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## Is Europe Ready For The Millennials?

Innovate To Meet The Needs Of The Emerging  
Generation

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*The following is a commissioned study conducted by Forrester Consulting on behalf of Xerox.*

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### Executive Summary

We are at the early stages of major changes in the workforce as well as the workplace. Technology; the pressure of the competitive workplace to do more with less; and the desire to keep some work/life balance are major influencers on the workers of today.

European companies experience particular challenges as declining birth rates and support for pensioners in Europe require organisations to consider increasing retirement ages and providing opportunities for older workers who want to continue working. The skills gap left by retirees can not be filled by younger workers because they do not have the tenure and 'on the job' experience, but supporting different working styles will drive productivity and worker capabilities.

We now see four generations in the workforce — the Veterans, the Baby Boomers, the GenXers, and the Millennials — each with specific working characteristics.<sup>1</sup> Although workers of all ages must change their work style in the face of the increased work pace and technology expertise expected of them, it's the younger Millennials who are really bringing the issue into sharp focus.

To understand more about the issues affecting enterprises in Europe and how they are reacting to specific influences on the employees of today, Xerox commissioned an online survey of 1,250 executives from eight vertical enterprise sectors in 16 countries in Europe.<sup>2</sup>

The survey was designed to uncover a number of issues, particularly whether senior executives across Europe are aware of the working styles of the younger generation, and whether their companies have adopted processes and technology to support the mix of generations internally and market and sell to them externally.

This report looks at:

- Who are the Millennials? What are the characteristics of the new generation and the effects on productivity, worker retention, and ability to work across generations?
- Analysis of European survey results about young workers' work styles and what and how businesses have changed to increase productivity.
- Changes necessary within the business approach to marketing, selling, and servicing these Millennials in a B2B and B2C environment as 'Social Computing' takes hold in the workplace.
- Why these workforce generations are important to you, including employee productivity, technology investment, supplier management, and purchasing.

High-level findings from the survey of Senior Executives indicate that:

- Many executives believe that their organisations have adapted work styles for the new workers, but that is often confused with general business change (offering a Web site, customer self-service).
- Strong differences exist between the responses of older and younger executives regarding their understanding of the Millennials and what they think their companies are doing to encourage productivity and information sharing.

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- Organisations must determine the marketing and information gathering methods that will support the young workers as suppliers and partners. Perceptions from executives and reality checks from young workers are not in synch.
- Organisations are hesitant about implementing some of the activities made possible by the latest technology, such as blogs and extra-value content (music, video games), into their customer engagement strategy until they see a real business advantage.

The survey drew upon executives' beliefs and attitudes about the working styles of young workers, the changes in the workforce in the next few years, and what their organisations have done or will do to meet the needs of the new workforce. Respondents — executive and management level employees — were mainly aged 35 or older (86%). The distribution of workers by age reflected typical organisations with ~20% of workers aged 26 or younger, ~ 60% of workers aged 27 to 45, and ~20% of workers aged 46 or older.

Respondents came from 16 countries across a range of industries and organisation size (see Appendix A for more information about the methodology and respondent demographics). The survey was followed by 70 telephone interviews to gather more specific information about some of the key trends that we saw emerging in each country.

## Introducing The “Millennial” Generation

The “Millennials” already make up 11% of the workforce in Europe, but their effect on the professional workforce and business practices is just starting to be recognised.<sup>3</sup> So who are they and why do they matter?

Millennials are:

- A new generation of younger, college- and university-educated workers born between 1980 and 2000.
- People who have grown up with the Internet; they expect it to play a part in all aspects of their life — in fact, they don't remember a time when it didn't.
- Talented, mobile individuals who are so used to connective technology that they embrace it at work without a second thought.
- A generation that likes to parallel process and multitask as a way of life.
- Learners who prefer graphics and short bites of information to reading text.

Millennials don't have the skills and experience of the many retirees they are replacing, but they look to technology to overcome this.<sup>4</sup>

### **Meet Natasha: A Typical Millennial**

Natasha was born in 1982. She keeps in touch with her friends every day via instant messaging, has had a mobile phone since she was at school, and a laptop since she started university.

Natasha shops online more than once a week and will actively seek advice from her “online peers” for many purchases. Once she has selected a product, she expects payment and delivery to be quick and painless. If there's a problem, she expects to be contacted straight away.

At work, Natasha expects instant collaboration with colleagues, suppliers, and customers. Natasha thinks formal company processes are bureaucratic and slow. Natasha seeks information and tools from her own personal sources, search engines, and peer networks because she knows she can access this information quickly and easily. If she needs a tool for a specific task, she'll look for something she can download and use rather than wait for the company to provide it.

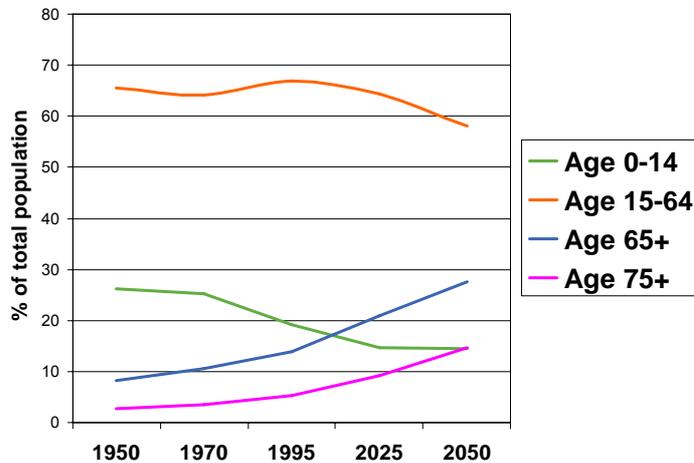
## Why Do The Millennials Matter?

The Millennial and retiring Baby Boomer groups are similar in size – 51 million Millennials are moving into the workforce, while 48 million Baby Boomers will retire over the next 10 years.<sup>5</sup> A declining birthrate and low immigration levels adds to the growing shortage of skilled labour in many industries and makes it even more important that companies can attract and retain their workforce.<sup>6</sup>

*Young people are more informed regarding career opportunities and in general more flexible. They are more uncertain about the future and want to get work experience and then move on.”*

*C-level executive, IT vendor, Germany*

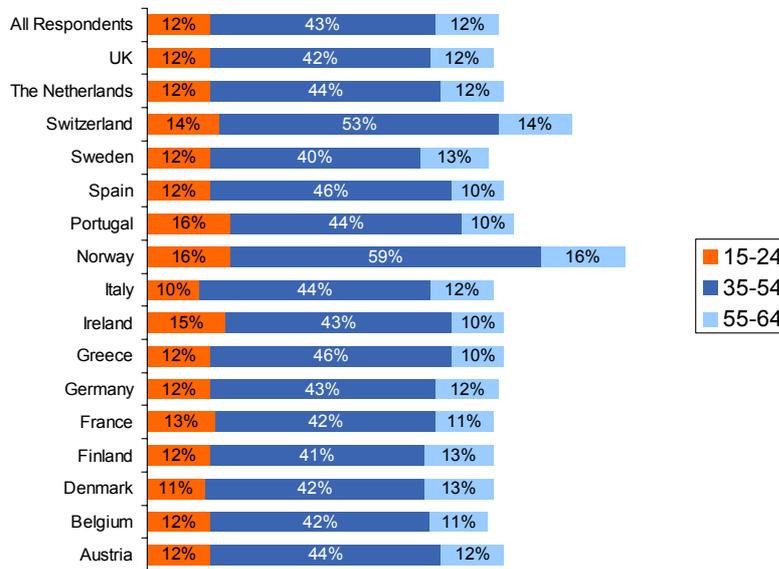
Figure 1: The European Workforce Is Moving Toward Retirement



Base: European region – population by age groups  
Source: IIASA 2002

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Figure 2: Millennials Replace The Retiring Workforce



Base: Percent of total population except Norway (% of population aged over 15)  
Source: "Population and Social Conditions", EuroStat 2006

Understanding Millennial drivers will help companies to both attract and develop these individuals, and also to leverage their behaviour with technology to find and serve new and existing partners, suppliers and consumers. The Millennials' entrance into the workforce is accelerating a business change — the shift to Social Computing as they bring their experiences as a consumer into the workplace.

