QUEENSLAND LEADERS | SETTING YOU UP FOR PEOPLE SUCCESS

5 HR AREAS to focus on in 2027.

Five things to do in the next 30 days to set up 2027.

REFLECT. DREAM. CREATE. SOURCE. PROTECT.

Presented by Ben Watts | Thursday 12 November 2026

WHO WE ARE

I'm Ben Watts.

Chief Executive Officer of **watts**next, the HR team for SMEs.

1. **THE HR TEAM FOR SME's**
   Alongside owners, executives and people managers.
2. **HR CONSULTANTS**
   Advice we implement, not just hand over.
3. **COMMERCIAL HR**
   Weighed on risk, cost and business outcome.

19

years old

Global education and forward thinkers

TODAY'S SESSION

CONTENTS

1 **WHAT WE ARE SEEING**
The SME ride

2 **THE BIGGEST LESSON**
FDFS and why it worked

3 **FIVE THINGS IN 30 DAYS**
Reflect, dream, create, Source, protect

4 **ACTIVITY**
In one word...

5 **SUMMARY**
FDFS works, and the human touch

01 | WHAT WE ARE SEEING

The SME ride is always a bumpy one.

SWING TO EMPLOYERS
Salary pressure is slowly evening out

PRODUCTIVITY
Output hasn't kept pace with cost

BEHAVIOURAL ISSUES
More conduct issues, investigations & terminations

MULTI SPEED ECONOMY
Some industries thriving & others disappearing

TALENT ACCESS
Easier to attract and keep talent

AI USE
Has doubled in 12 months, thriving vs head in sand

HYBRID HANGOVER
Policies rushed, never redesigned, short term mindset

NEED FOR AGILITY
Restructures and redundancies

THE QUESTION WE HEAR MOST

"How do we stop the costly redundancy–recruitment cycle?"

What is your biggest challenge right now?

1. Hybrid working
2. Workforce cost base
3. AI utilisation

02 | THE BIGGEST LESSON OF ALL

Future Dynamic Functional Structure (FDFS)

WHAT IT IS

- One structure drawing on five sources of capability
- Roles designed around the work, not the person
- A mix that flexes as the business changes

WHY WE DID IT

- To break the redundancy–recruitment cycle
- To build a flexible cost base
- To gain capacity and capability without adding fixed headcount

IN SHORT

Match every piece of work to the right source of capability and let the mix flex.

