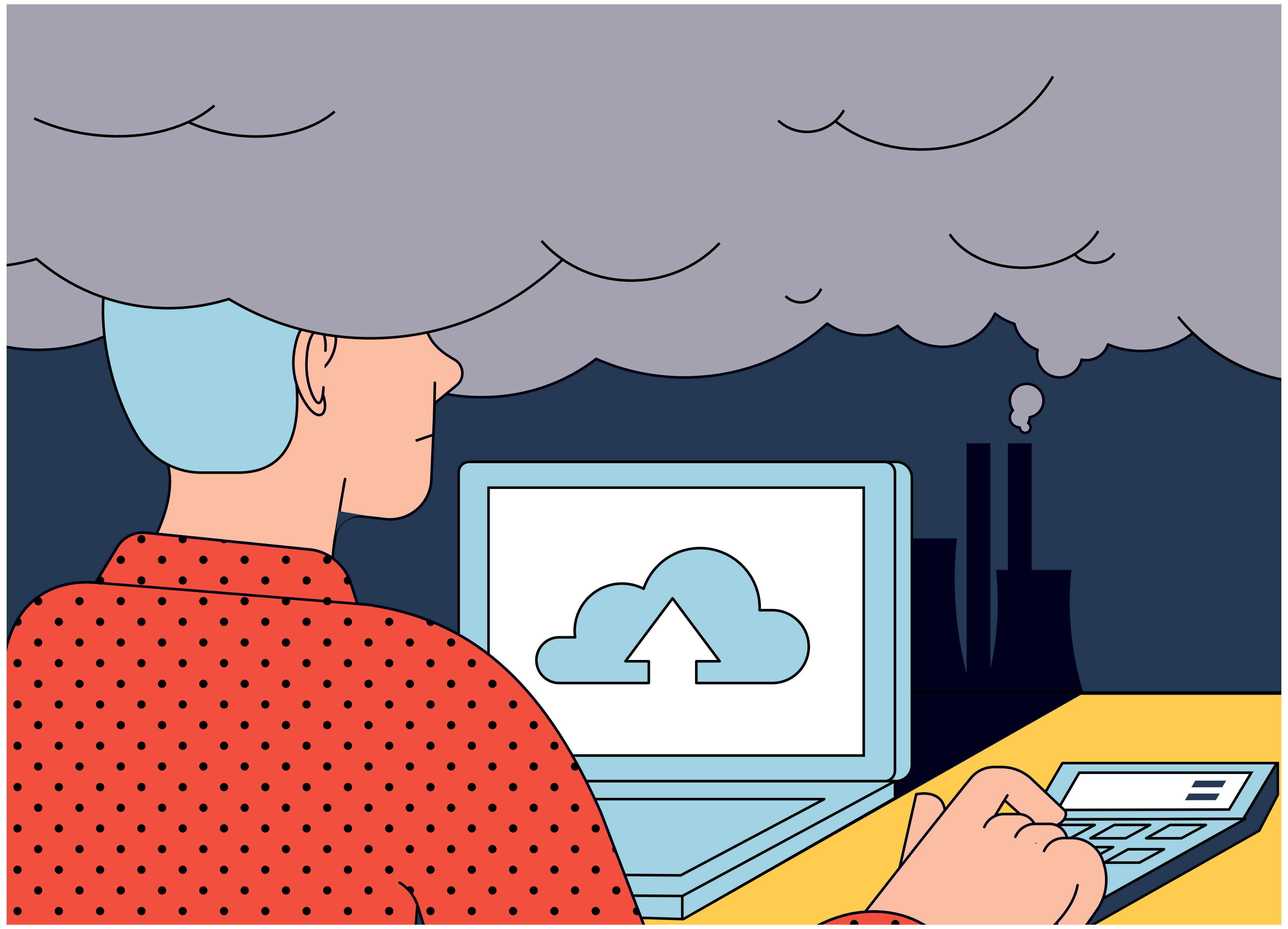
CONSUMERS ARE STILL WILLING TO SPLASH FOR SOME ITEMS

Year-over-year sales growth of smart phones to end of H1 2024, by price bracket

0.1%
Economy, <$600 (£463)

8.1%
Premium, >$600 (£463)

Nielsen IQ, 2024



SUSTAINABILITY

CTOs get to grips with new software sustainability spec

A new tool enables users to estimate the carbon emissions of software. The developers behind the Software Carbon Intensity specification envision software energy ratings and sustainability KPIs

Tamlin Mageeme

Marc Andreessen, the venture capitalist, warned in 2011 that "software is eating the world". He didn't mean it literally, of course, but one thing is clear – the potential impact of software on the global climate is now too big to ignore.

