

The Transformed Workplace

The Covid19 pandemic has changed workplaces, contact centers forever, while altering 2020-21 budgets, priorities

Q3 2020

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Executive Summary

The quality, ease of use, and extensibility of collaboration capabilities have made their mark on employee workspaces following the Covid-19 global pandemic. Many organizations that would have otherwise not enabled employees to work from home were forced to do just that. And in doing so, they were pleasantly surprised at how well the applications performed from home Internet access.

That's not to say the experience has been all smooth sailing. Companies have experienced challenges, such as managing remote workers, and problems with connectivity and video quality.

Nonetheless, more than 70% of companies plan to continue their work-from-home strategies, for knowledge workers at large, as well as contact center agents. With this shift come changes in the IT budget and technology priorities. Companies are planning to spend more on work-from-home technologies, including video conferencing, Internet connectivity, collaboration tools, and more, even if other parts of the IT budget will be cut.

They also are providing more equipment for, and IT support services to, home workers, including webcams, headsets, Wi-Fi support, and advice on Internet plans.

We recommend companies consider the following:

- Make sure home workers have access to applications they use in the office, and that performance is as close to on-par as possible. Those who haven't re-evaluated new collaboration applications or remote contact center agent capabilities need start an evaluation as soon as possible.
- Work with network service providers to optimize home Wi-Fi, routers, and Internet access. Additionally, make sure data centers, VPNs, hosted servers, and connectivity to them are upgraded to support the massive numbers of remote workers.
- Evaluate and implement analytics tools in order to measure utilization, performance and success. Network management, application management, and agent analytics tools will help with these goals.
- Leverage technology to address the No. 1 challenge of home workers: Managing them. Through the use of team collaboration, video conferencing, and analytics tools, leaders must re-learn the art of management in a virtual environment.
- IT spending likely will change. Get ahead of the curve and make sure to make the case for important applications, services, and technologies that may be undervalued.

This report examines companies' response to the Covid-19 pandemic and how they will change their workplaces moving forward.

Drastic Workplace Shift – March 2020

The workplace as we knew it changed quickly, dramatically, and permanently in March 2020. As the Covid-19 virus made its way from China through Asia, Europe, and finally, the Americas, business leaders moved as many workers as possible to home offices in an effort to contain the spread of the virus.

How significant was this change?

- Pre-pandemic, 63% of companies supported work-from-home employees. That jumped to 91%. Similarly, 59% supported work-from-home contact center agents, and that jumped to 74% post-pandemic.
- Within those companies, 35% of the employees worked from home full-time, increasing to 72%. Among contact center agents, the same figures went from 49% to 75%.

Challenges With the Move to Home Offices

Not surprisingly, with a move this drastic, companies faced numerous challenges. Nemertes conducted research two weeks after the shelter-at-home orders started, and then again after another six weeks. The top challenge remained the same: Managing remote employees (54% in April, 55% in May). Though this isn't a technology challenge, it's definitely one that technology can solve, through the use of collaboration apps, video, and analytics tools.

