

**Before the Committee on Oversight and Government Reform
Subcommittee on Federal Workforce, Postal Service, and the
District of Columbia
United States House of Representatives**

**Hearing on:
Telework: Breaking New Ground**

November 6, 2007

**Testimony of:
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I am pleased to be able to provide testimony to the Committee today on what I have found to be some of the most important components for implementing a successful telework program. As Vice President for the Open Work Services Group at Sun Microsystems Inc., I have had the opportunity firsthand to both witness and shape the evolution of our own telework program. Fortunately, we have had tremendous success with our program, called "Open Work", and that has allowed us to reap significant benefits in a number of areas, but that is no accident. It has been the result of a deliberate and sustained process including: 1) attention to providing the necessary technology infrastructure, 2) identifying and supporting appropriate workspaces, 3) cultivating policies and practices that address the needs and concerns of employees and management, and pursuing ways to effectively integrate these three arenas.

Sun Microsystems, founded in CA back in 1982, is one of the lead developers for the technologies that power the global marketplace. Guided by a singular vision -- "The Network is the Computer" -- Sun drives network participation through shared innovation, community development and open source leadership. Our highly scalable and consistently reliable network systems and services are now at the core of the next wave of computing: the Participation Age.

Through our Open Work program Sun has improved our ability to attract and retain top talent, saved millions of dollars of cost on real estate consolidation and utilization, reduced further millions of dollars on IT spending and power, dramatically reduced carbon emissions and commuter congestion, improved employee morale and performance, and helped to ensure our business continuity in the face of natural or man-made disruptions. Let me be clear, Open Work is a phenomenal benefit to the company. The following account of our internal employee initiative should provide greater insight into the 'what's and 'how's of our program.

1. Description of Open Work at Sun

Open Work at Sun is much more than a showcase for Sun's corporate vision of "Everything and Everybody Connected to the Network" - it is an internal initiative that has profoundly impacted the company's work, and its workforce.

Open Work consists of a solution suite of products, policies, and support tools that enable Sun employees to work effectively wherever their work may take them; whether at the office, at home, or in many places along the way. To do this, Open Work provides a distributed work environment that includes flexible Sun workspaces, Drop-In Centers, employees' homes, on-the-road, a variety of

group work settings, as well as traditional workspaces for those who need them.

Open Work at Sun integrates edge and web technologies, forward thinking work and management practices, and new workplace ideas to support employees' work needs and preferences, optimize resources, control costs, and enable business agility. Key to this is the work infrastructure – technology, workplaces, best practices, and support – which Sun has been steadily rebuilding during the past 10 years to support an increasingly mobile and distributed employee population.

Today, about 20,000 of Sun's 35,000 employees and on-site contractors participate in Open Work at Sun. This participation includes employees from all of Sun's Business Units, representing nearly all job types within Sun: Sales, Service, Engineering, Marketing, Operations, and Corporate. In fact, to some degree, roughly 70% of all employees in the company are mobile (travel frequently from place to place to do their jobs) or distributed (choose to work in locations some or much of the time that are apart from their main work groups). These figures continue to grow, reflecting a phenomenon found in businesses today wherever *knowledge workers* are found.

2. Open Work Development

Open Work's roots can be traced to changing assumptions about the work practices of knowledge workers, and the unique characteristics of a knowledge-based business. Today's knowledge workers have widely varying needs that stem from different kinds of job types and work tasks, geographically distributed customers and partners, personal and family situations, and work styles. The nature of knowledge work, which relies on thought and information rather than muscle and machinery, allows for greater freedom for individuals to choose where and when to work, but only if the work infrastructure accommodates such choice.

Business organizations also have diverse and dynamic requirements based on rapidly evolving and globally dispersed product and labor markets, changing rates of organizational growth, and product innovations generated from within and without. These dynamic needs inevitably challenge the organization's work infrastructure to evolve in concert with changing business environments, with little or no lag time.

Against this background, Sun has collected a variety of workforce and work pattern data confirming that traditional work infrastructure does not match many employee's actual work patterns.

Rather than supporting the way people are already working, traditional workplace and technology provisioning and management practices are ineffective for many employees. In a Sun study 4 years ago, roughly 35% of all employees were not even badging into their assigned buildings on a typical work day, and those who did were often in meetings, or traveling between Sun locations to engage with colleagues and partners. Clearly, there is a pent up demand for a different work infrastructure solution to better support an increasingly mobile and distributed workforce. Since data confirms that employees are, to a large extent, mobile, distributed, and often out of the office, the need to rethink design of the work environment is a business imperative, both to better support employees as well as to make more efficient use of dollars devoted to work infrastructure.