### Social Computing

Forrester defines Social Computing as:

*A social structure in which technology puts power in communities, not institutions.*

The value of Social Computing is not just in how companies interact with their end consumers, but how workers of all ages interact with one another, across companies, and within supplier networks, and partnerships.<sup>7</sup>

Social Computing provides a framework to understand and respond to the behaviour of today's consumers of all ages. One of the key drivers that Millennials bring into the workforce is a compounded shift away from the 'enterprise' as the source for information or purchasing of a product. This manifests itself in lower brand loyalty, less trust of media and more of Peer-to-Peer information sources, and more confidence in finding the information they want or putting together products and services for themselves (see Appendix C).

**Back to Natasha:** She does not care whether she or her company has used a particular stationery supplier if she can find products cheaper and more conveniently elsewhere; and if a Web site is recommended to her by a product comparison engine or a colleague, she will investigate it. She will then make a decision based on functionality and price rather than waiting to see whether the original supplier can source her order or match the price.

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### Millennials In The Office

It is not just their experiences as consumers that the Millennials bring to work; all their personal experiences and drivers come, too. This is about access to technology, how they interact with other employees, and what they expect from a job.

**Back to Natasha.** She has joined a retail company as its procurement manager.

Wanting to be proactive, she searches the company intranet for information about how she should submit her expenses, whether there are any set 'new hire' training manuals she can read, and how best she can collaborate with her colleagues in Germany on a document she is putting together about auditing suppliers and procurement methods. Her company has the information available to her, but no way for her actually to submit her expenses online, or see what her colleagues elsewhere have been working on. Frustrated she ends up setting up meetings with each of them, and trying to find someone in Finance to talk to about the expense process, losing most of her afternoon.

*"It bothers me when I hear of friends whose companies block access to outside email accounts and IM. Sure, they aren't necessary at work...but the act of restricting something that is so ubiquitous in our lives seems like a step backwards. I would rather have IM than a phone at my desk in the office."  
(A Millennial technology researcher)*

## How Millennial-Friendly Are Organisations In Europe?

As part of a survey commissioned by Xerox across 16 countries in Europe, Forrester Consulting asked senior executives a set of questions to uncover whether companies were as Millennial-friendly as they thought they were and how ready their organisations were for Social Computing.<sup>8</sup>

### What Millennials Want

Some of the key elements that Millennials are looking for at work that will allow them to be most productive include<sup>9</sup>:

- A flexible work environment and work schedule, one that allows for work/life balance.
- Teamwork and a collaborative culture.
- Up-to-date technology.
- A forward thinking, responsive, and innovative company.
- Streamlined business processes.

Ninety-one percent of executives across Europe said that they recognise the different working styles of the new generations, and 73% said their company had responded to these requirements (see Figure 3). However, of the small number of respondents who fell into the Millennial age group, only half thought the company they worked for had responded to their needs.

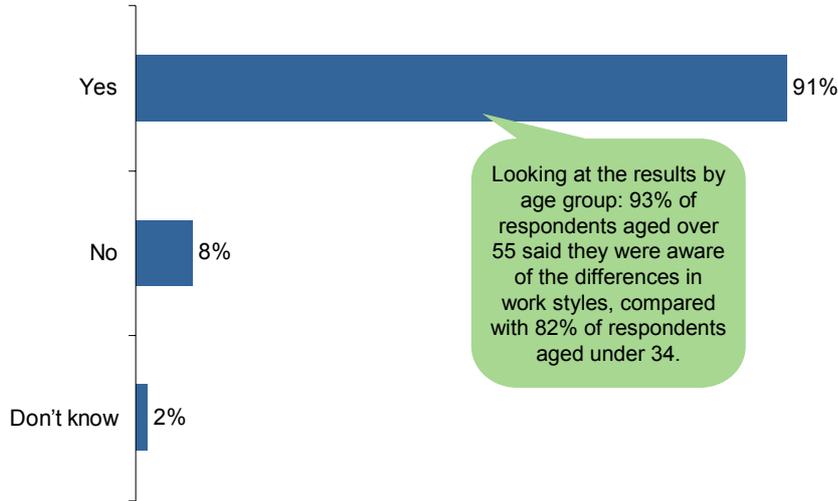
These numbers show significant fluctuation both on a country and industry basis:

- Just over half (55%) of respondents from the financial services industry said their companies had responded to new workforce requirements: This is perhaps understandable in a sector renowned for being traditional and slow-moving.
- Some 63% of respondents from the media and entertainment sector said their businesses had reacted to the changing needs of the different working generations; this is a sector where you would expect to see new consumer trends and a young workforce having a more immediate effect.
- Only 56% of Finnish and 61% of Danish respondents said that they thought their organisations had responded to the requirements of the new working generation. Numbers were also low among executives in the UK and Ireland: Two-thirds of respondents said that their companies had responded to the needs of the new workforce (see Figure 4).

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Figure 3: Executives Said They Were Aware Of Differing Work Styles

“Are you aware of the different working styles of the emerging workforce generation?”

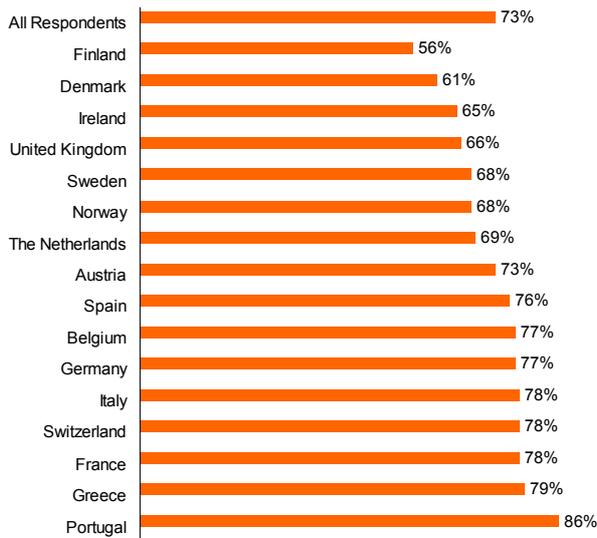


Base: 1250 executives across Europe  
Source: "Executive Response Survey" prepared for Xerox by Forrester, Q3 2006

\*Numbers may not add up to 100 due to rounding

Figure 4: Responsiveness To Differing Work Styles Varied By Country

“Do you think your organization has responded to the characteristics of this emerging workforce?”



Base: 1250 executives across Europe  
Source: "Executive Response Survey" prepared for Xerox by Forrester, Q3 2006

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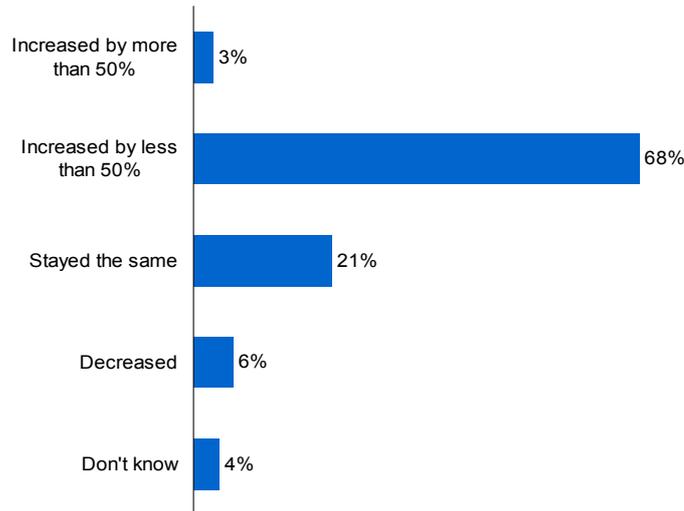
A large proportion of the senior executives that responded to our survey said that they were aware of different working styles between the generations, and indeed many of them said their companies had responded to those changes as well (both to support employees and potential customers). When we examined the specifics that we would expect to see associated with those business changes, however, there were anomalies in how innovative companies were, how far they had gone, and how far they were planning to go.