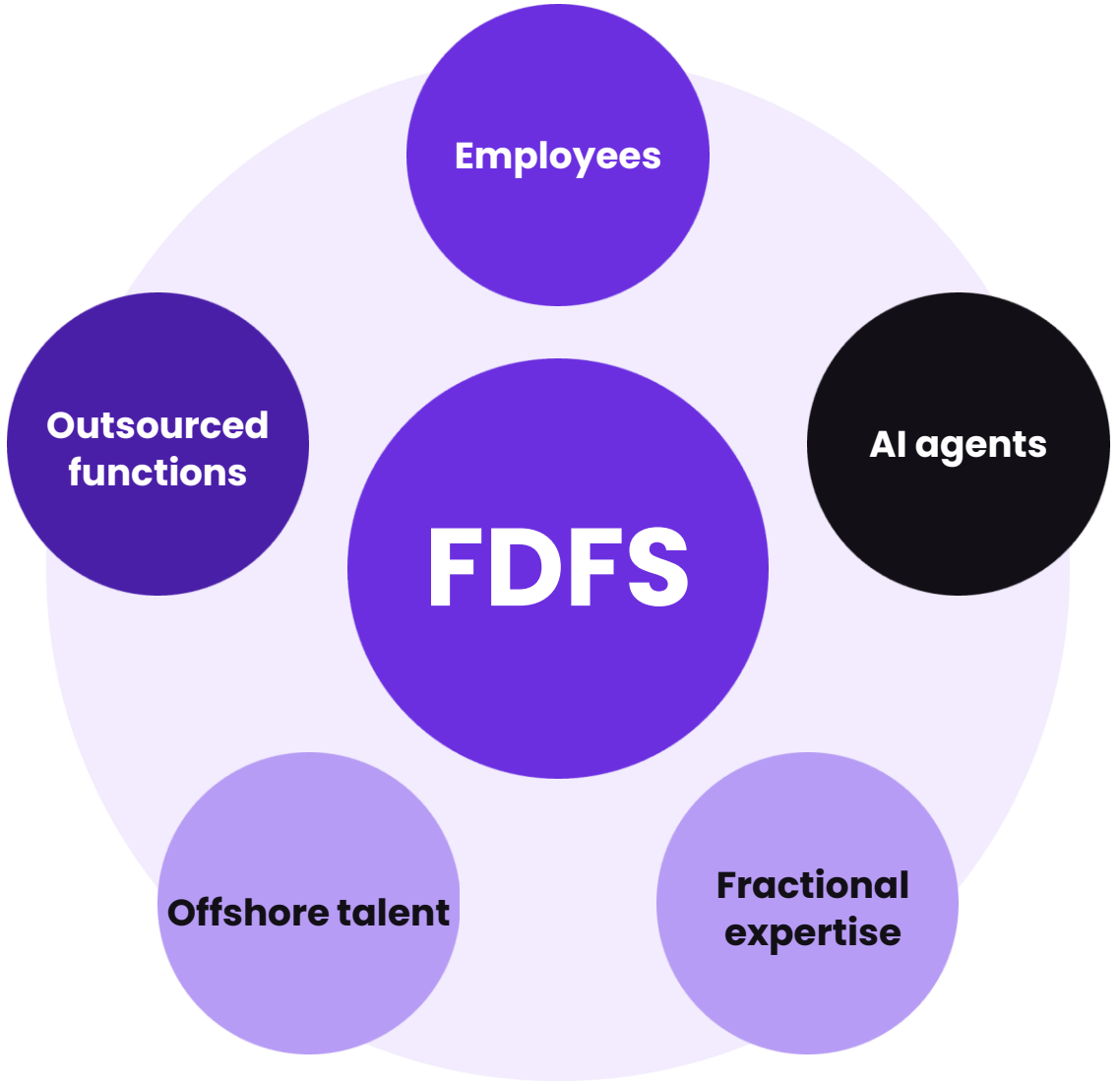
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02 | THE FDFS MODEL

Five sources.
One structure.

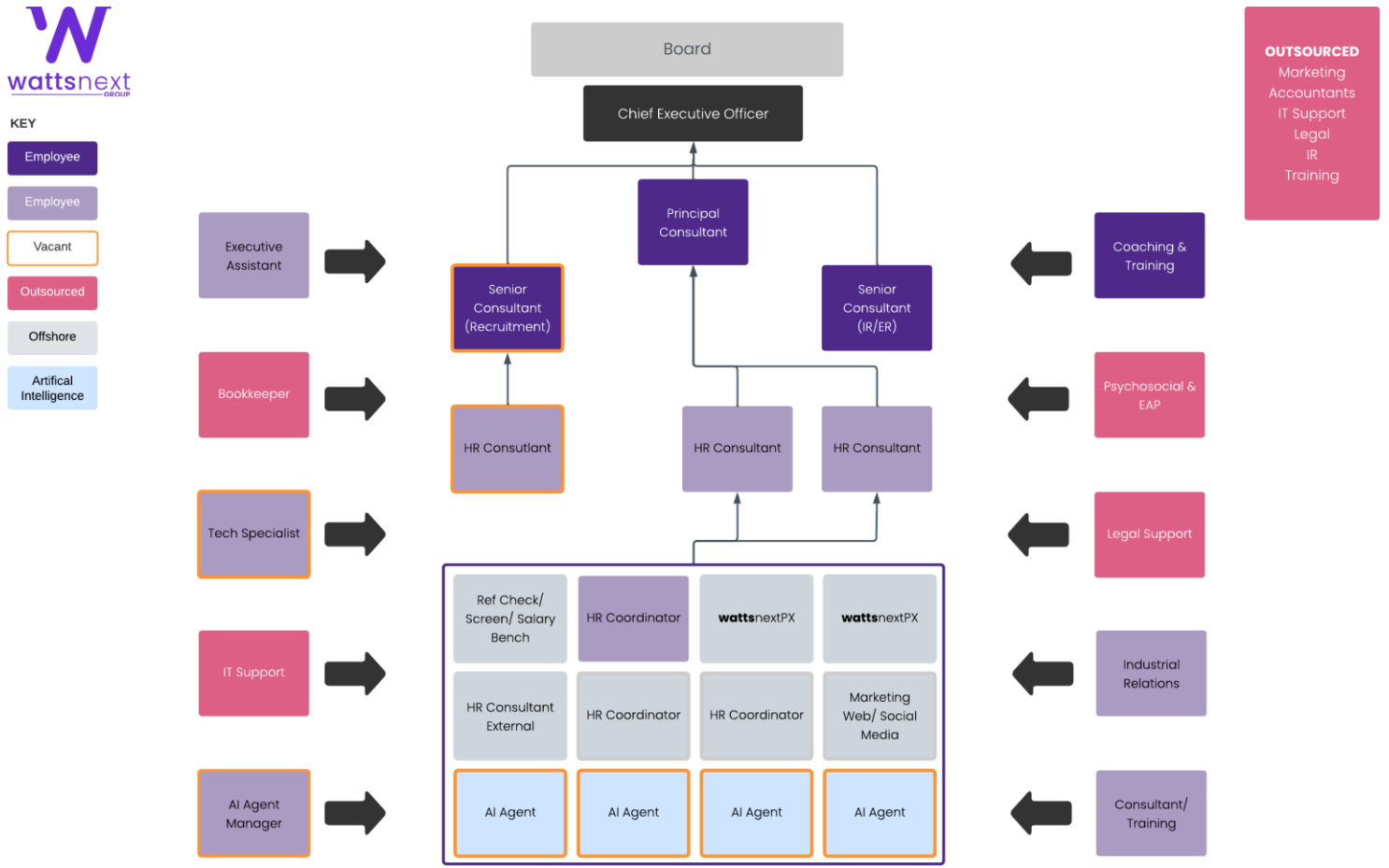
Instead of filling every function with a full-time hire, FDFS draws on the right mix for each piece of work, and flexes that mix as the business changes.



