SUCCEEDING IN THE NEW WAY OF WORKING FROM ANYWHERE AND EVERYWHERE

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March 2021

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Succeeding in the New Way of Working from Anywhere and Everywhere

Organizations are at a key decision point

2020 was an extraordinary year, as COVID-19 dramatically changed our way of life and work. But 2020 will also be remembered as the year of resilience. As societies dealt with restrictions, working models had to be changed significantly. By August 2020, a global IDC survey[1] showed that 45% of employees had shifted primarily to home working and digital tools became the lifeline of many industries. Technology has enabled many organizations to conduct their business virtually, or in an otherwise safe manner, while empowering employees to communicate and collaborate remotely. One of the key takeaways from this unforeseen and forced transition is that work does not necessarily rely on the traditional office; it has effectively demonstrated that work can be done from anywhere.

As they plot a course of recovery, executives are now at a key decision point: to follow the same course of cost-cutting as all previous recessions have dictated or to flatten their own organization's recessionary curve by leveraging technology. Their response will shape their brand and positioning over the next decade and a rethink of the core principles of how their business operates. In the short term, technology has proven to be key in enabling businesses to stay afloat by facilitating remote work, business agility, and external digital engagement. As the business focus shifts to a return to growth, organizations should accelerate investment in technologies that advance their digital capabilities and their transformation into a Future Enterprise that is ready to compete in the next normal. This is a digitally transformed organization that underpins business processes with technology, is fueled by innovation, and is platform-enabled and ecosystem-centric. A successful transformation will require organizations to fundamentally change all aspects of their business. To help drive their progress, IDC has identified 9 key themes that should be at the heart of the corporate agenda, as detailed in Figure 1.

FIGURE 1

The CEO Agenda for the Future Enterprise

Source: IDC, 2021

The Rise of the Hybrid Working Model

The switch to mass remote working was both unexpected and demanding, forcing many organizations to rapidly invest in facilitating technology such as secure remote access, video conferencing, and laptops. The period has been challenging for employees and organizations in many ways, but it has also become an important learning experience for organizations. It has demonstrated that many lines of work can be done effectively outside the office and brought about several key benefits of remote working. In a recent IDC survey,[2] 43% of global organizations reported higher employee productivity, while 41% saw improved employee experience and 37% pointed to a reduction in absenteeism.

Going forward, the focus of many organizations is set to shift to a safe return of employees to offices, with requirements ranging from planning that ensures acceptable physical distancing to scheduling that ensures occupancy control. To that end, they will invest in IoT technologies such as temperature sensing/health monitoring, touchless fixtures (e.g., sensors on doors, water taps), and apps for health and wellbeing feedback — if they have not done so already.

However, this return to the office will not signal the start of a return to the way of working as we once knew it. Many organizations take on board the learnings of past months and recognize the need and opportunity for permanent changes across many different areas, as outlined in Figure 2. Successful organizations realize that the workforce of the future must be hybrid by design rather than driven by circumstance. They will drive a necessary change in working culture and practices that reflects the different nature of roles and their suitability for different ways of

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[2] Source: COVID-19 Impact on IT Spending Survey Wave 10, August 5 to 17, 2020 (n= 835)

working and acknowledges the different needs that individual employees may have when it comes to location.

They will also take this opportunity to right-size their office footprint and adapt their office layout. This will pave the way for a more collaborative, unified, and engaged workforce that can boost productivity, enhance quality, and increase time efficiency, while improving their work/life balance — working from anywhere as appropriate.

Figure 2
COVID-19 Drives Permanent Change

Q. Which of these areas will likely be permanently changed as a result of the COVID-19 pandemic?
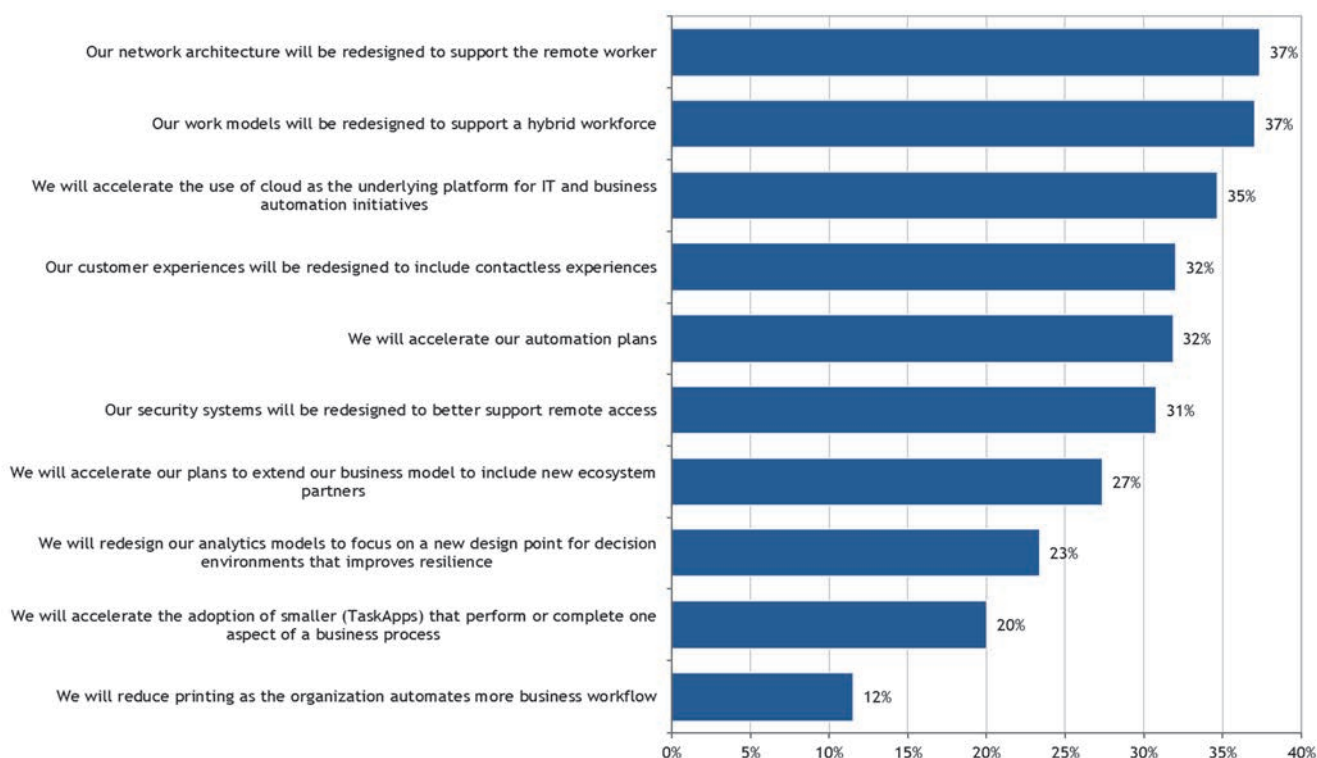
Source: IDC COVID-19 Impact on IT Spending Survey, Wave 12, September 26 to October 6, 2020 (n=815)