### Flexible Work Options: A Small Step In The Right Direction

More than half of the survey respondents believe that there will be an increase in the number of workers working from a non-office location. A total of 68% of respondents expect an increase of up to 50% in the number of employees working from a location other than the organisation's office by 2010 (see Figure 5).

**Figure 5: European Executives Expect A Significant Shift To Remote Working**

"In 2010, do you expect the number of employees working from another location other than your organization's office space to have:"



Base: 1250 executives across Europe  
Source: "Executive Response Survey" prepared for Xerox by Forrester, Q3 2006

Only 15% of older respondents think that the workforce split between remote and office workers will stay the same. Eighty-seven percent of older workers also say their company offers flexible working hours to employees (20 percentage points more than workers in the 26-34 age group). It may be that 'flexibility' for 26- to 34-year-olds, who may have to work around a young family and can therefore feel more restricted, is more important than for the over-55s.

*"We try to keep working from home very restricted. Management is allowed to do this — with a laptop and mobile phone."  
C-level executive, German supplier company*

*"We give a lot of freedom to people to work from home. This is because employees get stuck in traffic jams and thus they lose a lot of productive time that they wouldn't at home."  
Senior executive, Publisher Belgium*

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For flexible work programs to be successful, employers must make sure that employees feel that they are responsible and goaled for job results (work that needs to be completed) rather than working the shift (the number of hours they sit at the desk). Attitudes to flexible work patterns were very different between countries.

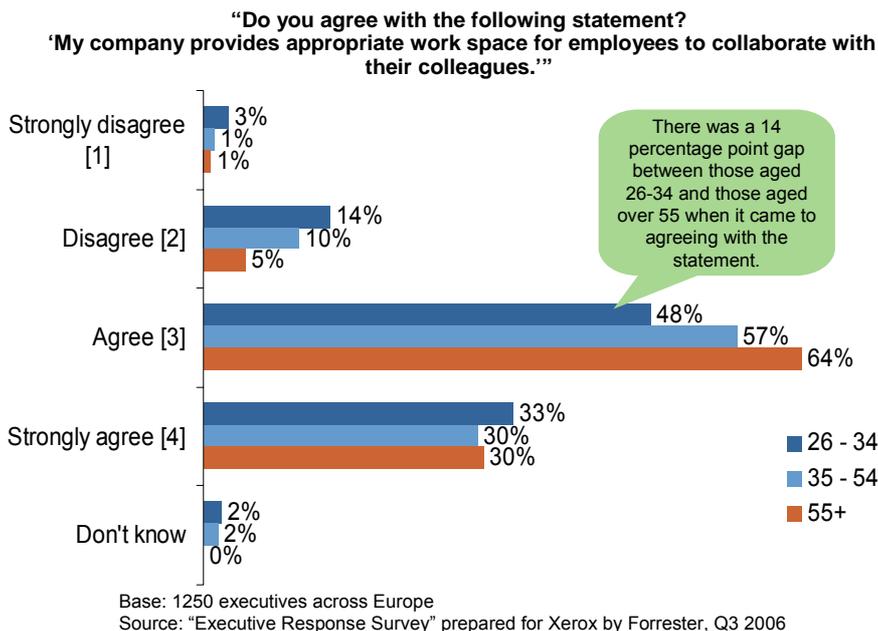
*“We offer total flexibility to our workers. In the media sector, this is a must. We work with a results-oriented policy — obviously this is the most important thing anyway.”*  
Senior Executive, Spanish media company

*“Technically telework (working from a location other than the office) is possible, but formally an employee that is not in the office or on a business trip is thought not to be working.”*

*C-Level executive, Italian Leisure and Entertainment company*

These telecommuting workers will require support via Web conferencing, PDAs, and mobile email devices outside the office — and a culture that encourages collaboration and network building inside. Asked whether their organisation provides appropriate collaboration areas in the office, 87% of all respondents agreed or strongly agreed (see Figure 6).

**Figure 6: Younger Executives Think More Collaborative Space Is Needed In Their Offices**



Forrester has seen significant savings achieved by companies that have encouraged home working and flexi-working. Accenture’s 10,000-strong “enterprise” workforce (e.g., finance, HR, marketing, and corporate real estate) is now highly mobile as part of its aggressive design and operations standards, which have significantly reduced the company’s property operating costs and increased the overall use of its offices.

Sun Microsystems has also championed highly mobile workforces. Sun Microsystems estimates that it saved \$63.8 million in office and property costs in fiscal year 2005 by implementing a

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flexible work program. Employees at AT&T report gaining an additional productive hour in each 8-hour day, due to its homeworking programme.

BMW found that by working from home, 2,000 staff in Germany who work on the company's international project team can schedule their working time to increase the overlap in working hours with counterparts in Asia and the US by up to 30% — as a result, 90% of the BMW teleworkers SUSTEL surveyed say that uptake and implementation of new ideas at the company has improved.

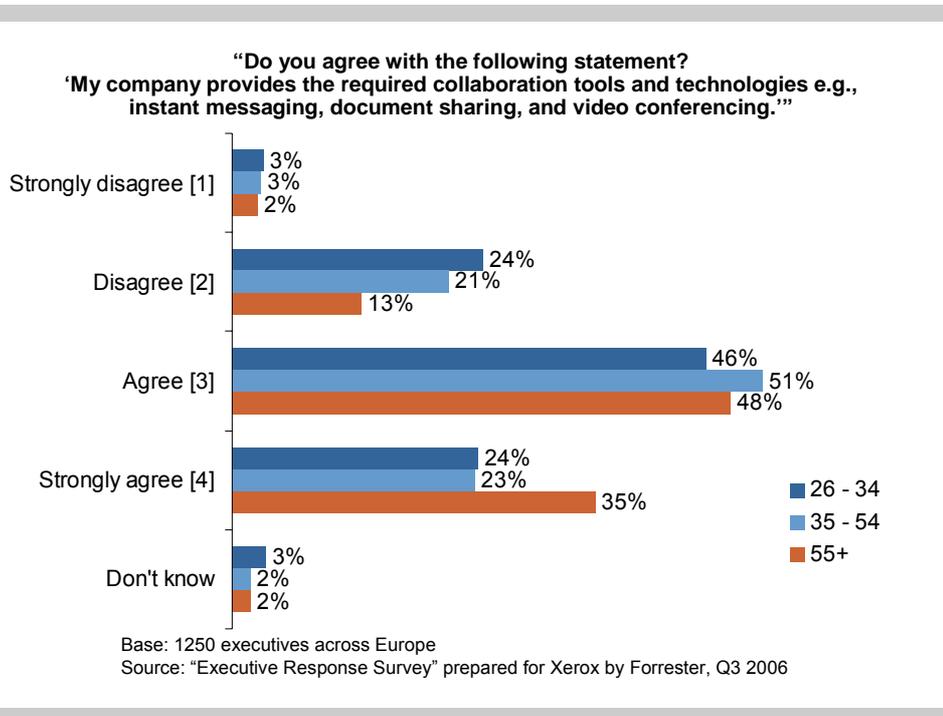
Having a highly mobile workforce necessitates an environment in the office that fosters relationships and team and network building.