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02 | THE FDFS MODEL

What it looks like at wattsnext.



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02 | THE FDFS MODEL

Fixed vs flexible.

	FIXED COST BASE	FLEXIBLE COST BASE
Cost	Salaries paid whatever the demand	Scales up and down with demand
Capability	Limited to who you employ	Senior expertise when you need it
Downturn	Redundancies	Dial back without losing capability
Upturn	Slow, costly recruitment & training	Add capacity quickly
Result	The redundancy–recruitment cycle	Capability and capacity

More bang for your buck.

The benefits we're seeing.

Record billable months

Flexible cost base

Agility

More capacity and capability

Fractional high-level skill

Global reach across two hemispheres

24-7 operation

Peter Drucker

Managing in Turbulent Times

1980

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.

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03 | GETTING CLOSER TO FDFS

Five things in 30 days.

1

Reflect

Survey and benchmark

2

Dream

Set your goals

3

Create

Don't be afraid to change

4

Source

Best time to recruit

5

Protect

Don't get caught out

FROM TODAY

There are 30 working days until Christmas. The best time to set up 2027.

1 OF 5

1

Reflect

Look back before you plan.

THREE WAYS TO REFLECT

Anonymous survey

What do your people really think?

Stop, start, continue

What worked in 2026, and what didn't?

Salary benchmark

Salaries have come back to earth. Time to reset.

HOW WE CAN HELP

Anonymous surveys and salary benchmarking, designed, run and debriefed.



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2 OF 5

2

Dream

Set your goals.

WHAT IS IMPORTANT TO YOU?

- Profit
- Flexibility
- AI
- **Fun**

Blank cheque: what do you need, and what work do you actually want?

FORWARD FOCUS

Set your 2027 goals, built on what your people told you.

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3 OF 5

3

Create

Don’t be afraid to change.

DESIGN YOUR STRUCTURE

- Build towards FDFS: the right mix for each piece of work
- Creative policies, not restrictive ones
- Outcome-focused roles
- Regular touch points

Job share **Fractional** **Hybrid** **Clear expectations**

“Wide paddocks and high fences.”

Freedom in how the work gets done, with clear boundaries on what can’t move.



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Source

Best time to recruit.