3. Cross-Functional Partnerships

Sun's Open Work Solutions Group (OSG) has been the primary facilitator of Open Work development and delivery since the program's inception in 1994. Based on its research into the phenomenon of mobile and distributed work, OSG architected the first generation of Open Work standards. At the time a part of Sun's Workplace Resources organization (WR), OSG focused mainly on those aspects of Open Work that it could control; namely, design of the physical environment. While OSG and WR were delivering the first few Open Work places – known as Flexible Offices – the foundation was being laid for strategic partnerships with IT and HR, without whose commitment and involvement in program development Open Work would be incomplete.

Today, Open Work reflects full integration across the domains of people, places and technology,

and continuous improvement of the program is driven by strong cross-functional partnerships. The result is an ever evolving suite of Open Work products, tools, services, and support that contribute to program effectiveness, and a high rate of employee satisfaction.

From a process standpoint, an Open Work Council, comprised of representatives from each functional organization, ensures synchronization of Open Work development. In addition, an Open Work Executive Committee, composed of senior leaders from each function, establishes development priorities, and offers guidance and support for expansion of the program. A variety of tools, such as the Change Acceptance Process (CAP), Product Life Cycle (PLC), and Sun Sigma (quality assurance methodology) are employed at various levels to ensure robust Open Work development.

Collaboration between functional groups was expanded in 2004 to include Sun's Sales & Marketing, and Professional Services, who are working with OSG to develop Open Work Solutions as a revenue opportunity, offering Open Work to external customers for the first time.

4. Open Work Value Propositions

4.1 Value To The Company:

- A flexible workforce infrastructure enables agility in all parts of the company
- Sun's Open Work infrastructure supports business continuity when the unexpected happens
- Open Work positions Sun to quickly, effectively respond to *next waves* of growth in the industry with manageable capital expenditure
- Cost control results from highly efficient use of Open Work's technology and real estate infrastructure

4.2 Value to Business Units and Managers:

- Helps attract and retain the best people globally, regardless of their location
- Uses the network to organize, expand and integrate work groups across the company, breaking down traditional organizational, physical, and technological barriers
- Employees who choose a flexible work arrangement report higher morale, high productivity

4.3 Value to Employees:

- Having a choice in when and where to work enables more efficient and effective use of time
- Provides great flexibility in planning work and meetings commitments
- Has positive impact on self-reported productivity and job satisfaction
- Fosters improved work/live balance . . . Open Work saves time.

5. Key Components of Open Work

The basis of Open Work's success lies in its IT, physical, and policy infrastructure, developed and bundled to meet rigorous objectives for performance, customer acceptance and satisfaction, scalability, and cost effectiveness. The following is a list of the essential components of the Open Work infrastructure:

5.1 Choice of Work Arrangements:

- *Flexible:* For employees who benefit from having flexibility in choice of work location, whether to be with customers, colleagues, or teammates, or to engage in heads-down individual work. Flexible employees do not have assigned offices, but have reservation privileges for unassigned Flexible Workspaces which are available in almost every Sun office building around the world. Flexible employees who choose to work from home 1-2 days per week also receive some at-home

- provisioning and support from Sun.
- *Home Assigned:* For employees who benefit from working primarily from home, whether because there is no Sun location nearby, because they face long commute times, or because of personal circumstances. These employees do not have an assigned office, working from home 3-5 days a week instead. Home Assigned employees receive a full array of at-home provisioning and support from Sun, and also have reservation privileges for Flexible Workspace at their Sun anchor office building.
- *Sun Assigned:* For employees who have specific work practice, infrastructure, or technology needs that require them to work primarily in a single location. These employees have a fully provisioned assigned workspace in a Sun office building, and limited advance reservation rights in Drop-In Centers.

5.2 The Network of Places:

A variety of workplace types are used to meet the needs of Sun's mobile and dispersed workforce. Employees can work from any number of Flexible Offices around the world, where offices are shared, and workspace can be reserved in advance through Sun's web-based reservation system, SunReserve. Currently, there are over 90 Flexible Office locations around the world.

Sun's Drop-In program includes strategically located, full-featured Drop-In Centers, as well as individual Drop-In Stations, and Flex Zones within Sun office buildings. Drop-In workplaces include a mix of seats, both reservable in advance via SunReserve, and first come, first served non-reservable seats. Drop-In Centers are provided in major metropolitan locations, on Sun campuses, and along selected commute routes. These centers allow employees to utilize unproductive time between meetings with customers or time spent in traffic during peak commute hours. Flexible Zones are provided in traditional Sun office buildings for flexible and Home Assigned employees who are visiting for meetings, team work, and other activities.