### Online Portals And Mobile Phones: No More Than A Base Requirement

Of the tools that businesses provide to workers to support information management and distribution, unrestricted paper printing remains the resource most employees have access to, followed by browser-based portals and the intranet. The mobile phone and laptop were the only mobile technologies that a large percentage of companies provide to employees. Noticeably lower on the list of tools provided were a mobile email device and a personal digital assistant (PDA).

While these tools support workers in accessing documents outside the office, actual collaboration between colleagues goes further. Instant messaging, video conferencing, and Web conferencing for collaboration are also required. Again, more respondents from the older age group felt that their organisation provided the required collaboration tools than the younger age group did (see Figure 7).

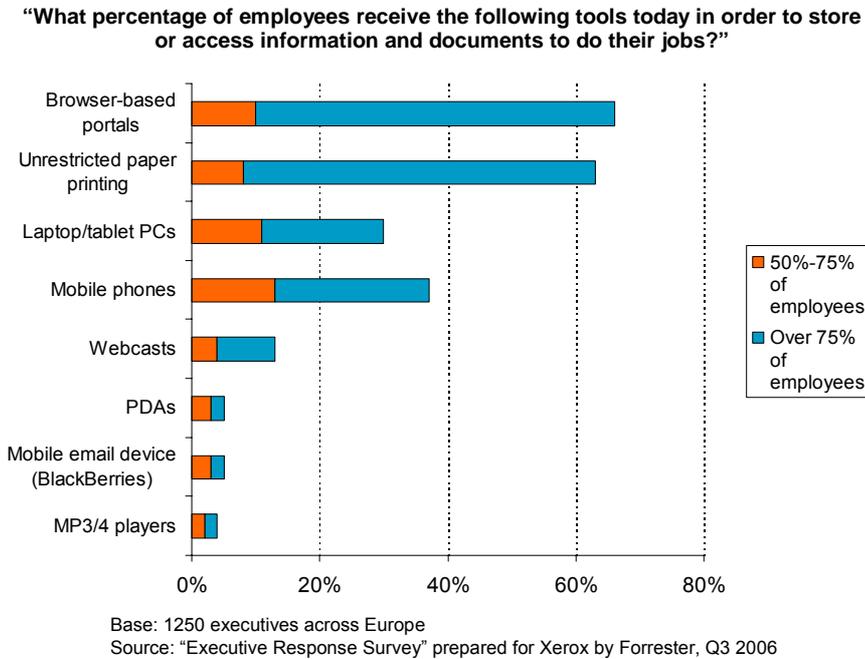
**Figure 7: Older Executives Are Comfortable With The Collaboration Tools Available**



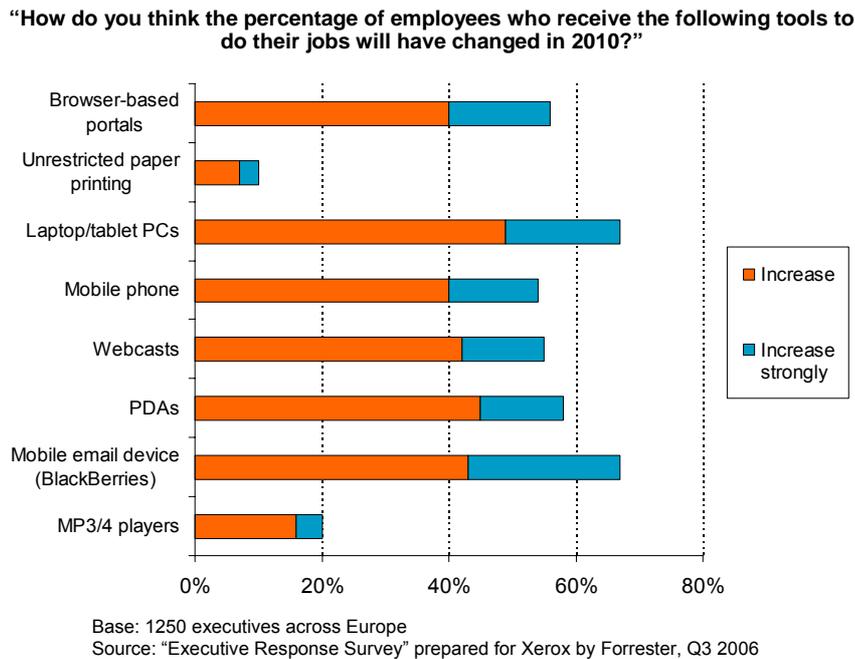
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By 2010, in line with the move toward telecommuting workers, 67% of respondents will be providing mobile email devices and 57% of respondents will provide PDAs to significantly more of their employees (see Figures 8-1 and 8-2).

**Figure 8-1: Workers Are Provided With A Wide Range Of Tools**



**Figure 8-2: Companies Will Increase Tools To Support A Mobile Workforce**



## European Organisations Have Not Responded to Millennials' Needs

It was clear from the responses that the awareness of differences in the new working styles had not necessarily translated into changes in their companies. The survey picked up on specifics of Millennial behaviour and requirements that had not been acted on or noticed by respondents, in particular:

- High attrition rates. Millennials are comfortable job-hopping. More than 50% of respondents thought that the attrition rate among under 26 year olds at work (Millennial age group) would be the same in 2010 as it is now – and more than 40% said that was less than 5% a year.<sup>10</sup>

*“The new generation is probably more like the children of crisis. They have seen layoffs among the older generations. Loyalty to companies is over. They want to balance their work life and social life. There are also cultural reasons behind this; society is evolving over time and values are also different.”*

*Senior executive, manufacturer Belgium*

- Flat hierarchical structure. Millennials work best in a supportive, peer group-based environment. Fifty-five percent of respondents aged 55 or older strongly agreed with the statement that their company encourages managers to be approachable, but only 36% of employees aged between 26 and 44 concurred.

*“Young people are more technically able; the key thing for them is to be able to work from home. Family has a higher significance again. The older generation is more career-oriented.”*

*Business services company, Austria*

*“We offer good systems for internal communication. Even the people outside the offices who work in the factory can access the corporate intranet through ‘Visitor corners’ in the cafeteria. They can’t access the external Internet though; that could become a problem of improper use.”*

*C-level executive, large Spanish retailer*

Respondents recognise the potential for using technology to connect with their customers, but this is still limited to providing information. There was far less interest in examining how technology can change and streamline internal and external business processes (see Figure 9).

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**Back to Natasha.** Natasha's first task is to audit all of the company's supplier relationships to review payment days, invoicing procedures, and valued customer positions.

Natasha hasn't heard of half of the vendors that her new company uses, so she immediately looks them up on Google and then tries to find all the information that she needs from their Web sites. Natasha wants to beat the deadline for completing her review and is very impatient with Web sites that are confusing or that don't give her the information she is looking for. She goes to a couple of discussion boards that she likes to take part in and notes in her blog what she is trying to do and how difficult it is. She sends a couple of emails to current suppliers to ask them what their procedures are and how she can pay and issue invoices to them electronically.

By that afternoon, a theme is starting to emerge from the responses to her forum posts, and she feels confident that she can suggest a number of vendors who will make her and her bosses' lives easier. They have RSS feeds about their products, can process payments and invoices online, and while they might be slightly more expensive, she knows that she can save time and manpower for her company by implementing a secure portal for supplier payment and product tracking.