The amount of energy used by modern technology is tremendous. And, the switch to digital working over the pandemic increased the burden, which will further grow with the adoption of generative AI.

With regulators and politicians under pressure to reduce carbon emissions, tech companies face newfound scrutiny for energy-guzzling infrastructure, including an ever-expanding data-centre estate. Since this infrastructure is mostly used to power software, it's not just hardware that needs to be under the spotlight.

Since 1992, manufacturers in the US have sent their equipment and devices away to a government laboratory to be measured for energy efficiency. If they meet the criteria, those manufacturers can apply an Energy Star label on their product to prove its green credentials. The EU has a similar scheme, with products rated on a scale from A to G.

The energy consumption of software, however, is much trickier to calculate than it is for physical devices such as kettles or microwaves. Businesses can't send their software to a lab, because no such lab exists. They could self-certify, but consumers would have no trusted, verifiable way of ensuring the data is accurate.

Perhaps if we could more easily determine the carbon emissions created by each software component, acceptable emissions standards could be set and the environmental impact of software could be reduced.

This is according to the Green Software Foundation, a non-profit under the Linux Foundation, which aims to create a trusted ecosystem for building environmentally friendly software. The foundation has developed a Software Carbon Intensity (SCI) specification to defining the carbon emissions generated by software. It's a methodology that lets software practitioners calculate the emissions of a particular system design or development. The way to think of it is "carbon per something", says Asim Hussain, executive director at Green Software Foundation.

> It's easy to tell people to use fewer servers but how much is that going to save? We didn't know

For example, the SCI could be used to determine how much carbon emissions will be produced by visits to a website or a certain process on a server. Ultimately, the idea is the SCI will help users and developers make more environmentally friendly decisions about the tools and services they use.

"There hasn't really been a KPI for sustainability in software," Hussain says. With approval from the International Organization for Standardization (ISO), CTOs can be confident in using the SCI specification to calculate the emissions of the software they use, he adds. "They know, if other organisations are using this mechanism, they're not going against the grain – they're choosing a standard."

This information can help to reduce or avoid creating emissions through software. The SCI has already been adopted by academics and technologists. Major technology companies, including Microsoft, NTT Data, Accenture and Intel, have all signed up to the Green Software Foundation.

If the SCI specification defines how to calculate carbon emissions, an accompanying tool – Impact Framework – turns this data into insights. Impact Framework is a calculator that allows users to input observations, such as computer-processor utilisation, visits to a website, or the number of installations of a piece of software, then receive an estimate for the carbon generated by each action.

The tool is agnostic to environment and device. This means that as the specification evolves, it could eventually be used to measure more complex systems – for example, carbon emissions per GenAI prompt.

With custom plug-ins, users can calculate morbid but sobering stats about how many deaths the carbon emissions of their software will cause. Some developers are experimenting with using the Impact Framework to calculate the emissions of physical supply chains, such as the carbon emissions created when delivering a parcel from A to B with multiple stops along the way.

But it's still early days. The SCI was certified by the ISO only last year. Although some academics and developers are already using the specification, the Green Software Foundation hopes more companies adopt its framework.

Metrology obsessive, Hussain finds inspiration in historical precedents. In the 18th century, for instance, French merchants and the peasantry were frequently defrauded by traders, who used their own opaque, competing measurement systems. The lack of a single system of measurements was listed in the Cahiers de doléances, the "ledger of complaints" that King Louis XVI ordered compiled shortly before he lost his head. "Throughout the whole kingdom there should be but one code of laws, one system of weights and measures," they demanded.

This demand eventually led revolutionary France to adopt the metric system, which used measurements drawn from immutable facts of nature – for example, the metre is a percentage of the circumference of the earth – to enforce equality in measurements and ensure fairer trading.

Hussain says such episodes speak to how measurement systems have been used to hold power over the masses – but also how they can be used to dilute and distribute power, such as in revolutionary France.

Today, software developers are grappling with how to measure sustainability. "We didn't know how to measure properly, so people weren't measuring," Hussain says. "People kept talking about ways to reduce emissions but couldn't prove how many emissions it would reduce. It's easy to tell people to use fewer servers, but how much is that going to save? We didn't know."

