



## Episode four with Andy Myers

### Speaker Key:

FC	Fiona Cannon
MP	Maggie Pagano
AM	Andy Myers
GC	Gillian Connelly
SF	Sharon Fairclough

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FC This podcast is supported by Lloyds Banking Group. Hello, and welcome to the fourth episode of the *Agility Mindset Podcast*. I'm Fiona Cannon, Director of Responsible Business, Sustainability and Inclusion at Lloyds Banking Group and Director of the Agile Future Forum. In this episode, Maggie's speaking with Andy Myers, who's the Director of the KPMG Tax Centre of Excellence in Glasgow. And this particular office has really been at the forefront of agile working.

In part, due to the nature of tax work, as well as its location. And while there, Maggie also had a chance to speak with some of the staff about the policies that allow them to strike that all important balance between work and life.

MP Joining me today is Andy Myers, who's Director of the KPMG Tax Centre of Excellence here in Glasgow.

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Now, Andy runs a very interesting operation, a bit of an experiment, where most of the staff, and Andy, you'll give us all the details, virtually 90% I believe, work remotely. And about 70% of them are women. And this all started out as a little bit of an experiment. I'm wondering if you can explain how it came about.

AM Can I correct you there Maggie? Sorry.

MP You may, absolutely.

AM This needs correction on the figures. We've got roughly 200 people working in Glasgow. And we've got around about 30 to 40% of those working remotely into the Glasgow site. And we've got about 70% of the team made up of women.

And it's not an experiment per se, it's actually a centralisation exercise which any normal business would do, but what we've done is realise that actually in



order to get good quality people we've had to go into a different offering in the HR market.

MP Tell us how it started, because tax is obviously very seasonal, so in a sense you know how many people you're going to get in one part of the year. And I understand that the reason it started was that your predecessor actually said right, the way we can so this is to go out and find people who'd like to work like that.

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AM Indeed. So, in very simple terms KPMG used to do tax compliance in 24 or 25 offices across the country. And as businesses do, they rationalise and centralise and decide there's a better way of doing business.

They very rationally chose Glasgow, really good people in the local market, fabulous universities, so chose Glasgow. But during that whole process, they realised that actually they saturated the market with people who wanted to work full-time in an office.

And tax, as you say, is a very seasonal thing. The personal tax year ends on 31<sup>st</sup> January, everyone's got to file. Corporation Tax, a large number of companies in Corporate have a 31<sup>st</sup> December year end. So, it's very seasonal.

So that presented a business problem which was we need seasonal workforce, we need qualified workforce and we need it in a peak. So therefore, my predecessor developed a series of really interesting agile ways of working.

So, seasonalised hours, take four months off, work harder during the next eight months. Think about part-time hours; so people typically are working, an average across the whole centres around about .8 FTE, so four days a week.

That brings with it challenges but actually it gives you access to a different part of the market.

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MP So the 30, 40% of people who work from home, or remote, wherever it might be, do they have prescribed hours? Tell us a little bit about how it works in practice.

AM Some of them will have prescribed hours because they might have client contact. So, in an average business, the finance director will be after tax questions during working hours. But others, and especially in the private clients and the expat tax business, we're dealing with people that could be overseas.



They could be having busy lives of their own. Actually, they don't need to be on the phone at 4 o'clock in the afternoon. That tax return can get done at 2 in the morning or 10 in the evening.

And that allows a much greater degree of flexibility for people who are working remotely. It's a little trite to say I don't care when the work is done, but to be honest, I don't. The tax deadline is the 31<sup>st</sup> of January for private submissions, as long as the work is done by then, we really don't care how it's done.

MP So the people at home don't fill in, if you like, hours on a timesheet. They're given projects, it's project based, they're given a deadline, and once they've done that, it's up to them how they work.

AM Indeed. We do have timesheets but that's just to record how much we've got. But we've got really good systems; workflow systems which we built over the last few years where we know how much person A and person B is doing each week.

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Here's your target for the week, deliver it. If you've got spare capacity, put your hand up.

MP And your business model, everybody is on PAYE, they get pensions, it's just all scaled back.

AM Everybody, in the Tax Centre of Excellence, is a full-time employee, as in a permanent employee. The ratio of how much they do in terms of part-time or full-time is largely up to them. But we're not talking the gig economy here. These are full members of KPMG.

MP And how you come across any drawbacks? Have you had to change it, adapt it to lessons that you may have learned?

AM There are drawbacks because people are actually people. They do like human contact, and actually, working at home remotely day-in, day-out actually can be quite hard work.

MP And quite lonely.