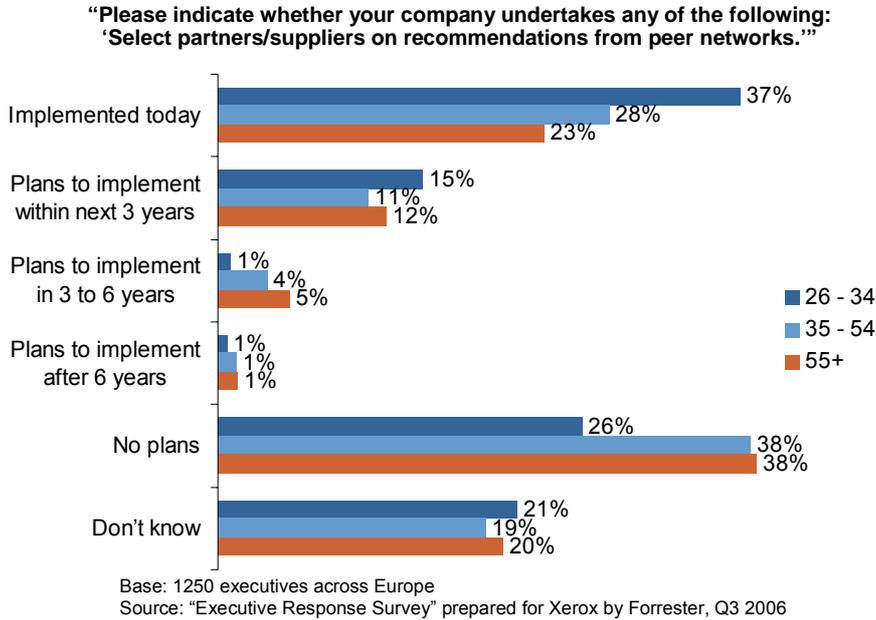
**Figure 9: Internal Business Processes Are Low On The Agendas Of Executives Across Europe**



Survey results showed a clear split between younger and older respondents about whether and how companies are gathering information and collaborating with partners today. This may well be an awareness issue, but significantly more people in the 26 to 34 age group said that their companies selected partners and suppliers on recommendations from peer -networks and collaborated online with their suppliers to develop products and services to their specifications (see Figure 10-1).

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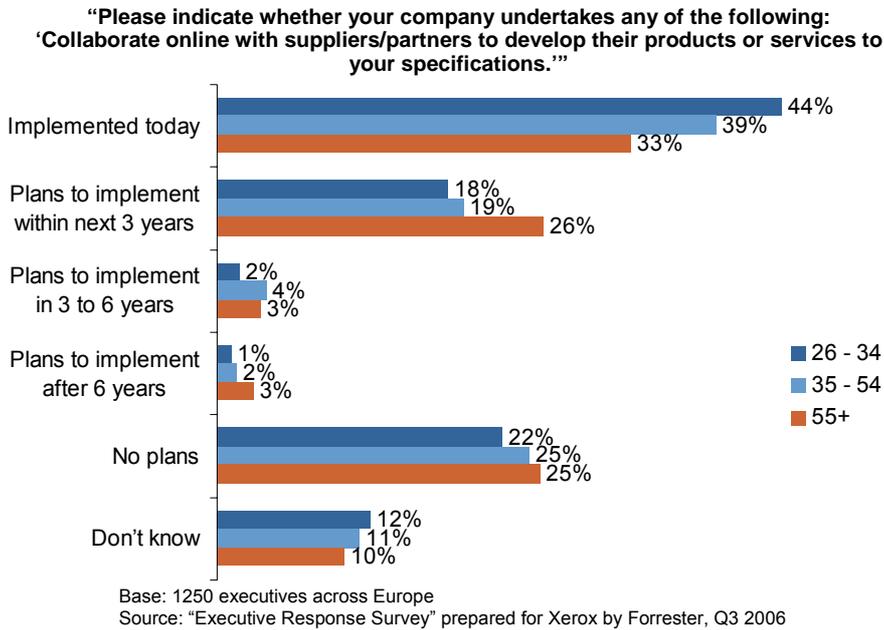
**Figure 10-1: Younger Executives Select Partners And Suppliers Based On Peer Network Recommendations**



A high proportion of companies had no plans to undertake the more innovative measures that would move them into a position to take advantage of these customer behaviours. At a very simple level, this would involve marketing tactics like monitoring or contributing to sites outside their own Web site, such as product discussion boards and external blogs (see Figure 10-2).

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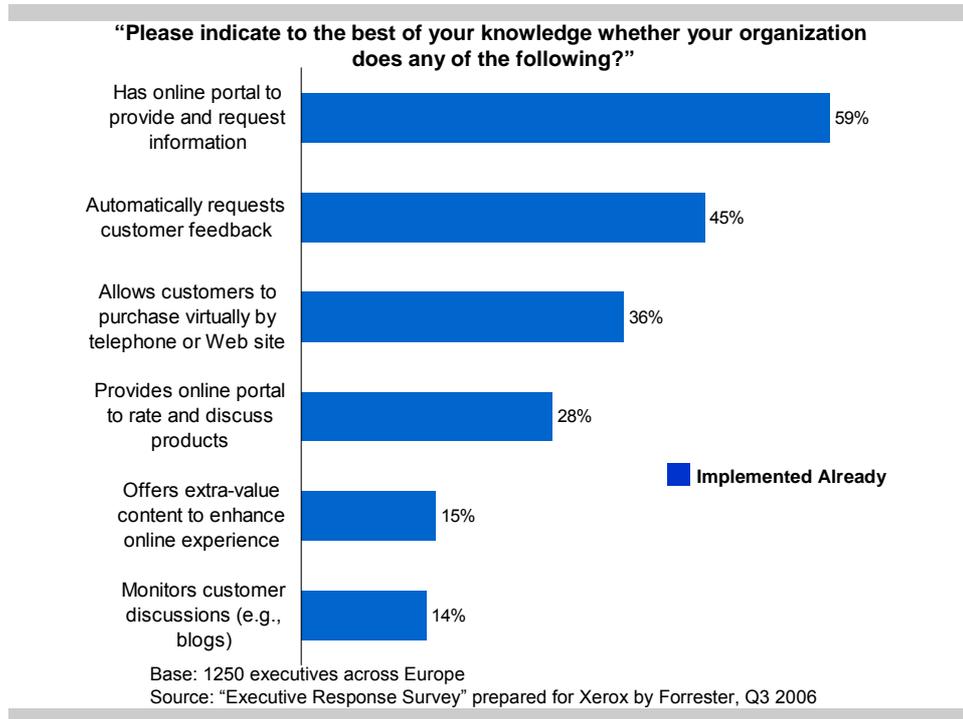
**Figure 10-2: Young Executives Refine Products And Services With Their Suppliers**



The two technologies that organisations were using most to engage with their customers were: portals for customer support (59% have this kind of portal implemented) and customer satisfaction gauges via the Net, telephone, or email (45% have this function implemented) (see Figure 11-1). These address the two simplest requirements customers could have of a company. The sort of interactions that indicate that a company is proactively engaging with a customer: offering extra value content to strengthen relationships and brand; and monitoring customers' comments on other websites, were not being adopted.