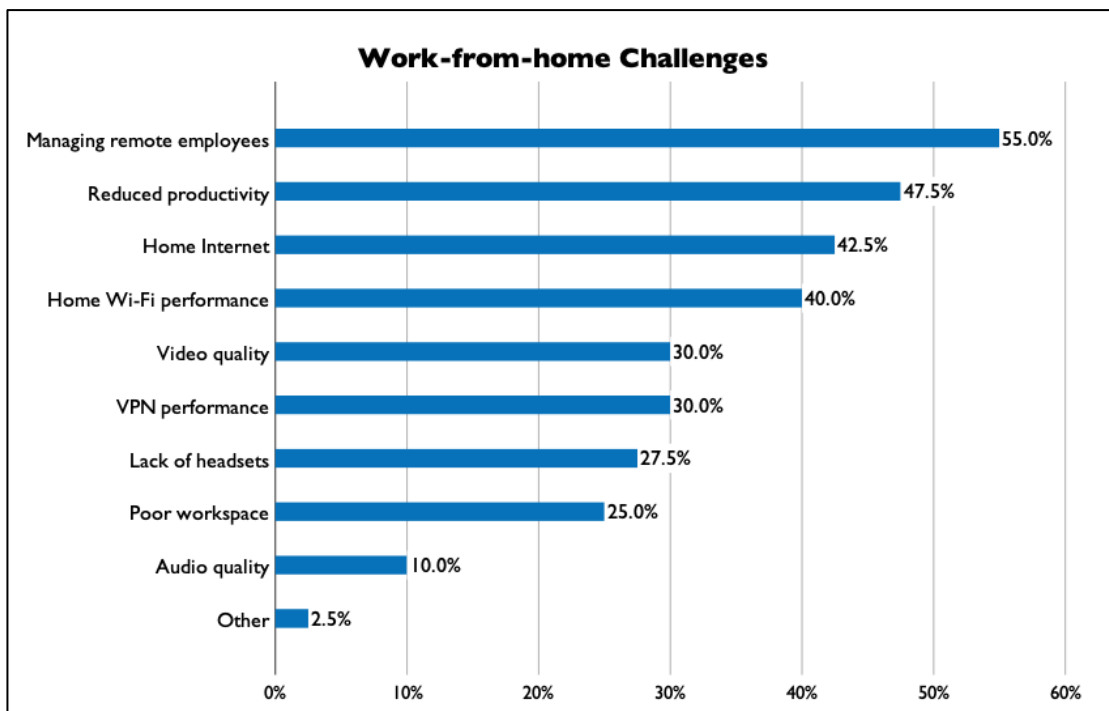


Figure 1: Work-from-home challenges (May 2020)

Although 48% say they are challenged with reduced productivity from employees, another 28% initially cited improved employee productivity as a reason to *keep* employees working from home. Some IT leaders say it was easier for employees to work later because they didn't have to catch trains—and because, let's face it, nothing else was going on. As employees have settled into their home offices, more distractions are creeping up, boredom is setting in, and for at least some, their productivity is suffering.

Beyond the top challenges of management and productivity, most of the rest are technology-related. Home Internet (43%), Wi-Fi (40%), and VPN performance (30%) are concerns, as are video (30%) and audio (10%) quality. It's important to note that network performance issues can be the reason companies are seeing reduced productivity, particularly if they measure transactional results and the transactions are now slower.

Contact Center Challenges

Similar challenges plagued the contact center after companies moved agents to home offices. (We asked about initial contact center challenges and plan to follow up on this issue in July.) Initially, the biggest challenge for contact centers was security (64%)—a potentially huge issue, depending on what the agents were addressing. (Please see Figure 2.) In particular, this was more commonly an issue among those in healthcare, financial services, government, and other companies that were dealing with confidential information.