"But engineers are brilliant," he adds. "They're building infrastructure that can figure out the most unbelievable solutions to problems. If we show them how to measure sustainability, they will figure it out. I'm a firm believer that if we solve the measurement problem, the rest will follow."

Tools to measure the carbon emissions of software did already exist. A key difference with the SCI and the Impact Framework is that by using publicly available data, anyone can theoretically audit the carbon footprint of any piece of software, regardless of the company that made it. For instance, during a recent hackathon in California, a group of teenagers calculated the carbon emissions of a Zoom video call.

"A bunch of 16-year-old kids demonstrated to a multibillion-dollar organisation how to measure its emissions," says Hussain.

> They know, if others are using it, they're not going against the grain – they're choosing a standard

The SCI will enable organisations to be more transparent by helping them to prove their sustainability credentials, Hussain adds. By adopting a common framework, companies will also be able to more easily explain how they achieved their scores if, for example, they're accused of greenwashing.

"I've been inside organisations that want to disclose their emissions but they're fearful they'll be criticised for calculating it in the wrong way," Hussain says. A better model, he suggests, might be an ongoing, open, public dialogue, instead of the annual ESG reports that are the norm.

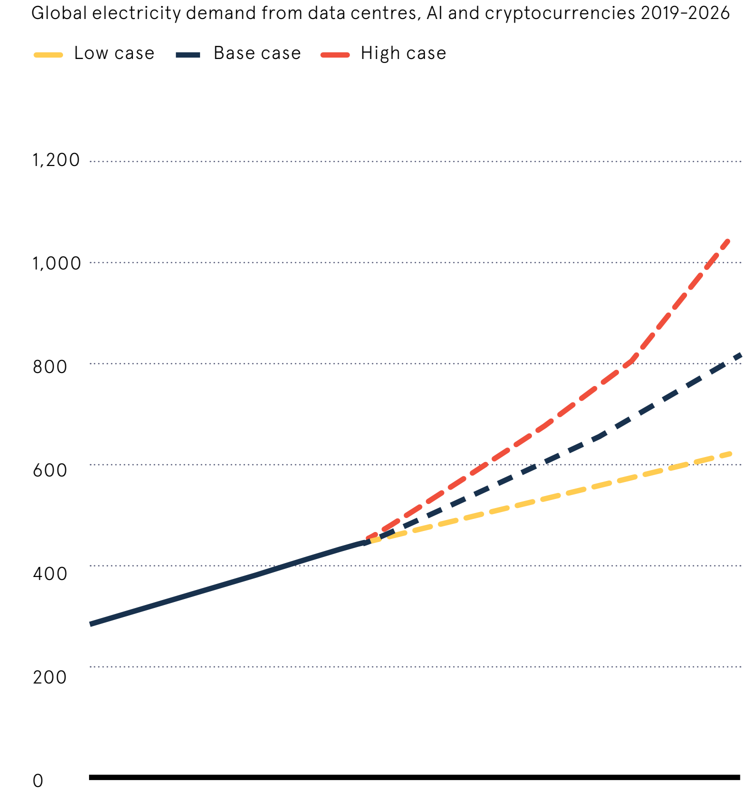
He continues: "If someone in the open-source ecosystem calculates an organisation's sustainability score, don't view it as a threat," he says. "If they make a mistake, help them out and show them the way you'd calculate it."

A few decades ago, open-source software was itself on the fringes of the tech industry until some of the largest corporations – and former opponents – reversed their position.

Like open source's decades-long trajectory into the mainstream, Hussain says, transparency in sustainability is going to be a challenging journey. But he adds: "I fully believe the future will be complete transparency of these numbers."

AS TECH ADOPTION GROWS, SO DOES ENERGY CONSUMPTION

Global electricity demand from data centres, AI and cryptocurrencies 2019-2026



World Economic Forum, 2024

INTERVIEW

‘You have to park your ego and keep a clear head’

Eliran Glazer, finance chief at Monday.com, reflects on the lessons he’s learnt since its IPO and explains how he handles the pressures of the job

Sam Birchall

Since listing on the New York Stock Exchange in June 2021, Monday.com has become one of the most successful Israeli companies on Wall Street. With a market value of $13bn, the management-software company counts BMW, Uber and Coca-Cola among its customers.

Monday.com is an online platform that helps teams manage their tasks. Eliran Glazer was hired as the company’s finance chief while it was in the process of filing for its IPO, meaning he had to quickly adapt to his new role. Now, three years later, his new challenge is navigating the ups and downs of being the CFO of a public company during a tough macroeconomic climate.