AM Quite lonely, quite hard work. So, you've got to engender different ways of getting that team spirit. So, daily meetings, daily huddles. Now, you can't assemble around a whiteboard to do a daily meeting if you're sat in Newcastle and the guys are in Glasgow.



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But you can dial in. You can send out the minutes beforehand. Or you can send out a snapshot of the daily board. Also, if you've got workflow and electronic systems, you don't need those things. You know where you are against the target and you talk to that.

Equally, it is actually a professional services business, so we need very intelligent people and they need to keep up to speed on the legislation. We have people who come up two or three times a month if they need to.

MP To Glasgow.

AM To Glasgow or to their local office because I have other centres in Manchester and Birmingham. People can come in for a day, get to meet the team, understand what's going on with the clients, understand what's going on with legislation, go back home.

And we also tend to have an annual training session. So, everyone comes to Glasgow or Birmingham for a week, we all sit down, talk about what the chancellors put in his latest budget, how that impacts us, what the legislation means to our clients and then disappear back.

MP And that gives people also the social side of work, the water cooler moment, getting to know, going for a drink. And so, you do all the socialising as well.

AM Yes. It's then condensed into that week. It's a different way of working, but it actually attracts a different type of person back into the workforce.

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MP Absolutely. Are you able to measure productivity, and whether there are gains to the business?

AM We do measure productivity. We've got an Activity Based Costing structure so we know where we are year on year. And, in really simple terms, there isn't a difference. And that's the key point. There would be a big difference if I didn't have these people.

So, the business is I need these people to do this work; they're doing some fab work. If I didn't have them, I'd have big trouble. The flipside of that equation is, yes, there are minor things you've got to overcome but there's no major productivity issue there.

MP And there have never been any issues of trust? Because one of the orthodoxies, if you like, of why back in the 70s everyone talked about flexible working, you know, fibre optics, everyone can work from home. And actually, that didn't happen until perhaps the internet and so forth.



And do you find that other employers and people, now that people trust each other, that it's become much easier to operate?

AM I think trust is, rather trite so say, trust is an earned quality and it's definitely two way. But once you've got the right person, you understand whether they can be trusted to work remotely, this works absolutely fabulously.

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Some people don't want to do it. Some people still like the daily water cooler moment. And for the right person that's just what we can offer. But other people, lifestyle events mean they can't do that. So, we still get access to a wider portion of the market.

MP What would you advise other employers who are looking at setting up their own more flexible working?

AM I would say try it. I came in from a different, very different, industry in terms of investment banking which is very time driven with minute deadlines. Four o'clock the market closes, this trade has got to be done by that time.

Where you've got more flexibility, do try. You will be amazed the trust you get back from the team.

MP And you come, as you said, from a very different background, investment banking, Morgan Stanley. Where actually it's quite noticeable that you don't have many women at senior levels. And is that because of the culture of the workplace? And could it benefit, or is that stuck in?

AM No, it's very interesting because I had a fabulous time at Morgan Stanley, it was a great employer. And actually, when you sit there, both in KPMG and Morgan Stanley, the graduate schemes when people walk through the door, they drop out of university, here they are at 23. You look at every grad scheme, and they're always about 50-50, male-female.

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What you then see, and you can see it in just about every industry, is a washout. As people go further up the chain, family life and commitments hit and then suddenly, the lady disappears on maternity leave and doesn't come back.

I was involved in a return to work programme at Morgan Stanley as well, to try and get people back into. So, there are some other great employers out there doing very similar things.

MP And were they successful?

AM Yes, I mentored one who came straight back in after about a ten-year gap.

MP Oh wow. And do you think that's happening now throughout industry slowly?

AM I think it has to.



MP People are realising.

AM Yes. I mean, you've invested in a lot of people, a lot of effort in terms of university education, training and then people disappear for three or four years. They don't lose those skills, they're just slightly outdated. All right, let's refresh them and get them back in.

MP What could employers do to bring people back from 'the washout' as you call it? It sounds rather depressing, but.

AM Yes, I guess it is. But I think just having an open mind to the skills that are out there and realising they're actually going to have to do this. Especially in a professional services business. It may not work in a restaurant, it may not work in a garage but in a professional services firm you're after smart people.

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Way too many jobs for the number of people we've got out there, we're going to have to start looking elsewhere.

MP How do you measure people that you want to promote or to actually maybe nurture to senior positions? Is that different if a lot of them are actually working remotely? Because you can see the backend or the frontend of their work but you might not know their leadership and other skills.