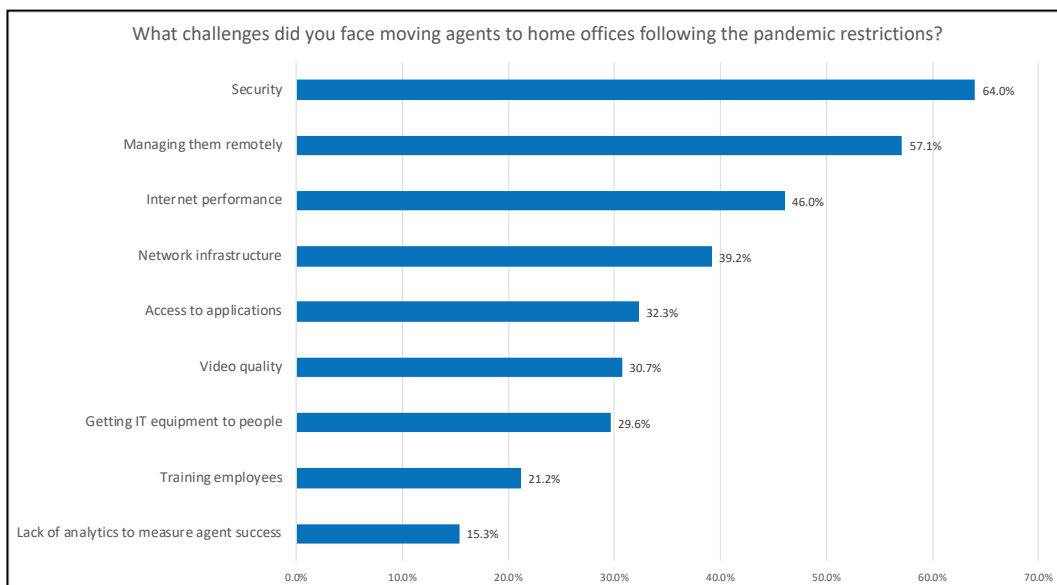


Figure 2: Challenges with moving agents to home offices due to pandemic restrictions

Not only are companies concerned with network and application security breaches, they also are concerned with physical security issues. After all, the corporate headquarters has alarm systems, security guards, and commercial grade locks. A thief could break into a home by throwing a rock through a window. In addition, they are evaluating the role devices such as

Amazon Alexa play when an agent is talking to a customer and dealing with confidential information.

Similar to the data for non-agent knowledge workers, contact centers also faced problems managing agents remotely (57%). They also cited training employees (21%) as an issue. Agents typically are accustomed to daily, in-person interactions with supervisors for training; that went away. Now, agents and managers both must become comfortable with video and collaboration tools for training. Organizations also had issues with Internet (46%) and network infrastructure performance (39%), along with access to apps (32%) and video quality (31%). But like employees at large, contact center managers were able to overcome these challenges, as many will continue to work from home.

An understated challenge is the lack of analytics to measure agent success. Only about 20% of companies already have agent analytics in place in their contact centers; for them, it may not be a challenge to monitor agent success. Most haven't yet addressed agent success analytics at the contact center, much less the home office. The fact that they viewed work-from-home as a temporary situation had only underscored their lack of motivation for implementing analytics tools. As it's becoming clearer that work-from-home is here to stay, CX leaders will need to evaluate and implement agent analytics to measure their success.

Now What? The Workplace Moving Forward

At the start of the Covid-19 lockdowns, many organizations viewed the move to home offices as a temporary situation. Since then, the majority say they will continue with work-from-home strategies. For many companies, work-from-home was a trial-by-fire experiment that they would have never considered had they not been forced into it. Leaders were skeptical about the usability of video, the ability of home Internet and Wi-Fi to deliver, and the functionality of remote apps. Many were surprised how well the technology *did* work.

In fact, only 8.2% of companies say they definitely will *not* continue with work-from-home strategies at some level, driven largely by the fact that they think employees are more productive in the office (40%) or are difficult to manage remotely (28%). Technical limitations were a reason for 30% of those planning to go back to the office.

On the flipside, 36% say they definitely will continue working from home and another 41.8% say they probably will. The rest are still undecided. What's driving them to continue to work from home? The top three reasons: Improving the quality of life for employees or agents is the top reason (59%), followed by preparation for future disasters (46.1%) and environmental impacts (42.7%).

One understated area is real-estate cost savings. As companies begin to re-evaluate their spending, that will be an even bigger driver toward work-from-home strategies. For example, contact centers spend an average of \$8,300 per agent for commercial workspace in the United

States. Of course, we don't expect 50% real-estate savings should 50% of the workforce work from home because of increased square footage required for social-distancing requirements.