The role of a chief finance officer undergoes many changes when a company goes public. They must disclose financial statements to the public and meet the demands of shareholders. They also must satisfy new regulatory requirements. For Glazer, the biggest change has been stepping into the role of storyteller and communicator.

Around one-third of Glazer’s time is now spent managing Monday.com’s investor relations. Serving as that critical touchpoint requires excellent people skills and a deep understanding of the business and its wider market, he says.

“I’ve moved from being the person in the back room to suddenly becoming the person that investors are looking at to tell our post-IPO story,” Glazer adds. “I have to be compelling and I have to be able to articulate what our competitive advantages are in a way that is technical, but also anecdotal.”

This means striking a balance between being professional and personable, Glazer says.

For the Israeli-born Glazer, it has involved improving his English. “I had to study the jargon,” he says. “Not many Israelis know how to say things like ‘we are in the first innings of our journey’ or ‘out of the gate’. This is something I had to take into consideration.”

The communication style that resonates with investors will change depending on their areas of expertise. They could be highly involved in a specific industry, such as technology, and will respond more favourably to a CFO who can speak to this. “You’ve got to quickly assess what that person wants. The ability to get inside the minds of those around you is an incredibly useful skill and one that is constantly overlooked in the CFO profession.”

He adds: “Many people see finance chief as the party pooper – the person that focuses solely on cutting costs or finding a return – but when you step into other people’s shoes and understand their rationale, you get more out of a conversation. It opens more doors.”

The past three years have been challenging for Monday.com. The Tel-Aviv-based business has had to navigate conflict in the Middle East and has implemented a hybrid working arrangement for its Israeli employees to ensure their safety and business continuity. The company has also faced volatility in the tech sector.

Despite these challenges, Monday.com has had to deliver on the promises it made when it went public. Glazer highlights the increased importance of building strong relationships in this period. “I’ve always aimed to be as transparent as possible with our investors and I’ve worked hard to build a high level of trust by only promising what I know we could achieve. We committed to improving the top line and generating cash, and we followed through.”

> “I’ve worked hard to build a high level of trust by only promising what I know we could achieve

Despite an unpredictable market, Monday.com has expanded into over 200 regions and has achieved a growth rate of over 30%, according to its latest financial reports.

Glazer says this has been achieved by focusing on sustainable growth. The strategy has been to “deliver a good product and a strong culture”, he says. “We work to protect both of those things – even as we grow.”

With everything that has occurred in the past three years, it’s important that CFOs know how to manage pressure, he explains. “This job requires a lot of you. There are many crises and people that need your time and advice. I’ve learnt not to make snap decisions under pressure because this is when you make mistakes,” he says. “There are going to be ups and downs, but you have to park your ego and keep a clear head.”

Glazer describes his work schedule as “crazy” and spends most of his time attending investor roadshows, board meetings and on earnings calls.

Working in such a high-pressure role can often lead to burnout, which is prevalent in the finance profession. Only 27% of CFOs achieve a satisfactory work/life balance, 87% deal with stress and 83% report regular burnout, according to a survey by Sage.

> “We work to protect our product and culture – even as we grow

“If you don’t find a healthy work/life balance you are going to burn out and lose passion for the job,” Glazer says. He has found meditation to be a useful tool when it comes to managing the high pressures of the job. “I’m a big fan of the Wim Hof breathing technique. It’s a bit like meditation and I do it every morning before work.”

Glazer’s philosophy is that no matter how important your job is or how much you relish the challenges it brings, it’s important to take a step back and detach yourself from work. “This is the only way you can be fully prepared for whatever the next day brings.”

Commercial feature

Data and personalisation: how to unlock value in an experience economy

With the right technology in place and a unified approach to data, automotive retailers can deliver seamless, personalised experiences that convert into customer lifetime value

Across every industry, technological advancements have led customers to expect more convenient, personalised experiences. From flexible purchase options to intelligent campaigns that deliver value beyond lead generation, convenience has swiftly become the norm. And, while retail giants like Amazon and sectors such as travel spearhead evolution, the automotive industry remains burdened by complexity.

“Automotive retail is a multi-layered industry,” says Tim Smith, chief strategy officer at Keyloop. It is powered by multiple point solutions limiting its potential to deliver true personalisation and amplify customer lifetime value.