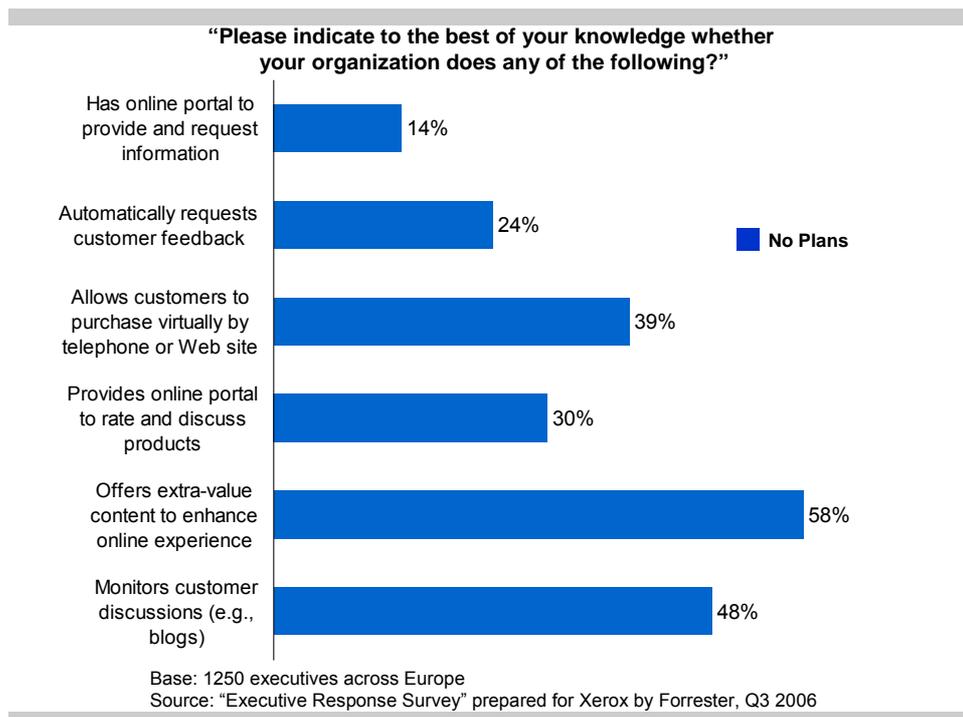
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**Figure 11-1: Companies Concentrate On The Basics For Customers Online**



As we have seen, over 90% of respondents said that they were aware of the different working styles of the Millennials. Yet high percentages of the respondents said that they had no plans to monitor customer discussions (like blogs), offer extra-value content (58%) or allow customers to purchase virtually by telephone or web site – all things that Millennials will expect to do for work, or that will attract them to your brand (see Figure 11-2).

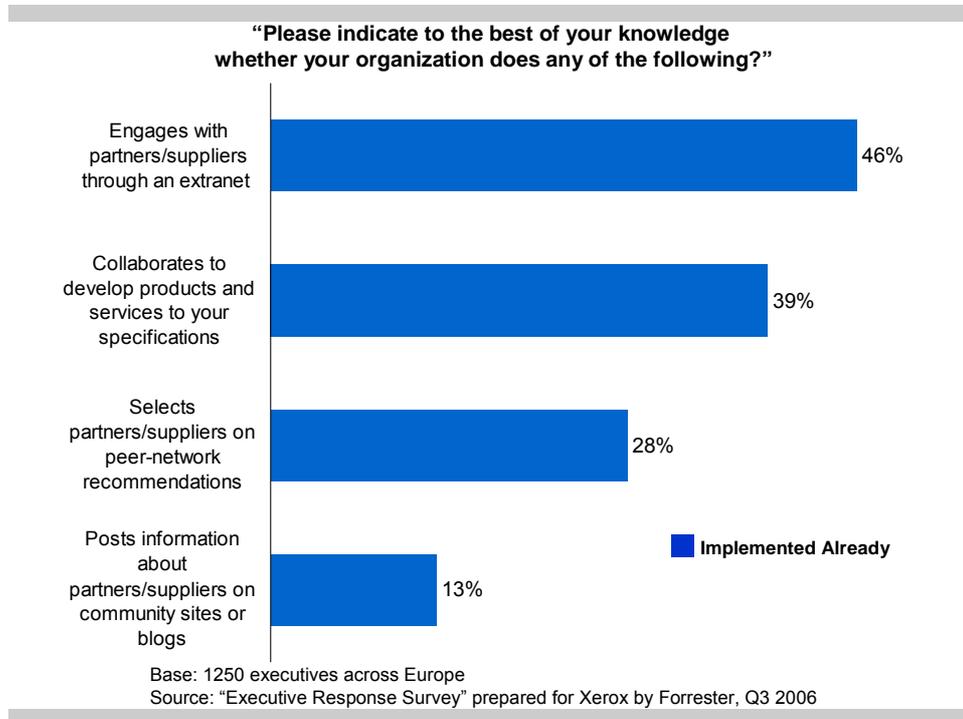
**Figure 11-2: If Respondents Aren’t Doing It Now, They’re Unlikely To Do It Later**



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Not only are companies not embracing new customer behaviour to market to them, companies are not leveraging new engagement opportunities in their supplier/partner relationship. Almost half of respondents said that they use an extranet to work with suppliers and partners, but they don't use or contribute to peer networks (see Figure 12-1).

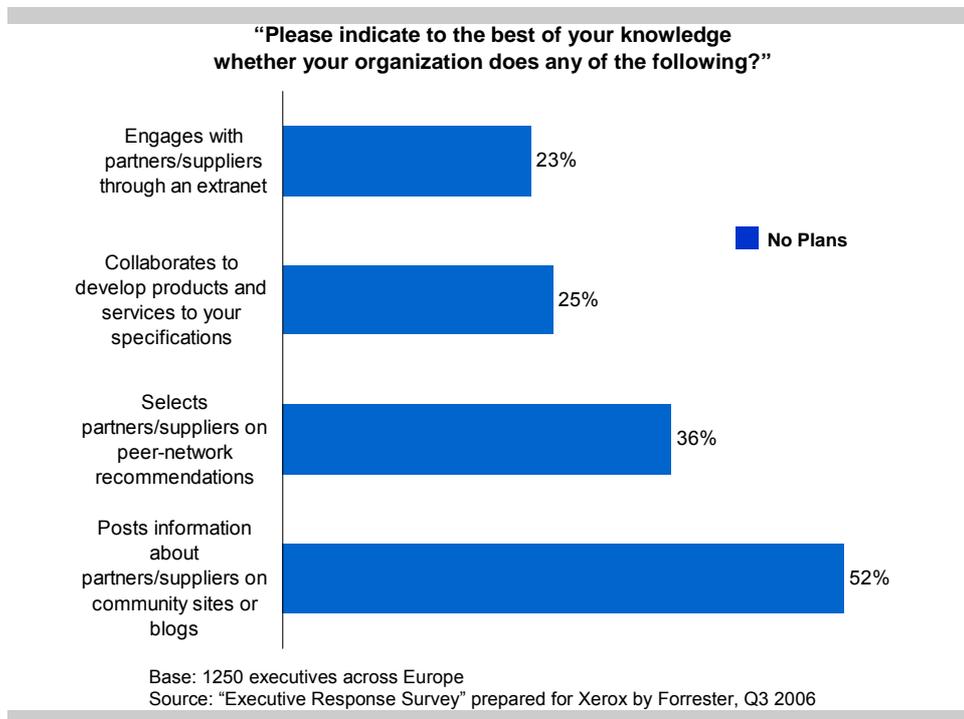
**Figure 12-1: Low Recognition Of Peer Networks As A Channel For Partner Selection**



B2B peer networks is a key area that the Millennials will influence as they look for information from people in similar jobs, in other organisations for guidance or information. Over half of the senior executives who responded to this survey said that they would not be posting information on community sites or blogs, but as these sites gain in importance for marketers, executives will be encouraged to do just that (see Figure 12-2).

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Figure 12-2: Companies In Europe Aren't Planning To Ramp Up Web Channels



### Why Is Social Computing Important?

Consumers like to express opinions about products that they love and products they hate. Increased adoption of online forums shows that consumers are also eager to share their expertise of products and services with each other, in line with the findings of this survey.