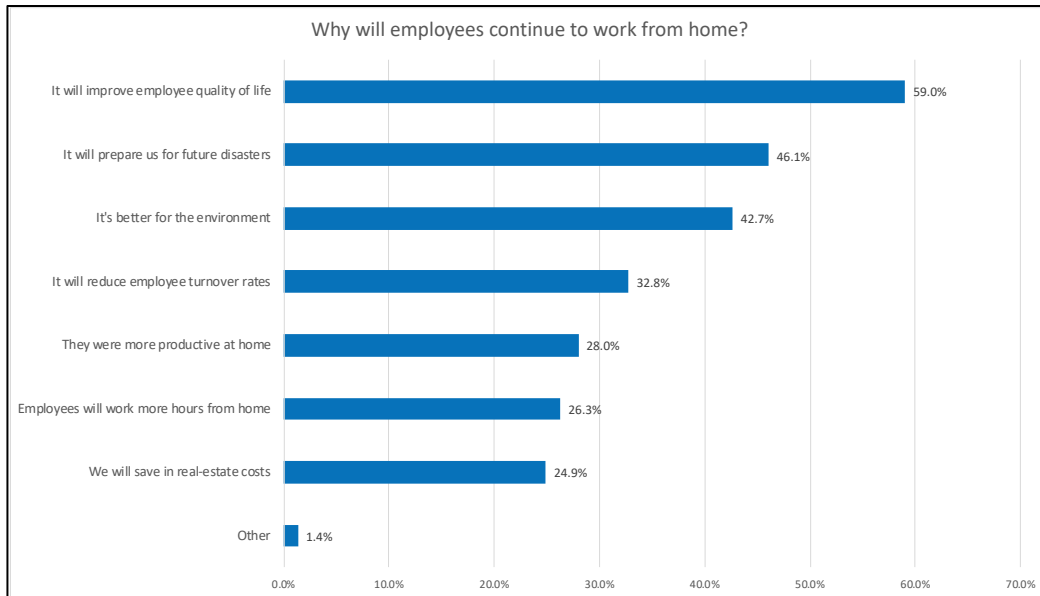


Figure 3: Why will employees continue to work from home?

Technology Spending and Priority Changes

Supporting work-from-home infrastructure is a key focus for IT budgets, as well. More than half of companies (52.7%) say they expect IT spending to increase to support work-from-home technologies and requirements. Another 18.9% actually expect overall IT spending to decrease, but they will spend more to support teleworking.

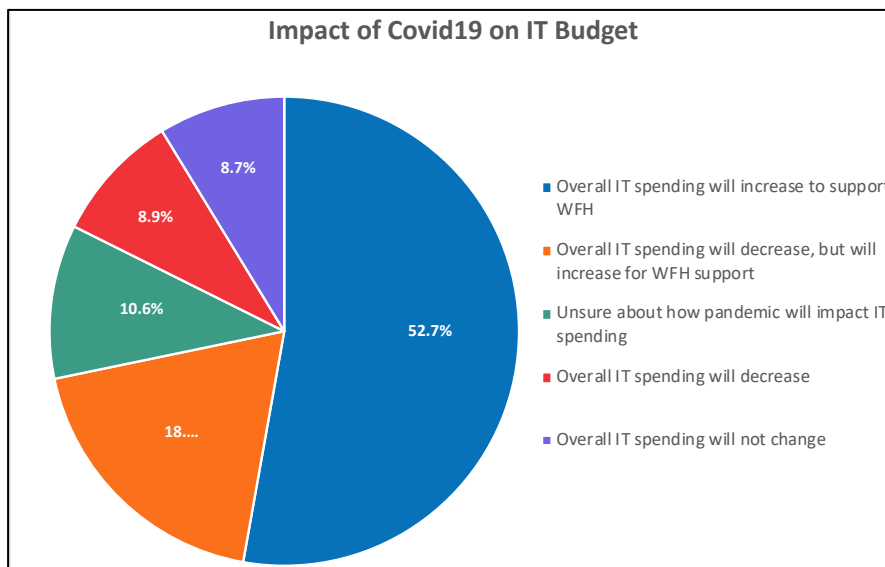


Figure 4: Impact of Covid-19 on IT spending

Among those planning to increase spending specifically because of Covid-19, 82% plan to direct that increased spending toward video. Not surprisingly, video has been *the* enabler of work-from-home strategies. Before

the pandemic, companies held an average of 23 video meetings per week. Post-pandemic, they have been holding 68 meetings per week.