FILL THE FIVE FDFS COMPONENTS

Employees & freelance	Hire, on the engagement that fits
Offshore	Through a BPO partner
Outsourced	Hand over whole functions
AI agents	Digital colleagues for set tasks
Fractional	Senior skill, part of the week

WHY NOW

Define your mix now and recruit while others rest. February is too late.

5 OF 5

5

Protect

Set your foundation.

YOUR HR AND IR FOUNDATION

- ☐ **Employment contracts**
  Right for every engagement type
- ☐ **Award classification**
  Every role on the right award and level
- ☐ **Terminations**
  Don't accept poor performance or behaviour
- ☐ **Legislation**
  Know what's changed and what's coming

Process. Consistency. Action.

> ***"Clear is kind. Unclear is unkind."***
>
> **Brené Brown, Dare to Lead**

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04 | OVER TO YOU | ACTIVITY

In one word...

What's your number one goal for 2027?

FDFS works.

BETTER
Agility

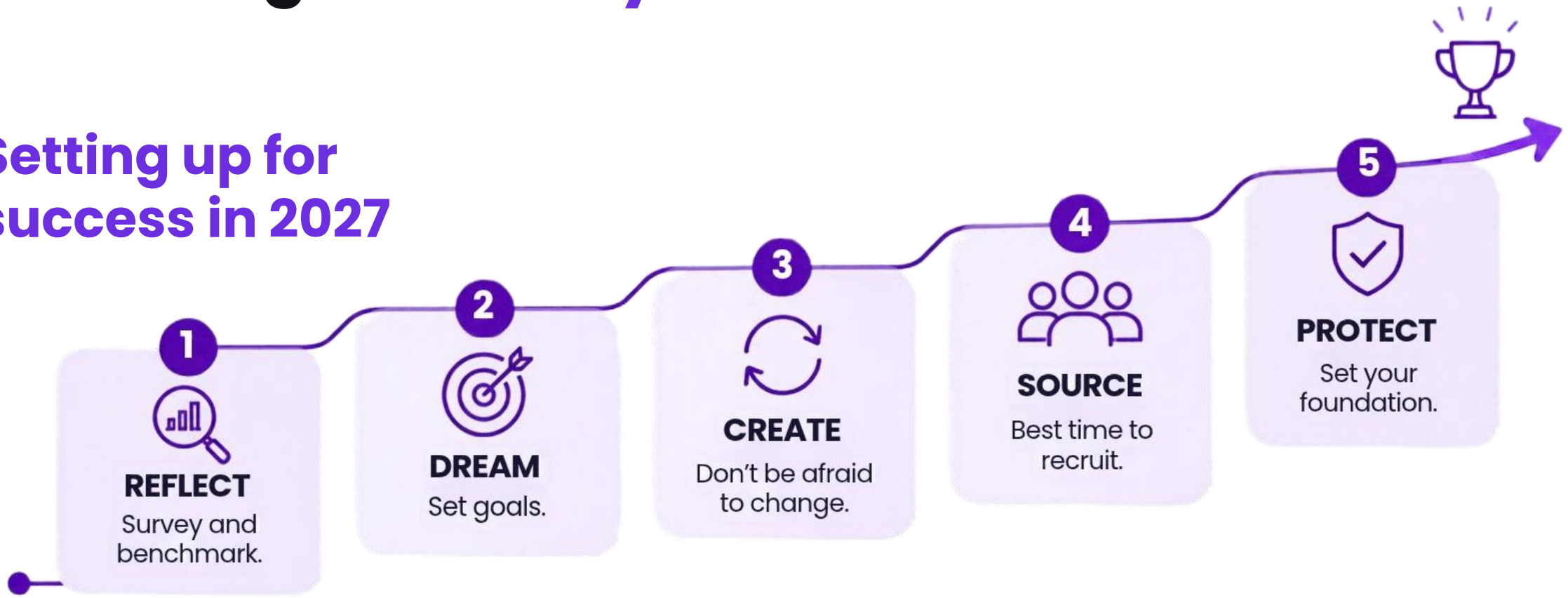
BETTER
Capability

BETTER
Capacity

05 | YOUR TAKEAWAY

Five things in 30 days.

Setting up for success in 2027



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Ben Watts

CEO, **watts**next

> **Structure gets people in the door.**
> **How you treat them decides if they stay.**

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Reflect. Dream. Create. Source. Protect.

Questions? Thank you.

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