AM This is a really interesting dynamic because you sit there and if you can imagine a career path of someone who comes into the firm, they do some great work, then they go away and have kids, then they come back in a part-time capacity. How much can you load them up with the other additional management capabilities that we need?

And do you have to say come back, do the advisory, the tax compliance work for a period of time, and then as kids disappear off to school and now you can start adding more complexity, do you add that back on?

Because at the end of the day, there is a human dynamic to manage. You probably have to be in the same location. And that's something we're trying to grapple with at the moment.

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Can you manage a large people business remotely? Technology will help but eventually you need to come back to human interaction.

MP Jury's out on that.

AM I think we can get round it in certain respects because if it's a technology project that you're trying to manage, you don't need to be there. Because half the time you're dealing with Bangalore or Glasgow or Manchester. So, you physically can't be everywhere at once anyway.



But when it comes to the junior grades and mentoring, there has to be that human contact. If you need a peak of workforce, and let's say we're talking about private clients again, why does somebody who's 65 years old not want to come back and work three months of the year?

So, we're already discussing what we call 'pretirement'.

MP 'Pretirement'?

AM We've got people who are working five days a week, they're at 65 years old, and say right, I'm going to go down to two to three days a week. I need that skillset. I need that experience, that wise old person in the corner saying we've done it this way before. Give the young guys some advice. So, we need that.

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Equally, if it's piece work, not in the old traditional sense, but I need a bunch of work doing in September and October. Why don't I bring that skillset in just for that period?

So, we're already discussing that sort of thing.

MP And that would require also, as you say, retraining, keeping up to date with legislation. So, it's going to be ongoing isn't it?

AM It will have to be. So, tax legislation changes all the time.

MP Too much some might say.

AM Indeed. That keeps people like me in a job, which is great. But it does change; therefore it's a two to three-week refresher course every single year. Right, let's go into the tax season and here you go.

So, we're actively looking at alumni, people that have retired, people who we're going to contact them in the next few months to say, right, do you want to come back for us next season?

MP Brilliant. That's good for all of us to know. What about other parts of KPMG? Have they looked at you and said yes we like this, maybe we can try it.

AM They have. Many parts of the business won't have as much seasonality therefore they can't offer that sort of flexibility. But we've got things like 6-5-4. You can work six days a week, then five days a week, then four days a week.

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Overall, you probably do your 240 days. But that might suit an audit business, where there's a very defined season where you've got to be on site with a client and so they're looking at that.

So, all the professional services firms are looking at very similar sort of options.

MP Is that what you call 'glide working'? Is 'glide working' something?

AM We've got a very specific thing, 'glide time' is where you've got core time, which is, shall we say, between 10 o'clock and 2 o'clock. Most people should be in the office to have that water cooler moment as you talk about.

But I've had people starting at 6:30 with a finish time of 14:30. The fact that they've got life events to revolve around, to drop the kids off at school they come in very early. As long as they're in that core time, that's fine.

MP You really are open to anybody suggesting their own hours, within reason.

AM Within reason.

MP Within reason.

AM And it depends on the business. Again, if it's a private client, this piece of work has to be done by the 31<sup>st</sup> January, it can be done at 10 o'clock at night.

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If it's a corporation tax return, and actually needs to attach to the finance director and he wants a face-to-face meeting, he's not going to be around at 10 o'clock at night.

MP And what about you, Andy? What hours do you do?

AM Too many. Is the simple answer. But I get in at 7 o'clock in the morning into London, often leave at 4. I live near London, I often get in at 7 here, but I spend about 30-40% in London, the rest of the time is up the road in Glasgow, Manchester, and Birmingham.

MP Just checking on all the centres. Wonderful, thank you so much, inspirational. Thank you.

AM Thank you.

FC Maggie also spoke to Gillian Connelly and Sharon Fairclough, both Tax Managers at KPMG.

MP Thank you for joining us Gillian. You're a Tax Manager here at KPMG in Glasgow and you've been here right from the beginning I believe.



GC Right from the beginning.

MP And you're one of the few non-remotes. You are real. You actually come into the office.

GC Yes, I'm real. I work in the office. I'm here, yes.

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MP So tell us when you joined and how you find working with remote people, I guess.

GC I've been at KPMG ten years. The Tax Centre of Excellence opened in 2013. I was on the project team, not doing a tax role, just a project, where are we going to build this centre? What's it going to look like? What are we going to do in it? How are we going to get the staff? All of that kind of project management piece.

We decided on Glasgow. We opened our doors 1 July 2013.

MP So, where were you working then?

GC I was in the main Glasgow office.

MP Ah, okay.