In addition, Sun provides a robust support system for employees who want to work from home, either part time or full time. Today, nearly 2,000 Sun employees work primarily from home, and any of Sun's 15,000 Flexible employees are able to work from home up to 2 days per week, when they need to, or choose to do so.

Sun is dedicated to offering and maintain a comprehensive Work From Home program that benefits employees and significantly improves the ability to work effectively at home by addressing and overcoming the historical technology, organizational, and workspace barriers. Once these barriers are eliminated, the many benefits to working from home become apparent:

- *Increased job satisfaction:* self-reported in employee surveys
- *Improved work/life balance:* better use of time, greater work flexibility
- *Enhanced job performance:* choice of working at personal peak times
- *Less hassle:* Decreased commute hours, less associated cost and stress

5.3 Technology Solutions:

"Everything and Everybody Connected to the Network" is Sun's fundamental belief, and vision for the future. Sun's technologies make this vision a reality today, enabling the Open Work program to work the way our employees, do, whether on Solaris, Linux or any number of desktop and mobile devices. Sun hardware, software and network intelligence are crucial to the success of Open Work, providing secure access to information, data, applications, and services anywhere, anytime.

Essential Open Work technologies include Java Badge for consistent authentication,

Java Desktop System for a consistent desktop, employee portal (universal user interface), services like mail and calendar, and SunRay, at home and in the office. SunRay is a stateless, zero admin client device which allows persistent sessions, global login, and secure mobile session access. These tools provide support for Sun's growing mobile and distributed workforce. Today, many Sun employees no longer need to rely on a fixed office in a single location in order to work effectively; instead, their session, phone, and data are available wherever they go.

Summary of Key Open Work IT Components

- *Solaris 9/Linux* operating system
- *Java Desktop System (JDS)*
- *SunRay* thin client desktop
- *Java Card*
- *GNOME* user interface
- *Mozilla* browser
- *StarOffice 7* productivity suite
- *MS Interoperability*

5.4 Distance Collaboration:

Communication, knowledge sharing, collaboration, and teamwork take on new dimensions within distributed organizations. Sun has established a Distance Collaboration program to improve the ability and ease with which Sun employees work with colleagues from a distance – whether across town, or around the world. The program builds awareness and adoption of Distance Collaboration tools and best practices, as well as development and further improvement in tools and best practices needed for effective distributed work.

Since a considerable amount of interaction occurs via scheduled meetings, the Distance Collaboration program is focused in its initial phase on improving distributed meetings at Sun. Meetings are considered to be distributed when participants are dispersed across two or more locations, and therefore at least some participants are not physically present in the same room.

The program to improve distributed meetings was developed by a cross-organizational team. Based on input from Sun employees worldwide, the team identified the following factors as most important, or critical to quality, for achieving the goal of improving distributed meetings at Sun:

- *High quality audio:* Ensuring that audio equipment is the highest available quality, reducing extraneous noise, and encouraging all meeting participants to speak loudly and clearly.
- *Conference room maintenance:* Providing conference rooms with proper equipment that is reliable and consistently maintained.
- *Meeting materials availability:* Providing fully supported, reliable data conferencing tools (or, if not used, ensuring meeting materials are distributed to all participants in advance).
- *Meeting practices awareness:* Enabling equal participation for all meeting attendees, regardless of their location by planning in advance, practicing good virtual facilitation skills, and following good distributed meeting behaviors.

5.5 Open Work Policy & Provisioning:

Explicit policies, outlining the guiding principles and big rules for employee participation and management approval are crucial to the success of Open Work at Sun. When endorsed by upper management, and made readily available to employees, such policy statements have an important stabilizing affect, especially in the areas of change

management and user acceptance. Sun's Open Work Policy includes an exceptions section, which identifies conditions for opting out of participation in the initiative based on business conditions. Equally important are the policy statements addressing provisioning of furniture and equipment, and reimbursement of employee incurred Open Work costs.

The following is an overview of the current Open Work Policy:

- Every employee is eligible to participate in the Open Work category selection process Open Work Select. Open Work Select is a web-based service that provides employees with the opportunity to carefully consider his or her work arrangement in light of job needs, workgroup's needs, and personal circumstances and preferences. Managers, in consultation with Sun Workplace Resources, may choose to have their employees go through the Open Work Select process as a group.
- Final Open Work category decisions are the responsibility of managers. In making these decisions, and in considering impact on business and workgroup needs, managers should give strong consideration to the employees' preferred category. Generally, these needs should not be in conflict if the employee and manager have been objective in their assessment. The goal of the Open Work Program is to ensure maximum productivity, with minimal cost and full consideration of employee needs.
- Managers should not establish a single, mandatory category for an entire workgroup, department, or business unit.
- Each Open Work category provides a specific set of provisions, and unless an exception is granted, Sun will provide only the provisions set forth for that specific category. Every employee is entitled to, and limited to, the provision of his or her Open Work category. Managers are responsible for ensuring that approvals for reimbursements, and other provisions and exceptions, comply with this policy. Provisioning Guidelines are widely available.
- Sun Workplace Resources (WR) is responsible for setting Headcount/Seat ratios by which the real estate portfolio can be efficiently managed on a building, campus, and/or metro area basis. The aggregate of individual work arrangement selections must fit within the HC/Seat envelopes established by WR. Therefore, WR must approve changes in work arrangement selections that affect the need for office space.

5.6 Education & Training:

In order to learn about Open Work, prepare themselves for change, and to quickly become effective in the new work environment, people require easy access to information. Relevant, effective education and training programs are essential aspects of change management and user acceptance. Therefore, Sun has established various web-based and classroom Open Work training courses for both employees and managers, whose needs differ. Focal areas include time management and personal organization, remote management, staying connected to colleagues, and distance collaboration.

One of the most important areas of Open Work education and training involves providing managers with the skills, tools, and support required to excel at remote management. Remote management refers to managing employees who are dispersed among various locations, whether in another country, another city, down the road, or at home. Managers of dispersed individuals and/or teams benefit from learning about, and incorporating, best practices as a way to maintain affiliation, integration, performance, and accountability in the Open Work environment.

“Best Practices for the Remote Manager” is an example of the Open Work education and

training collateral available within Sun. This training manual covers several areas known to be important to managers:

- Setting clear goals and direction – including changes in goals, course corrections, conflicting priorities and timelines
- Establishing operating agreements on communications and collaboration
- Building and maintaining remote relationships
- Maintaining alignment across the teams
- Assessing work remotely, and measuring progress against goals
- Rewarding, motivating, coaching and career development

Many other Open Work support vehicles covering a range of topics are available to managers and employees, including classroom and web courses, team training, online tools and websites, and localized Open Work forums.

Other Critical Enablers

6.1 Services & Support:

Scalable, effective, user-friendly tools and services are required to make employee participation in Open Work at Sun a quality experience. The following are considered to have high impact on employee acceptance of, and satisfaction with, Open Work:

- **SunWeb portal:** The comprehensive internal employee portal, featuring up-to-the-minute information on news, life and work at Sun. The portal provides personalization capabilities for users, making it a model for delivery of web services. The Sun Dynamic Portal Service delivery allows users to view features and functionality based on who the user is, what their function is, and what kind of a connection they have.
- **Open Work website:** A site on the SunWeb portal that provides Sun employees and managers with a one stop source of services and information about all aspects of Open Work. Users are able to easily find links to detailed information about Open Work at Sun, as well as to tools and support, policies, and Open Work reports.
- **Open Work Select:** A web service for employees, and their managers, Open Work Select enables users to learn all about Open Work, take an on-line Open Work Suitability Assessment, and initiate an automated Category Change process. Open Work Select provides a standard methodology for determining which Open Work category is the best fit for each individual, and upon manager approval, also facilitates all aspects of the category change.

Step 1: Understand Open Work and Know Your Options

- What is Open Work? Program description, background, and history
- Open Work Categories: Sun Assigned, Flexible, Home Assigned
- Open Work Infrastructure: Workplaces and Technology
- Open Work Best Practices for Managers and Employees

Step 2: Select Your Work Arrangement

- The Open Work Suitability Assessment: Become familiar with the web service
- Take the Assessment: Which Open Work category is the best fit for you?
- Meet with your Manager: Review assessment results; set collaboration and communication expectations; develop agreement

Step 3: Request a Change of Category

- The Open Work Select Change Service: Learn how to request a change in your

- category
- The Change Process Flow: Become familiar with the process requirements, and what you need to do
- Submit a Change Request: Launch the Open Work Select Change Service

Step 4: Get Approvals

- Approval Criteria: Infrastructure availability; Finance/Manager agreement
- Approval Process: What you need to know
- If Approved: New category provisions and privileges

Step 5: Initiate Your Move

- Identify Your Move Requirements
- Understand the relocation logistics
- Initiate work infrastructure changes (data, phone, mail, etc.) as needed

SunReserve: A Sun web-based tool that enables employees to reserve Flexible Workspace in advance, and locate mobile colleagues, anywhere around the world.

Accessline: A communication management system chosen by Sun to enable employees to manage their telephone calls and faxes in the Open Work environment. Accessline gives mobile employees the ability to direct calls to multiple locations and devices, making it easy to stay in touch with colleagues regardless of distance or location. Accessline will soon be supplemented by Voice over IP on the SunRay thin client.