In automotive, the lack of effectively integrated systems prevents seamless data flow, leaving retailers to work in silos and customers unable to have their preferences follow them from channel to channel.

This fragmented infrastructure forces retailers to rely on inefficient manual, error-prone processes, a top frustration for 69% of them according to Keyloop-commissioned research. This falls narrowly behind concerns about conversion rates (77%) and the disjointed online to instore journey (85%). But consumer frustrations go deeper. In fact, 83% are concerned about inaccurate data, with 72% finding feature information unclear and 76% not trusting online data as much as in-store information.

“Data inaccuracy damages consumer trust. At its core, effective proprietary integration is designed to increase this accuracy, making the journey transparent and consistent at every touchpoint. But that’s just the beginning. Seamless integration has the potential to enhance every part of the experience, not just data accuracy,” says Smith.

The omnichannel opportunity

It’s one thing to enhance your online experience. After all, 62% of shoppers typically start their customer journey browsing online rather than in-store, according to a 2024 Retail Economics Ecommerce Report. Yet retailers who wish to maximise customer lifetime value - over just transactions - should leverage omnichannel-enabled, data-driven technology to personalise the experience and build trust with their consumers.

Brick-and-mortar retail remains a crucial part of both the car-buying and ownership experience. As Smith explains, “consumers still lack trust in the car buying and ownership process”. In fact, Keyloop-commissioned research states 83% of customers still worry about being ‘ripped off’ and 76% worry about making the wrong decision.

Therefore, dealerships remain the primary gateway to customer loyalty. Face-to-face interaction can deliver a lasting impact on your customer base. And data-driven technology can be used to amplify that impact online to instore, and back again. It can be used to personalise interactions throughout the journey – whether online during research and purchase, or in-store for servicing and repairs – to unlock greater customer lifetime value.

Experience-first innovation

Smith advocates for an ‘experience-first’ approach, where technology and data pave the way for innovation, allowing sales teams to shift from transactional deals to quality relationships that drive customer lifetime value.

Technology like robotic process automation (RPA) is already streamlining key aspects of the automotive retail ecosystem, such as inventory management, vehicle financing and onboarding across the entire dealer network.

More importantly, RPA is also ensuring customer data is accurate and kept up to date, reducing rekeying and maintaining compliance, as well as sincere, ongoing engagement throughout the ownership experience.

Artificial Intelligence (AI) is further enhancing personalisation by providing tailored content to the right customer at exactly the right time. AI virtual assistance helps customers refine their search, compare vehicles, answer queries and provide personalised support at every stage of the purchasing journey.

Meanwhile, AI-driven propensity modelling is helping automotive retailers to understand which customers are perfectly placed for a new vehicle purchase, allowing them to send tailored vehicle upgrade offers based on their existing vehicle, monthly repayments, typical upgrade paths and propensity to switch to electric. This is driving better conversion rates and ensuring a more efficient use of marketing spend.

By investing in intelligent, data-led solutions like these, retailers can elevate their experience, keeping customers open throughout the ownership phase and ultimately maximising their lifetime value.

Data: the foundation of exceptional experiences

Smith believes that exceptional experiences are “truly about data and the flow of information from one system to another.” He notes that “both the customer-facing journey and the internal sales process need to be aligned in their simplicity” to enhance the experience for both parties. “If a sales process is disjointed, arduous and involves a lot of rekeying, how can you expect that to translate into a transparent, positive and memorable experience for the customer?”

Finding a supplier with expertise in unlocking your data’s potential is essential. In automotive retail, multiple data sets – from vehicle, finance and customer data to performance and reporting – must intersect to give retailers a 360-degree view of their operations. “Only with a complete view of customers and vehicles, can retailers proactive, personalised outreach and make data-driven decisions,” adds Smith.

> “At the heart of delivering exceptional automotive experiences is the ability to harness data in a way that feels personal to every customer