GC And working between projects. We always knew this was in the pipeline, so with the tax background it was good to be part of it. Because I did see my future being here, so it was quite good for a few of us to be on board and get our input to it. So, that was great.

So, we opened our doors with 20 to 30 people in this building so we were rattling about. And then it was just building it from there. And Colin Williamson at that time was the director and he was responsible for getting the place up and running and to a new centre to a business as usual model for the tax compliance for the whole of KPMG.

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MP And right from the beginning, Gillian, the idea was that to be able to find enough people, and of the quality that you would have to do it remote. And that was a conscious effort wasn't it, right from the beginning?

GC It was. Colin knew he had to think outside the box. Even Glasgow, Edinburgh, we do have people from Edinburgh; it's an easy enough commute now. But we exhausted the market. We do need specialists, people for GMS, Corporate, private clients.

And we just ran out of people who could come to the office daily. Plus, the office wouldn't have been big enough in the end. So, the remote working piece came to life as well as the annualised hours contracts.



Effectively, what we did find, if we stick to annualised hour contract is that we would be absolutely swamped from August, September onwards and then from February, March, April, May there was people sitting there going, 'what do you want me to do?', you know, twiddling their thumbs.

So, that had to have a discussion. And we thought, right, the business model needs to change a bit. What we were trying to do was find people secondments, you know, sending them to different parts of the business, which not a lot of people wanted to do.

If you didn't have a family, great, you could go to London for three months, happy days. But it didn't suit everybody.

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So Colin said, right, well what if we offered people this annualised hours contract to say, don't come to the office between those months, those four months, don't come. Be on a Zero-hour contract. Be on your full pay, your pay is still split over the 12 months.

MP So it's split over the 12 months, so there's no impact on people's pay?

GC Split over 12 months. No impact. You're just getting your salary as you would expect. And then, but you did the hours, your day went from a seven-hour day to a ten-hour day roughly in eight months.

And we're all like oh gosh, this is, because I've worked in professional services for 20 odd years, and there's just this expectation that you are here in the busy time, you do the overtime, it's expected of you. And you don't get anything back.

But you'd be over the moon if your boss said to you, have a day off in February. Well that's good you know, but all of a sudden, you are getting four months off for putting in the effort you potentially would be doing anyway. So, it was just really having someone to have the courage and the conviction to see it through and take it to that level.

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We actually have our own annualised hours WhatsApp group. We all meet in that downtime.

MP You do meet. I was going to ask about the downside of missing an office for those months.

GC I think if I was doing it on my own it might have felt different. I think I'd have thought what am I missing? Should I be at that meeting? What's going on?

MP They'll forget me.



GC Yes, for talking about our department GMS, which is Global Mobility Services. There were a lot of us, mostly female. And we went on weekends away, we kept in touch, but there was also the people in here, that we come in, if we went for lunch in town, we'd pop in and say hi, what's going on?

MP So you still felt part of it?

GC Still felt part of it. And when you came back, you know, you just feel as if you picked up, the down time, the quiet time, there was enough work in the quiet time to suit the people that stayed, and then we were back to go right, here's the boom coming now.

I used to run the Values Day. So, when somebody's here for day one, we used to give them a Values Day; welcome to KPMG, this is what we're all about, etc. etc.

And the beginning of that session we say to the new people in the room, tell us, why KPMG, why you've joined us and why you're here. And the uptake in that room was just because of this remote working. So, there was a big attraction piece. We've not had a huge amount of people leaving because of it. A couple of people, it just didn't work for them.

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MP Didn't work, I was going to ask.

GC They missed the office. They were open about it and said I need to go back to an office. But the bulk of our remote work is it's been a huge success.

MP Okay, that's lovely, thank you so much.

Thanks for joining me Sharon. Sharon Fairclough is tax manager at KPMG and she is one of the many wonderful women who work by remote. And Sharon, I believe you've been with KPMG more or less from the beginning of the experience.

SF Yes, from the second week it opened, yes.

MP The second week it opened. So how did they find you?

SF Well I actually found them. So, it was around six years ago that my family moved from the northwest of England up to Scotland. And after settling in for about a year I started then, because I hadn't returned to work with the children, I started then to look for work.

MP So had you moved to Glasgow?

SF Yes, we moved to Glasgow with my husband's job. But then obviously I wanted to get back into work. And I'd been just keeping an eye out and I saw this advertisement for the Tax Centre of Excellence that they newly created in Glasgow. Which was obviously really interesting.



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And I do remember that it was worded in such a way that they were looking for people like me, returning to work after career breaks, and it was offering a flexible working pattern.