6.2 Change Management:

Sun's ability to expand Open Work hinges on the use of effective change management tools. Employee and manager awareness, readiness, and acceptance are three distinct areas of change management upon which the success of Open Work at Sun depends. Robust communications planning, socialization of issues, education and training are equally important in achieving these goals. Two key Change Management tools Sun uses are:

- **Sun CAP Methodology:** The Change Acceptance Process (CAP) is Sun's standard approach to managing change effectively in our business, enabling change capability across the company. Sun CAP facilitates change by identifying obstacles – such as stakeholder resistance, or lack of alignment – and providing tools for analyzing and overcoming those obstacles.
- **Engagement Agreement:** The Open Work Engagement Agreement is the primary tool delineating the standardized roles, responsibilities and expectations for delivery of an Open Work Project. It is the service level agreement, or contract, between members of the Open Work project team representing end users. Each entity is responsible for specific deliverables, and each is evaluated/scored, based on the quality timeliness of those deliverables.

7.Measuring Success

A variety of metrics indicate the impact Open Work has on people, business, and cost:

7.1 Open Work Scorecard Survey:

An on-line survey is administered annually to all employees working in Open Work environments. Data collected reflects levels of satisfaction with Open Work across a range of areas such as technology, workspace, and management support. Current data indicate that overall employee satisfaction with Open Work at Sun stands at 73%. Sun's Corporate, Engineering, and Americas Field employees rate their satisfaction at over 80%. Our

European and Asian employees (where all components of the program are not yet fully available) rate satisfaction at about 65%. Scorecard data is used to identify and prioritize continuous improvement efforts each year.

The Open Work Scorecard Survey addresses specific areas which are crucial to the success of the program. Data is used to establish improvement priorities based on trends over time, as well as differences in user satisfaction by Open Work category and geographic location. Survey questions focus on the following areas:

- Work task effectiveness
- Workspace effectiveness
- Technology effectiveness
- Distance collaboration
- HR practices and effectiveness
- Management support
- Employee satisfaction
- Work group productivity
- Assimilation of new assignees

7.2 Business Impact:

Currently, our primary measure of business impact focuses on infrastructure costs saved or avoided. In FY04, implementation of SunRays resulted in \$53 million of savings. Reductions in our real estate portfolio through the Flexible Office program allowed Sun to avoid/save \$71 million in FY04.

Though impacts on business are often difficult to quantify, they are nonetheless evident through observation in the areas of Business Continuity, Organizational Agility, and Productivity.

7.2.1 Organizational Agility:

Our Sales organization in the U.S. was able to reorganize its market coverage model from a geographic to an industry and customer focus, without incurring the time and dollar costs normally associated with moving people based on new reporting and work group relationships.

7.2.2 Business Continuity:

Open Work has played a significant role in Sun's ability to respond to emergency situations, supporting rapid recovery of operations, and enabling work despite debilitating events. The loss of a major Sun facility at the World Trade Center, the impact of SARS on travel and work arrangements and a shut-down blizzard in Colorado are all events which Sun was able to quickly mitigate with its networked, flexible Open Work infrastructure.

7.2.3 Productivity Indicators:

Information about employees' perceptions of Open Work, and how the initiative affects their jobs, are gleaned from a variety of sources:

- **Performance Reviews:** Analysis of annual performance reviews indicate that Sun Assigned, Flexible, and Home Assigned work arrangements, when matched to an employee's work needs and preferences, each results in the demanding performance ratings profile that Sun targets each year. The key to impact on performance is not the specific work arrangement, rather, it is the proper match of arrangements to an employee's work and preferences.
- **Employee Turnover:** Voluntary turnover data indicates some higher-than-normal voluntary turnover during the first months of implementing the Open Work program within a business group, and then rapidly declining to significantly lower-than-average

- turnover as the group goes through the change process.
- **Employee Choice:** Self reported productivity scores are very high for those employees who are able to choose their work arrangement, and are supported in that arrangement by their managers.
- **Time Saved:** Data on time saved through flexible and home options indicate that Sun's employees typically give Sun 60% of the time saved, and take 40% of the time saved for themselves and their families . . . a real win-win outcome.

8.Lessons Learned

The level of success of Sun's Open Work Initiative has, from the beginning, relied on continuous improvement efforts driven largely by lessons learned through implementation. Many factors contribute to Sun employees' positive perception of Open Work, but we have found the following themes to be critically important in delivering quality Open Work solutions inside Sun:

8.1 Collect Data:

Sound data is the most persuasive argument for change, and forms the foundation for decision making and commitment. Open Work at Sun has essentially been built on data that sheds new light on employee attitudes, work effectiveness, and infrastructure cost and functionality. This data, and resulting strategies for improvement of Sun's work environment, has given Open Work credibility and viability throughout the company, and has had a strong influence on people's willingness to accept and embrace.