In the financial services industry, for example, Peer-to-Peer consumer communities allow price comparisons (e.g., Moneysupermarket, Finance Scout 24), consumer ratings, and user reviews (e.g., Ciao, DooYoo). Further, discussion boards (e.g., The Motley Fool) and RSS feeds (from companies like Crédit Lyonnais and American Express) allow consumers to share their opinions and research of financial products. There are even Peer-to-Peer eCommerce sites that are trying to build a market for person-to-person lending over the Internet — leaving out the bank as the traditional lender.<sup>11</sup>

Couple this with the results of this survey — where 55% of respondents from the financial services industry said that their company had not responded to the Millennial workforce — and you have a serious threat to the traditional established brands: They will not be able to attract the very consumers who as employees will help them position themselves for the Social Computing wave.

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**Figure 13: The Economic Value Of Social Computing**

Sources of economic value	Firms that do not adopt Social Computing	Firms that do adopt Social Computing	Industries most affected
Community	No user content or interaction	User content, forums, add value to brand	Media, retail, telecom
Customer service	No follow-up to user suggestions	Community self-help reduces service costs	High-tech, automotive
Sales	Lower loyalty erodes prices	Community loyalty reduces commissions	CPG, finance, telecom, travel
Marketing	Bad targeting and no use of WOM	WOM and better targeting raise ROI	CPG, automotive
Production	Products don't meet user demand	Co-design reduces waste	CPG, media, high-tech
R&D	No use of user intelligence	Community input raises success rate	Healthcare, high-tech

Source: Forrester Research, Inc.

Social Computing give companies a cost-effective, and focused way of improving their customer experience. Getting user input is cheaper, better, and faster than more structured, top-down methods of product development. Innovative ideas and information should be leveraged from outside of the enterprise, and understanding Millennial behaviour helps them get the most involvement from likely consumers. Examples of using Social Computing in business are starting to be more common, and show strong successes for the brands in question.

- Mars let people vote on the next M&M color and received 10 million ballots.
- Sony and Gucci started concept stores, treating entrants to an experience of escaping into a dream world.
- Ford has a site for its Fusion launch that keeps consumers coming back because of the promised announcement of exclusive 'flash' concerts.

## What Does This Mean?

### Your Business Partners Could Be Your Next Marketing Channel

Increased adoption of online forums shows that consumers are eager to share their expertise and experience of products and services with each other.

Having a well-designed, functional Web site is a good first step; it functions not only as a marketing tool, but as a sales channel and provides customer support and education. Your Millennial customers' loyalty will certainly be driven by their online experience. The concept of working outside of a company's own Web site on the Internet, outside of the controlled 'enterprise' environment — particularly from a B2B point of view — will continue apace among your workers, whether it is supported by the company or not.

Even though conservative business practices may hold B2B bloggers back, corporate bloggers are growing as the younger workforce moves into the business world. B2B marketers are planning to invest more in these emerging tactics.<sup>12</sup> As these blogs and forum sites become more refined and provide important product information, organisations will find that word-of-mouth marketing and customer advocates are doing as much for their brand as the corporate Web site.

### Don't Just Recognise Millennial Differences; Uncover What You Don't Know

The results of our survey showed that a very promising percentage of respondents thought their companies were reacting to the new requirements of the different working generations, but throughout the survey there was a clear disconnect the responses from Executives aged over 55 and those that were under 35.

Being able to say that you see differences in the work styles of the different generations in the workforce is not enough. Putting in place the tools and culture to leverage the best of all age groups will help your company and employees be most productive.

#### *What Should Executives Do Now?*

Companies must recognise that they are on the cusp of another upward spiral in the influence of the use of technology on business models and working practices.

To be successful in the future information workplace, organisations must:

- **Provide opportunities to "mess around" with new technologies.** Millennials learn and make positive contributions by experimenting with a new application or tool, trying it out in different environments, and suggesting ways it can contribute to the organisation.
- **Deliver work experiences that involve collaboration.** Group online games, discussion groups, communities of practice, and online opportunities for synthesis of ideas are good vehicles for acquiring skills and sharing knowledge. Encourage workers of all age groups to participate through age diversity training, goal setting, and rewards.
- **Introduce new technologies quickly, but be aware of the human element.** When introducing new technologies, companies must not rely on it to solve business process problems which have people or organisational issues as the root cause. Technology should be an enabler of more effective human interactions.

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- **Arrange the working environment to foster idea sharing.** Young people expect to work together or be in close proximity to allow interaction. For those employees who work out of an office, consider clusters or pods. Millennials can parallel process multiple stimuli at once as well as tune in and out as appropriate. Social interaction is also important to them during the workday.
- **Integrate technology into as many learning experiences as possible.** Much of traditional face-to-face learning should be repurposed for online learning. For example, new employee orientation should have a strong online component with face-to-face time used for interaction and cooperative learning activities. Face-to-face interaction is very important to Millennials, but they want meaningful interactions rather than sitting quietly listening to presentation after presentation.
- **Incorporate the information workplace into business and IT strategies.** These include collaboration, content, and portal strategies, as well as strategies for application development, interaction platform deployment, business process outsourcing, security, privacy, office design, and telecommuting.
- **Experiment with emerging information workplace technologies.** These technologies could include expertise location, content and data visualisation, idea management, and simulation software, but the list is long and the choices are many.

## Appendix A: Supplementary Material

Forrester's methodology for this survey is outlined below.

Forrester emailed executive contact lists across 16 countries (the UK, France, Germany, Italy, Spain, Sweden, Portugal, Greece, Denmark, Norway, Austria, Belgium, Switzerland, Finland, The Netherlands, and Ireland) and asked them to complete an online survey.

In exchange for their time, they were entered into a prize draw to win a €250 Amazon vouchers, five prizes of €100 Amazon vouchers, or 10 prizes of €25 Amazon vouchers. Every participant was also sent a summary of our results and a choice of a Forrester Research report. At the end of the survey, there was participants could opt in, to have someone telephone them to follow up on their answers; a random, but prioritised selection of people were telephoned.

People were contacted because they had given results that were unusual or were representative of the whole respondent base. This information was gathered to provide richness at a country level.

Final data results were cleaned and weighted to reflect a predefined response requirement from each country. Xerox wanted to allow each of the 16 countries that were surveyed to have an influence on the final results, so where countries were over-represented, they were weighted back, and vice versa. It was also agreed that companies with 0-99 employees would not make up more than 10% of respondents so that issues and requirements specific to very small businesses would not skew the results. The final number of responses collected was 1,619, cleaned to 1,250 in total.

## Appendix B: Millennials

Millennials like to run processes in parallel, multitask, prefer working in peer groups, and are more ‘learner-centered’ — they see teachers as a guide, rather than as a guru.

Technology allows interaction with customers, partners, and suppliers in new ways. Workers of all ages and levels of experience can implement technology as a tool to manage the business more effectively, but how readily they identify tools to solve problems and introduce new, innovative technology to an organisation will depend on experience and a supportive working environment.

**Figure 14: Millennials Turn To The Internet More Than The Average European Consumer**

	Millennials	All respondents	Respondents over 27 years old
How often do you go online? (daily)	60%	47%	46%
How many hours are you actively online per week? (30 or more)	10%	6%	6%
Use chat rooms online regularly?*	25%	13%	9%
Read customer reviews online regularly?*	13%	11%	11%
Base: European Consumers (16+)			
<b>Which of the following activities do you do regularly online?</b>			
Use an instant messenger (e.g., MSN/Yahoo!Messenger)	51%	31%	24%
Buy/sell things in auctions	32%	23%	22%
Use chat rooms	25%	13%	9%
Read customer reviews	13%	11%	11%
*Base: European online consumers (aged 16+)			
Source: Forrester’s European Consumer Technology Adoption Study Q2 2006 Survey			

As you would expect, European Millennials are very active online: 50% bank online; 32% rely on the Internet to find their business news, compared with 13% of all online consumers; and 59% rely on it to look for jobs versus 23% of all respondents. Millennials bring their consumer experiences and expectations in to the workplace. They expect the resources and tools that they use at home to be available when they are gathering information, engaging with suppliers, and performing their jobs.