MP And did you like that? That must have made you feel welcome that you weren't an aberration, not an aberration, but unusual trying to get back to work.

SF Yes. No, definitely. I can't remember how it was worded but it was definitely attractive in the way that it was. And instantly I thought I'm really interested in that. So, I called the number, the contact details on there, and again, they were very welcoming and just talking through the centre. But it did look like a really good prospect.

MP But did you start working in the office then to start with?

SF Yes. So, for the first four years of the centre I was here in the office. Obviously, about two years ago we, as a family, started thinking do we want to stay here forever or do we want to move back home? And we decided then we wanted to move back home to the northwest of England.

MP Back to Manchester?

SF Back to Manchester. Because the firm was offering these remote places to reviewers, and we do have another manager who's remote in a private client, I asked them if it was possible for me to move back and keep my job and that's obviously the position, I'm in now.

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MP So that's what you're doing.

SF Yes.

MP So you're part-time and remote.

SF Yes.

MP And you're in charge of a team of people I believe.

SF Yes.

MP So how does that actually work? Give us an example. Do you all dial in to each other in the morning?

SF Yes, we do. The three of us are actually remote and they're core on the project that I work on. So, we do have catch ups all the time and if we need to share, discuss pieces of work, then we will share screens and discuss what's in front of us. So, it is a lot like that, that we do that, and it's just ongoing throughout the day.



So, it's not a matter of that I'll speak to them in the morning and that's it, it's just continuous. But as well as that, I still have a role within the bigger centre, so that's that one project I work on. And I've got a manager role within the centre. So, I have that dialogue with other people on a daily basis as well. Because it's really important to keep that going.

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MP To stay in contact.

SF To stay in contact.

MP And you always speak. You speak as well as just email because voice is terribly important isn't it?

SF Yes. And you can find that sometimes you get so many IMs and I don't.

MP Explain IMs.

SF Instant Messages. Asking for things and I will pick the phone up to reply to that. And that's a means of making sure I stay in contact, otherwise you're just doing the Instant Messages and the emails. It's a conscious effort to stay in touch.

MP So, any drawbacks or is it something you would recommend to most people?

SF No, I would recommend it. When I was here in the centre, I absolutely loved it, just being here because the people are nice and the talent and the quality of the people you see is unbelievable.

And I thought I would miss that. And I do miss that but also, I'm no longer stressing about after school clubs and getting home on time.

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And is the motorway going to be terrible? So, it's a balance, but on balance.

MP It's a good deal.

SF Yes, it's positive for me.

MP Wonderful, thank you so much.

FC Maggie, that was a really interesting interview. And I think Andy and KPMG centre there really illustrates one of our five golden rules of implementation that came out of the work we did, which was reeling around, starting with what are your business objectives? And then how do you organise yourself to meet those business objectives most successfully?

And really illustrated a need for a different way of thinking for line managers. Which is something we know is going to happen in the future in terms of the way the world of work has changed.



But also, I think, really illustrated as a great follow-up to the podcast you did with Dame Vivian Hunt from McKinsey around productivity and how working in an agile way can really increase your productivity.

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MP What struck me was that they were very courageous. They said we have a problem; tax is all built up in a couple of months of the year, how do we do it? So, they did proper out-of-the-box thinking and showed that necessity is the mother of invention.

They came up with this wonderful scheme. And there was another thing that was very evident was how happy and satisfied people were. Which is always a good measure, isn't it? And particularly Sharon and Gillian, they worked from home, one of them several hundred miles away from Glasgow.

It just seems to work like clockwork. Again, because everyone's getting what they want out of it.

FC Yes. And I think the great thing was that KMPG used the toolkit that we had developed as part of the work at the Agile Future Forum as a way of providing an objective process to get to that sweet spot between what the employer needs and what employees want.

And that's what we're really looking for.

In case you missed it, last time I spoke with Karen Mattison, joint CEO of Timewise and Robert Carmichael who's a Relationship Director at Lloyds Banking Group. To assess the business value of agile working, and now more than ever we need to stop seeing it as simply an employee benefit.

Join us next time when we speak to Nicole Badstuber, a researcher at UCL who specialises in transport policy. There are some fascinating insights into things like commuting, which we're certainly going to have to think about from an agility perspective.

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We also meet Christine Foster who's the Managing Director for Innovation at the Alan Turing Institute. And she'll bring us up to speed on artificial intelligence and how's it's set to revolutionise the world of work.

If you're interested in learning more about agile working, please visit the Agile Future Forum website or follow us on LinkedIn, Facebook and Twitter. You can also sign up to our newsletter for the latest updates. Bye for now.

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