8.2 Understand Ability:

The migration toward new ways of working, triggered by new business realities and evolving technologies, is made possible by knowing exactly how people work, and what they need to succeed in their jobs. Understanding business goals and objectives, management issues, and group/individual work profiles is essential to knowing how Open Work solutions can make a positive impact.

Mandates to adopt a particular work arrangement can cause great resistance, often because the mandate does not match up with the work that people do.

8.3 Understand Willingness:

Gaging people's willingness to adjust their work patterns is another important aspect of change management. Providing compelling evidence that the benefits of the change are real, and that the value proposition is clear, can mitigate resistance, influence expectation, and help build momentum. People are more willing to accept change when they are convinced that the change will measurably improve their work experience.

8.4 Provide Support:

For flexible work solutions to succeed, thoughtful development and implementation must be followed by effective operational support. This means establishing support services for technology set-up and troubleshooting, providing training on how to use new technologies, and offering education on best practices and organization skills. In addition, providing remote management training, and emphasizing communication and leadership skills for managers, are ways to help sustain program success.

8.5 Gain Alignment:

Experience tells us that without strategic partnerships between the internal organizations responsible for people, places and technology, flexible work programs like Open Work at Sun are difficult to develop, deliver, or sustain. Each of these organizations is, most likely a key stakeholder, with specific interest in the outcome, and something to contribute to the solution.

8.6 Manager Acceptance:

One of the most important issues when rolling out flexible work programs has to do with management perception. To many managers, the value proposition is apparent, and the program is seen as an opportunity. To others, such programs are seen as unnecessary complications, or intrusions into the status quo. In order to minimize resistance, it is crucial to understand managers' concerns while providing proof that the program ultimately enhances their ability to succeed in an ever changing business world. Here too, providing effective, responsive training is key to acceptance and program success.

9. Taking Open Work to Market

In response to considerable growing interest in Open Work from the press, industry, and customers, Sun is now positioning itself to help our customers implement their own Open Work programs, drawing upon 10 years of research, development and internal implementation experience. OSG is developing a complete business solution, including an Open Work consulting service, that will be a recognized and scalable component of one of Sun's Sales Solutions.

The goal of the Open Work Go-To-Market initiative is to leverage Sun's internal Open Work success story, analyze the unique needs of each customer, and tailor an Open Work implementation plan to meet those needs. Sun believes that Open Work has the potential to be its most complete and transformative business offering, delivering on the company's motto "The Network is the Computer."

Many existing and potential Sun customers see a direct link between Open Work infrastructure services and their own business needs. Work – integrating Sun technologies with best practices and change management – is seen as a way of liberating untapped potential for many enterprises, including managing cost, enabling business agility, and supporting mobile and distributed workers. As a result of its own experience developing the program internally, Sun has a distinct competitive advantage: no one else can tell the Open Work story better, with more authority and credibility, and no one can offer a more comprehensive package of technologies, best practices, and change management through its own consulting service.

10. Summary

Sun has developed its Open Work program over a number of years. Currently, about 56% of its workforce are active participants. We have developed tools, processes, policies, and the needed IT and Real Estate infrastructure for an effective program. Development and improvements will continue in the years to come. We now have the capability to help Sun's customers develop and implement similar programs to support their mobile and distributed workforces, whether for purposes of cost control, employee benefit, customer benefit, business continuity, or environmental concerns. These are all important needs that an effective, flexible work program can address, and that we are now ready to offer Sun's customers.



OPEN WORK @ SUN

Redefining the Work Environment to achieve great things for our employees, our company, and our community