Closely aligned with video is network connectivity; 74.8% of those increasing budget because of Covid-19 say they're directing the increased spending to connectivity, which includes both Internet and WAN services. In order for video to work effectively, IT leaders are focusing on the network connectivity to ensure that real-time apps such as video deliver good visual and audio quality. Other areas where increased IT budget for Covid-19 will be directed include new collaborative applications (73.7%) and management and analytics (51.1%). Management and analytics will be increasingly crucial not only to manage app, network, and endpoint performance, but also to analyze which apps are most widely used, by which employees, departments, and purposes. This information will help IT and business units to determine what to continue funding—or where more marketing and training is required.

Spending Changes 2020-2021

We then asked all research participants where they would spend more, less, or the same on several technology areas. As Figure 5 illustrates, the greatest percentage of companies plan to stay flat in most of the technologies with three exceptions: Video meeting apps (52% increasing), team collaboration and security (each with 45% increasing and 44% staying flat). The encouraging news from this data is that few organizations plan to decrease their spending in any area. Video room systems show the greatest percentage of companies (10%) decreasing spend, but there also are 41% increasing spending.

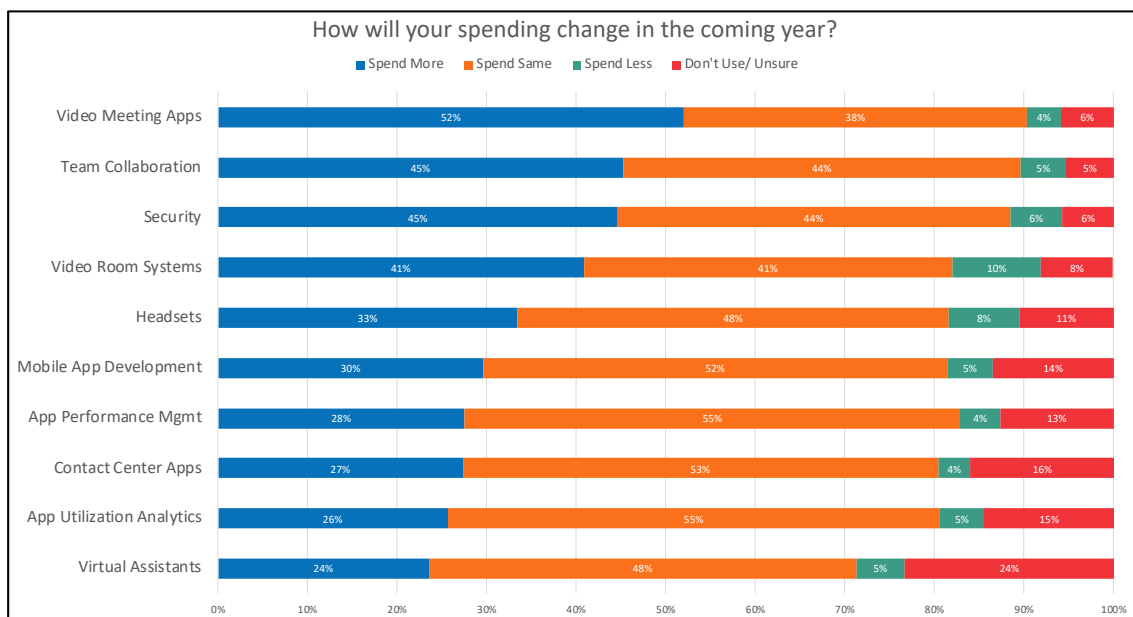


Figure 5: Changes in IT spending in the coming year

Despite the uncertain economy, we also see at least a quarter of companies investing in emerging areas, such as mobile app development, app utilization analytics, and virtual assistants.