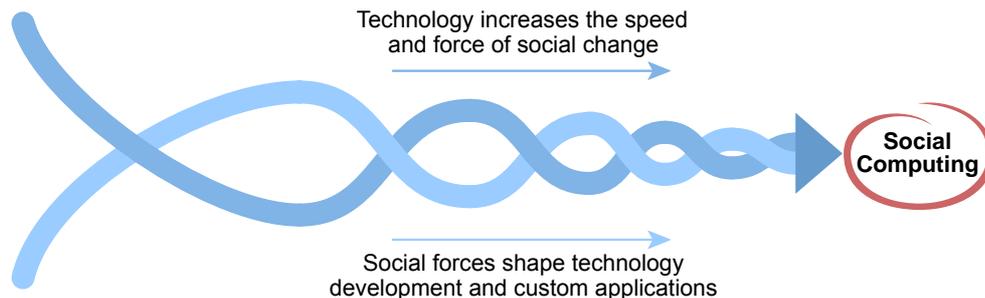
## Appendix C: Social Computing

Social Computing is built on two key elements: social change and technology (see Figure 15).

**Figure 15: Technology And Social Factors Converge To Create Social Computing**

### Technology

- Cheap hardware and software reach the masses
- Computing power migrates to the edge of the network



### Social change

- Aging consumers look to technology to support families and communities
- Younger generations pioneer the use of personal networks and viral communication

Source: Forrester Research, Inc.

The key things to consider when deciding how to leverage Millennials and trying to understand what your companies can do to support customers and providers are that they are:

- **Less brand-loyal.** Price is more important than brand. Brand still has value, but it has to hit higher standards in order to ensure loyalty. In Europe, brand loyalty dropped from 59% to 54% between 2002 and 2004.<sup>13</sup>
- **Less trusting.** Trust levels in all mass media are dropping — except for the Internet. People don't believe ads anymore, and they are showing higher levels of trust in Peer-to-Peer information sources. This makes it harder to build relationships with new and existing customers. In North American, trust levels in the Internet went up from (albeit a low base of) 15% to 21% between 2002 and 2004.<sup>14</sup>
- **More independent.** Consumers are showing that they are less dependent on experts and more self-reliant, trusting their ability to research and get the right information, and more confident about creating their own products or services.<sup>15</sup>

A case in point: the small group of consumers who have downloaded podcasts in Europe and who often sit within the Millennial demographic. They:<sup>16</sup>

- **Don't like ads.** These podcast consumers are fairly skeptical about ads; few find them trustworthy or entertaining.<sup>17</sup>
- **Are from southern Europe.** Accounting for 37% of podcast consumers, Italy has the biggest podcast user base of the EU-5; Spain follows with 28%.

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- **Use the Net to socialise and for content.** They are very active online and use the Internet to find product information more than the average online consumer does, and are almost twice as likely to visit chat rooms.

## Endnotes

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<sup>1</sup> Today's workforce has four generations — the Veterans (born between 1922 and 1945), the Baby Boomers (born between 1946 and 1964), Generation X (born between 1965 and 1980), and the Millennials, also called Generation Y (born between 1980 and 2000)

<sup>2</sup> These countries were Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, and the UK.

<sup>3</sup> This is the status of people aged over 15 and under 25 across the EU-25 (2005). Source: EU Labour Force Survey Principal Results 2005, 13/2006 Sylvain Jouhette and Fabrice Romans. (EuroStat)

<sup>4</sup> Young people's brains and processes for developing cognitive skills are different to the adults of today. Focused attention and childhood experiences reorganise the brain and its thinking patterns. Young people who have spent a lot of time with digital technology program their brains to react to speed, interactivity, and multiple stimuli. For more on 'Neuroplasticity' and learning patterns, see Renate Nummela Caine and Geoffrey Cain, *Making Connections: Teaching and the Human Brain*, Addison-Wesley 1991 and Erica Goode, "How Culture Modes Habits of Thought," *The New York Times*, August 8, 2000. See the September 30, 2005, Trends "Get Ready: The Millennials Are Coming!"

<sup>5</sup> In fact, Millennials make up 12.3% of the total population and Baby Boomers 11.6%. Source: EU Labour Force Survey Principal Results 2005, 13/2006 Sylvain Jouhette and Fabrice Romans. (EuroStat)

<sup>6</sup> See the July 15, 2005, Quick Take "European Perspectives On The Retiring Workforce."

<sup>7</sup> Technology increases the speed of social change, and social forces shape technology development and custom applications. Storage and processors push power to the edge of the network. An exponential growth of processing power and storage capacity puts unprecedented computing power into the hands of users – individuals can do more for themselves and for each other. Cheap hardware makes power accessible to the masses. The mainstream populace, not just the wealthy and educated, can tap into technology's potential. Technology's impact on behaviour is not just limited to technology optimists. Connective software accelerates social change. The growing use of open protocols (XML and RSS) and new applications, such as instant messaging, voice over IP, and blogs, make user-to-user connections smarter and more frequent. Combined with 'presence' the ability to see the online status of a person, this means that people can easily track down the best and fastest way to communicate with someone – speeding up communication and helping social forces move more quickly. See the February 13, 2006, Forrester Big Idea "Social Computing."

<sup>8</sup> See Appendix A: 'Methodology' for more detail about the survey tools used.

<sup>9</sup> Other elements that a Millennial is looking for include: a sense of purpose to the work; meaningful work; training for career advancement; job rotation for career experimentation and to learn about other roles in company; want new opportunities early and often that involve training but lead to advancement; many career path options with challenging options for growth; clear goals that lead to clear results such as job promotion; a cohort of younger employees in company; and good remuneration packages.

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<sup>10</sup> Examining the data by age of respondent revealed even greater differences in expectations on attrition among their workforce. More than 60% of the oldest respondents (over 55) expected there to be no change in the attrition rate of these young employees in 2010.

<sup>11</sup> See the June 22, 2006, Trends “Social Computing’s Impact On Financial Services.”

<sup>12</sup> Before initiating what could easily degenerate into simply another promotional channel, marketers and their sales and support counterparts should understand whether a blog will engage prospects and customers at a deeper level than can be done with existing communication channels. See the October 16, 2006, Best Practices “B2B Marketers: Are You Ready To Blog?”

<sup>13</sup> This is based on consumer responses to the question: “When I find a brand, I like I stick to it.” Source: Forrester’s European Consumer Technology Adoption Study 2002 and 2004 Surveys.

<sup>14</sup> Consumer response to the question “Do you trust content from each of the following sources?”. In contrast trust in content from the television went down from 51% to 41%, and magazines from 39% to 28% over the same period. Source: Forrester’s Consumer Technology Adoption Study North America June 2004 and Forrester’s Consumer Technology Adoption Study October 2002 North American Retail & Media Study.

<sup>15</sup> A range of studies across industries indicate that consumers often adapt products and services for their own purposes. These so-called “lead users” are important inputs to the innovation process of any company. Source: Eric von Hippel, *Democratizing Innovation*, MIT Press, 2005.

<sup>16</sup> Podcast consumers are 2% of respondents to Forrester’s European Consumer Technology Adoption Study Q4 2005 Survey. We surveyed consumers in France Germany, Italy, Spain, and the UK. See the March 2, 2006, Trends “The European Podcast Consumer.”

<sup>17</sup> This is based on respondents answering 1 or 2 on a scale from 1 (strongly disagree) to 5 (strongly agree) for the following statements: 74% of podcast consumers strongly disagreed or disagreed with “Companies generally tell the truth in ads; 58% with “Ads are entertaining”. See the March 2, 2006, Trends “The European Podcast Consumer.”