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www.sun.com/openwork

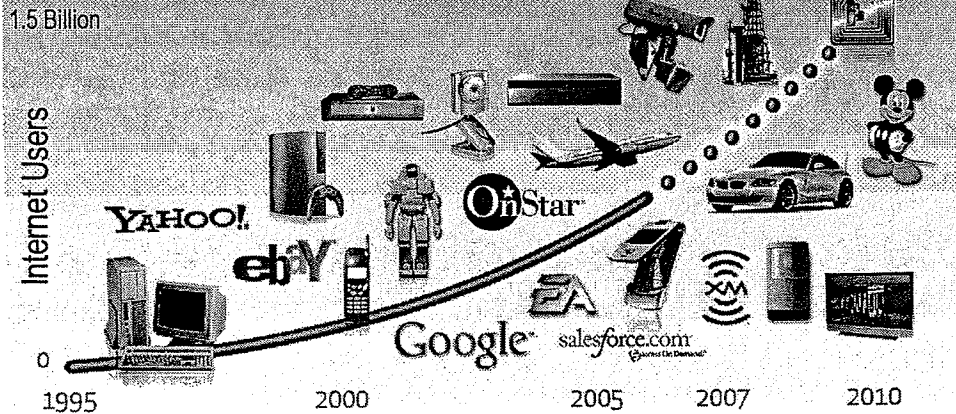


Overview

- > Introduction to Sun Microsystems
- > Problem Definition
- > Open Work @ Sun
- > By The Numbers – Open Work Impact
- > Business and Government Imperatives
 - > Talent Management
 - > Business/Government Continuity
 - > Eco-responsibility
- > Public Policy

Sun's Vision

- The Network is the Computer
- Everyone and everything participates on the network



The Global Power of Sun

Fortune 211 Company	Java Devices 3.8 Billion	U.S. Patents 5,000+
Annual Revenues \$13+ Billion	Java Developers 5 Million	Solaris 10 Licenses 6+ Million
Annual R&D ~\$2 Billion	Storage 1/3 of the World's Data	Cash \$4.8 Billion
Worldwide Employees 37,000	SPARC Embedded Processors 44+ Million	Business Presence 100 Countries

SERVERS | SOFTWARE | STORAGE | SERVICES

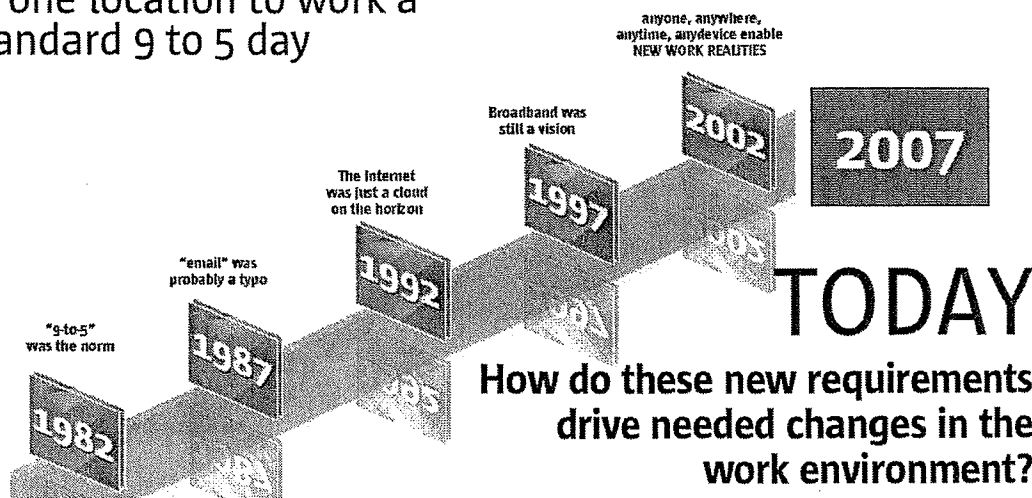
Problem Defined

THE NATURE OF WORK ~~IS~~ HAS CHANGED



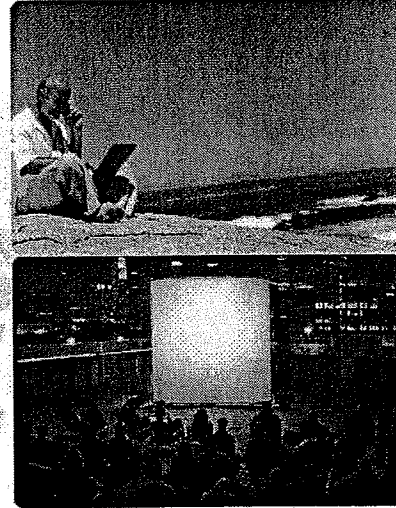
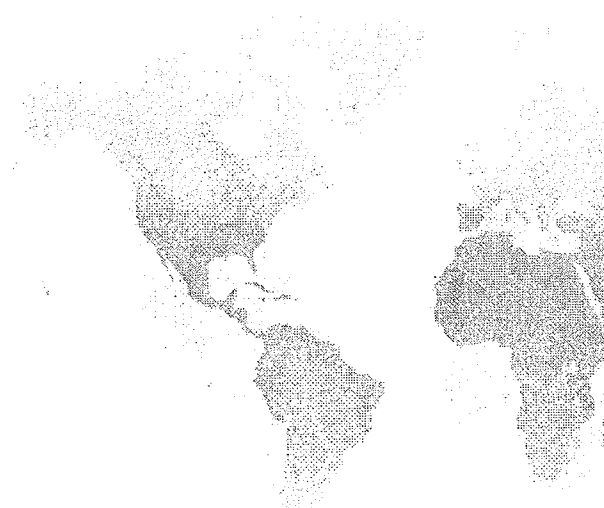
The Nature of Work is Changing...