Often in uncertain economic times, CX leaders become concerned spending cuts will plague the contact center, but we are not seeing that emerge: 27% of companies plan to increase spending, while 53% are holding steady. In large part, this may be attributed to the power consumers wield through the use of Internet ratings and social media.

Another big technology shift is a rapid move to the cloud. Though this has been happening for some time, 64.8% of companies say the pandemic has accelerated their move to the cloud.

Equipping the Home Office

In years past, when employees negotiated a telecommuting position, they were largely on their own to secure Wi-Fi, Internet access, and sometimes, equipment. That's changed as droves of employees have headed to their home offices. We asked research participants what they provision to home workers and what type of IT support they now provide to home workers.

We segmented this data by our research success group. Those in the success group have better-than-average business outcomes from use of video technology measured for at least two of the following items: increases in revenue, decreases in operational costs, and improvements in employee productivity. This helps us to see what practices correlate with measurable business success.

Equipment Provided for Home Offices

Beyond providing a laptop and, if needed, a larger computer screen, companies are offering additional products to their employees. As Figure 6 shows, the success group generally provides more to employees than those not in the success group. Webcams are most-often provided, followed by headsets, speakerphones, executive video conferencing system, lighting, and backdrops.

IT Services Provided to Home Workers

The other significant change is the level of IT support employees receive at home. In years past, home workers were largely on their own when it came to troubleshooting problems with Wi-Fi or Internet access. Now that the home office *is the* office, IT must ensure applications and connectivity are performing at peak capacity.

The success group is delivering considerably more IT support services than those not in the success group. (Please see Figure 7.) They are providing home Wi-Fi assessments, voice and video quality monitoring, and assisting with ISP plans and lighting for video conferencing

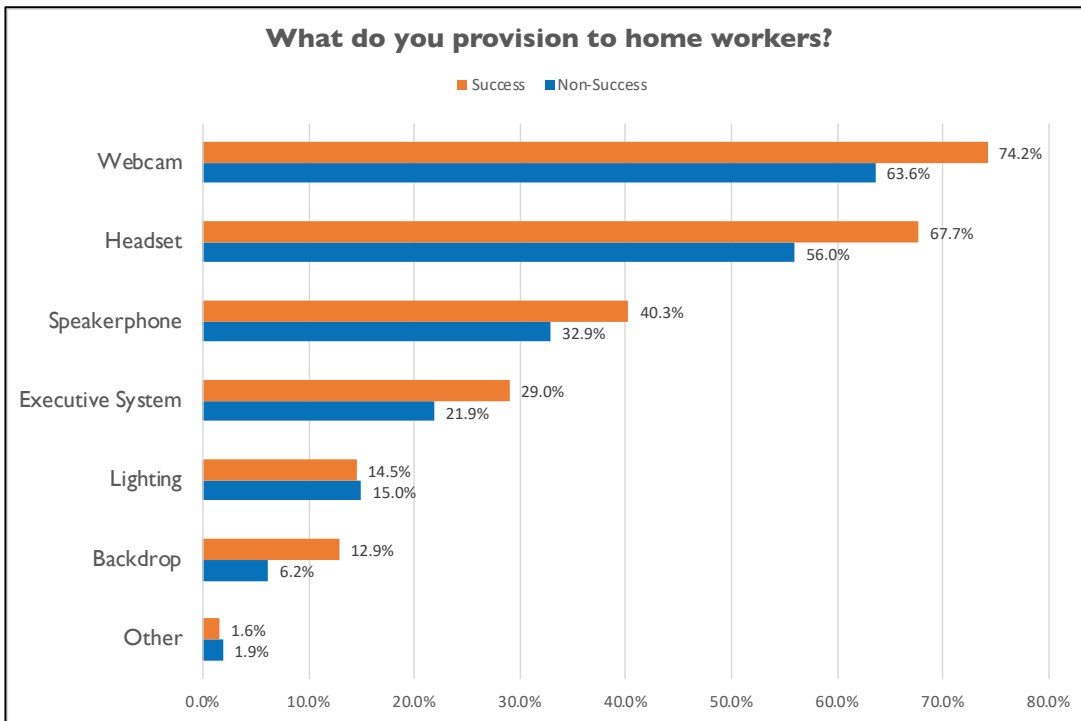


Figure 6: What do you provision to home workers?