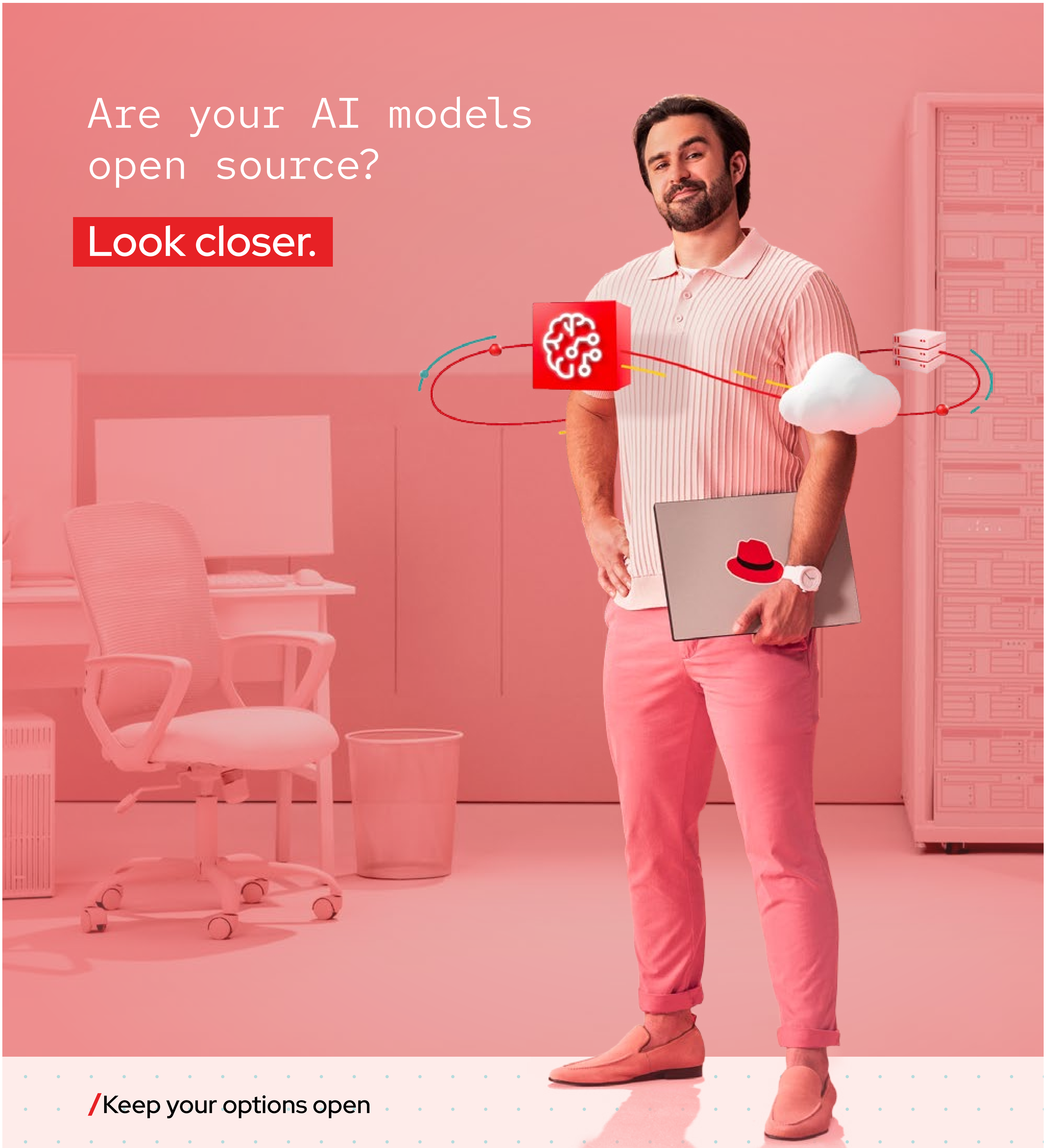
One supplier. One platform.

Keyloop’s newly launched automotive retail platform (ARP), Fusion, connects every phase of the vehicle sales process, maximising both customer and vehicle lifetime value. Fusion is organised into four core domains to ensure its endless capabilities are easily accessible.

By harnessing Fusion’s domains - Supply, Demand, Ownership and Operate – automotive retailers can ensure a connected journey from inventory management and customer conversion to aftersales and dealer operations. This seamless integration enables data to pass freely from one domain to another, making automation and personalisation possible at every touchpoint.

Fusion utilises the latest advancements in technology, including AI, to unlock valuable datasets and provide retailers with the necessary insights to stay agile in this ever-changing industry. This ability to gather and apply real-time data enables retailers to meet evolving customer expectations for a convenient, personalised experience.

“At the heart of delivering exceptional automotive experiences is the ability to harness data in a way that feels personal to every customer. When retailers can connect systems seamlessly and use that data to personalise interactions, they move beyond one-time transactions to building lasting relationships. It’s this shift - from transactions to tailored experiences - that ultimately drives customer lifetime value,” concludes Smith.


Are your AI models open source?
Look closer.