



In a digital world, in-person innovation still has value



The pandemic permanently altered how business leaders think about the use of in-person locations.

Before 2020, most corporate innovation—and daily business interactions—took place in office buildings and meeting rooms. Now, nearly all innovation teams have ideated, created, researched, designed, tested, and produced in a wide variety and combination of environments. To foster the right collaboration at the right time, innovation work is happening in environments that are fully remote, hybrid, enhanced by augmented and virtual reality (AR/VR), and/or in the metaverse, depending on participant needs and locations. While all present both advantages and pain points, each space—when used strategically—has driven both tangible and intangible results.

Going forward, innovators will come together in person for specific reasons, not because it is “the only option” or “the way it has always been done.” However, in many organizations, those reasons have yet to be defined. To transform operations for future competitiveness, innovation leaders now want to know:

- Which are the right uses and combinations of different spaces and environments for innovation?
- What aspects of the innovation process are more effective in person?
- When in-person interaction is required, how do we make the most of meeting spaces to maximize participants time and energy and create desired outcomes?

Our view: Out-of-the-ordinary experiences lead to exceptional outcomes

Each client’s innovation needs are different. However, KPMG’s innovation work with clients across markets and sectors clearly shows that, *when decision making is highly complex* and requires intense collaboration and connectivity across a diverse array of stakeholders, the best results are driven through in-person engagement.

We have seen first-hand how face-to-face interactions help ideas flow and blossom in a way that is not easily recreated in the digital world. When people step away from their screens, they stop multitasking and achieve a new level of focus and engagement. They exchange thoughts with colleagues they do not talk to on a regular basis. They access experts, leaders and influencers who might be hard to get time with otherwise. They engage with advanced tools not accessible from home, which help teams see problems and solutions from a new perspectives. Participants feel more connected to each other and to the business, creating trust and building closer relationships.

The meaningful difference physical spaces make in focus, engagement, connection, and collaboration has been evident throughout KPMG’s history of internal innovation and co-creation with clients. It held true even during the sudden changes of the pandemic and continues to align with signals about the emerging world of work.

Research supports our experience, showing that solving complex problems takes collaboration among key thinkers and focused time to work through details. According to an IDC survey of innovation center clients,¹ fewer than one in five think innovation centers can be effective with hybrid attendance. They rank designated areas for collaboration as the most critical imperative for successful innovation work, followed by medium/large meeting rooms with hassle-free conferencing. And 75 percent say they prefer to interact in an innovation center as part of their decision to buy professional services.

Most striking, the highest percentage of respondents say they prefer to spend two to three *days* physically together in an innovation center—a length of time dedicated only to the most difficult problems (and that few would be able tolerate a video call).

Our dedication to physical innovation space

As we move out of the pandemic, our innovation clients are asking for more in-person touchpoints. While virtual continues to thrive for smaller, shorter meetings, more than half of KPMG-facilitated client innovation activities over the past year have been either fully or partially in person. In the fourth quarter alone, we saw a 60 percent increase in in-person or hybrid innovation sessions, indicating a clear shift in how people prefer to collaborate on complex business problems.

As a result, we are investing significantly in engaging, multisensory physical spaces—called Ignition Centers—that offer bespoke in-person interactions that are *strategic and purposeful*. Our growing network of Ignition Centers curate key elements of accelerated, outcome-focused innovation: visionary thinking, advanced technology capabilities, teaming and collaboration, data-driven analysis, opportunities for experimentation, and insight-based decision-making.

Clients and our internal stakeholders say Ignition Center experiences are uniquely energizing. Sessions engage the senses, appealing equally to visual, kinesthetic, auditory, and verbal learners. Distraction-free interactions foster effective collaboration and authentic teaming. Advanced tools and data accessibility deliver relevant insights

that would take weeks to achieve in the virtual world. And, most importantly, Ignition sessions yield results.

“We know that in-person innovation interactions are the way to go, but we need to meet with discipline and spend time planning. Colocating with our clients, like we did prepandemic, is no longer sufficient,” said Mike DiClaudio, Talent Strategy Leader, KPMG Advisory.

As we enhance our physical spaces, we also know hybrid is here to stay, including for innovation work. As such, we are also investing in new technology, such as AR/VR, that will allow virtual participants to have an equally engaging and immersive experience and allow for a new level of online connection and collaboration in a lifelike, three-dimensional setting.



¹ Innovation Center Client Perception and Satisfaction Study (IDC, March 2021)

Steps for productive in-person ideation

Meet with purpose: Define the problem you are trying to solve and determine if in-person collaboration is the best way (or perhaps the only way) to tackle it.

Integrate technology strategically: Use digitally enabled capabilities to create a stimulating and immersive experience, help participants visualize issues in new ways, and unearth key insights from data.

Make time to decompress: Since in-person interactions are less frequent now than pre-pandemic, facilitators tend to struggle to pack a lot of content and decision making into a short period of time. Allow time for breaks to give the brain time to process the information and allow people to enjoy their time together. Teams should consider creative ways to socialize before or after the collaboration meeting.

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Include the right people: Consider the diverse knowledge, skills, and experiences you need to make progress towards a desired outcome, what business perspectives will help generate a full picture and ground actions in outcomes, and what level of sponsorship and leadership will accelerate decision-making.

Leverage the space to create a more meaningful experience: Our Ignition Centers are designed to create an optimal experience to enable the intended purpose of the meeting, while enhancing networking, team building, and idea exploration.

Extend the value of the physical interaction: Innovation work is complex and never achieved in one meeting. To drive outcomes before, during and after the in-person experience, look to create intentional touchpoints that spur further ideation, such as through the sharing of information, assets, insights and memories.



Authors

Nicole Lord is a managing director for KPMG Ignition and leads market growth and expansion of Ignition Centers for the U.S. She has more than 15 years of consulting experience helping Fortune 500 clients design and scale innovation strategies for their businesses. Nicole helped stand up the innovation function at KPMG in 2016 and has supported the expansion of KPMG Ignition to six geographic markets in the U.S.



Nicole Lord
Managing Director,
KPMG Ignition
E: nhomme@kpmg.com

Mike DiClaudio is a principal in the KPMG Advisory practice with 20 years of business consulting experience. Prior to his current role in Advisory Leadership, Mike held a leadership role in the Human Capital Advisory practice where he consulted regularly with HR leaders in the Fortune 500 and helped organizations meet the needs of a 21st century workforce by driving an enhanced employee experience.



Mike DiClaudio
Principal,
Talent Strategy Leader, KPMG Advisory
E: mdiclaudio@kpmg.com

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