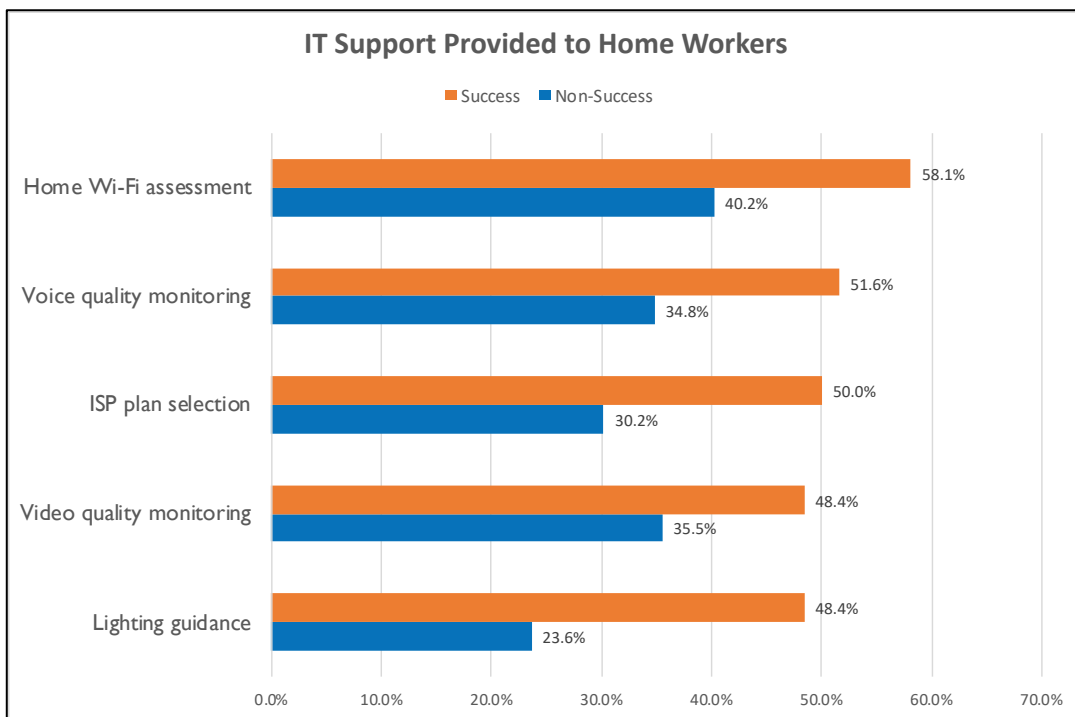


Figure 7: Services for Home Workers

Conclusion

Moving forward, IT and CX staffs will be operating in a different environment, with the key changes being more home workers, more cloud services, more security, and more collaboration applications. And some organizations must address all these requirements on flat or decreasing IT budgets.

We recommend companies consider the following:

- Make sure home workers have access to applications they use in the office, and that performance is as close to on-par as possible. Those who haven't re-evaluated new collaboration applications or remote contact center agent capabilities need start an evaluation as soon as possible.
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About Nemertes: Nemertes is a global research-based advisory and consulting firm that analyzes the business value of emerging technologies. Since 2002, we have provided strategic recommendations based on data-backed operational and business metrics to help enterprise organizations deliver successful technology transformation to employees and customers. Simply put: Nemertes' better data helps clients make better decisions.