25 YEARS AGO....work was typically defined by traveling to one location to work a standard 9 to 5 day



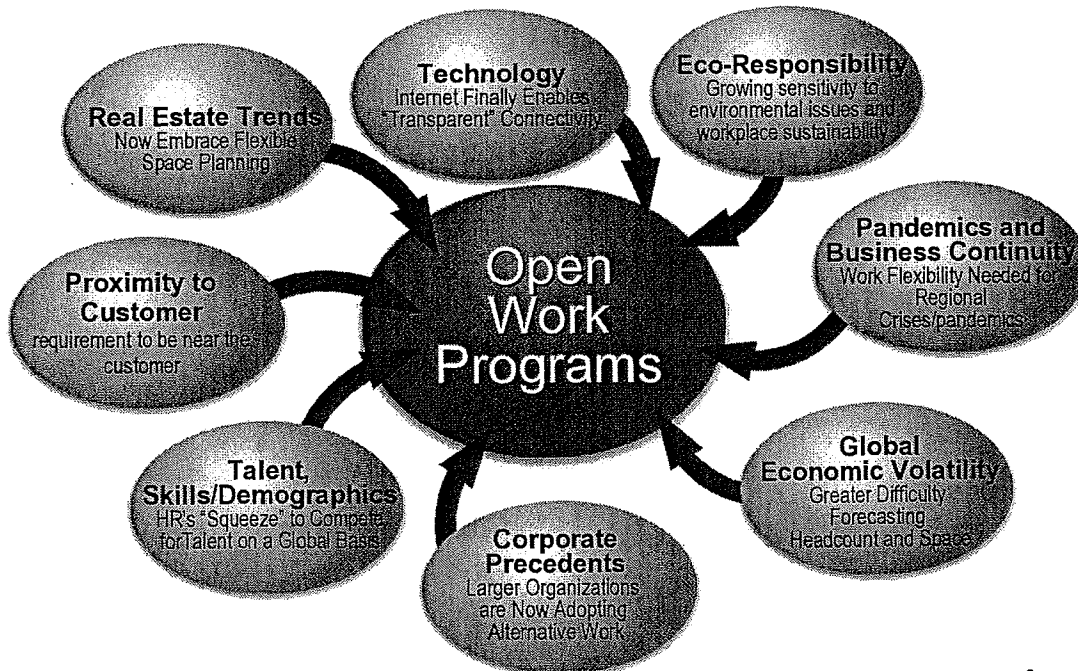
The New Work Realities

The New Work Realities Bring a Host of New Work Requirements



All resulting in significant changes in
WORKFORCE, WORK STYLES & WORK NEEDS

Current Drivers for Open Work



Big Business and Government Imperatives

- Talent Management: broader access, attraction and retention
- Business Continuity: being prepared for the unexpected
- Eco-responsibility: sensitivity to environmental impact and workplace sustainability
- Cost Reduction: improving infrastructure efficiency



Introducing the New
Enterprise Operational Model
OPEN WORK

Sun's Internal Response: "Open Work"

- Over 55% of Sun Employees do not have an assigned seat
 - > Working from home, reserving workspace in Sun offices and drop-in centers around the world, connecting with people and resources from anywhere
- Open Work consists of 3 work arrangements:
 - > "Flexible" Work anywhere
 - > "Home Assigned" Work primarily from home
 - > "Sun Assigned" Work primarily from Sun office
- Ingrained as part of Sun's corporate culture and policies
 - > Established policies and procedures for IT, HR, employees
- Support resources and tools
 - > Workspace (fully featured, varying office types, in many places)
 - > Technology (connection from anywhere, from any device)
 - > Support and training (online courses, helpdesk, community)

Sun's Work Arrangement Choices

SUN ASSIGNED 44% of Sun	FLEXIBLE 48% of Sun	HOME ASSIGNED 8% of Sun
Use a company provided, dedicated workspace Rare need to work elsewhere No provisioning to work from home	Use a company provided, non-dedicated workspace Requirement to work from many places including home up to 2 days/week Limited company provisioning for home Remote work / management practices	Use home as the primary workplace 3-5 days/week May use a company provided, non-dedicated workspace as needed Adequate company provisioning to support working from home Remote work / management practices Employee / manager engagement agreement