Accelerated Shift to Digital Customer Engagement

Many organizations are accelerating the digitalization of their customer engagement as they seek to speed up their recovery on the road to the Future Enterprise. This will not just be about replacing physical interactions with virtual ones, but in many cases will be a complementary mix of both worlds to best suit the occasion and need. This is underlined by the finding that "digitally enhancing products, services, and customer experiences" is seen as the top goal for 2021–2022 (55% of organizations)[3]. The bar will be raised as customer engagement is set to become a safe, secure, and sustainable digital experience. Increasingly, customers will expect organizations to understand where they are at contextually and provide an experience that goes beyond personalization to become empathetic. Organizations will need to realize that this bar will be

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[3] Source: IDC COVID-19 Impact on IT Spending Survey, Wave 13, October 15 to October 30, 2020

agnostic to the work model: the customer will expect the same high service level, regardless of location of staff. The onus will be on any organization to connect its employees and empower them to collaborate effectively and deliver a consistent experience.

Communication and Collaboration Tools are Critical Enablers of the Hybrid Workplace

The crisis response and business continuity measures that governments and enterprises put in place have to a substantial degree relied on communication and collaboration tools. It is hard to imagine remote working or home education without videoconferencing platforms now. IDC research[4] shows that 40% of organizations indicated they either adopted solutions for the first time in 2020 or expanded their use. At the same time, 85% of organizations saw an increase in the number of users, and 83% noticed an increase in usage per user.

However, the critical role of communication and collaboration extends well beyond conferencing solutions. Voice traffic is rerouted to the remote workplace to ensure commercial interactions can continue. Flexible contact center solutions enable customer service agents to continue their work from anywhere, while many frontline workers rely on a mobile device to access the information they need and interact with customers and colleagues, while working safely and efficiently. These solutions are rooted in the scalability, flexibility, ubiquity, and on-demand nature of cloud-based platforms, which are proving to be the foundation of the remote economy. This is underlined by the accelerated shift to cloud platforms that is shown in Figure 2 (35% of organizations see this acceleration).

Many organizations realize the importance of communications and collaboration and the need to invest. Following strong growth in 2020, many organizations plan to increase investment in these areas even further in 2021. The critical role of these areas in the digital journey is highlighted in Figure 3, which shows that the planned increase in investment is notably stronger among more advanced organizations that consider themselves to be digital enterprises that are ready for the next normal.

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[4] Source: IDC COVID-19 Impact on IT Spending Survey, Wave 12, September 26 to October 6, 2020 (n=815)

FIGURE 3

Many Plan to Increase Spending on Communications and Collaboration in 2021

Q. For which of the following products/services is your organization planning to increase spending in 2021 compared to 2020 due to business changes triggered by responses to the Covid pandemic?
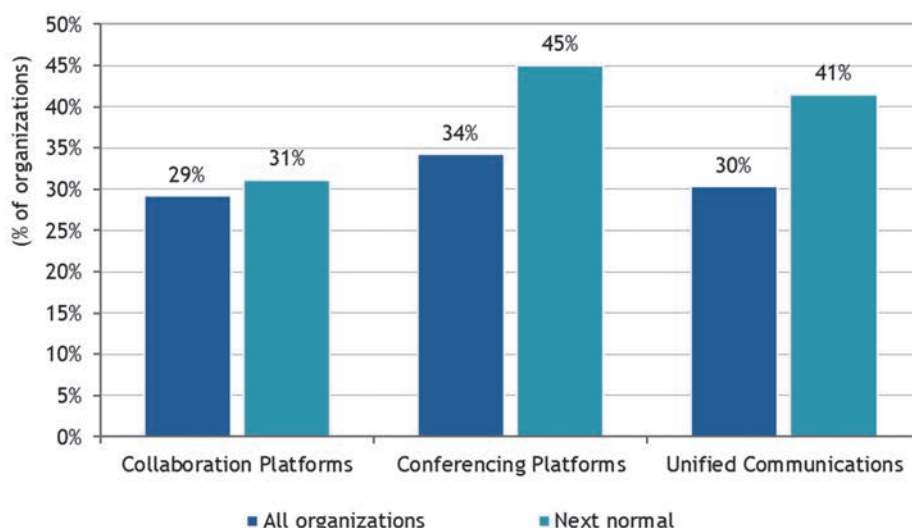
Source: IDC COVID-19 Impact on IT Spending Survey, Wave 12, September 26 to October 6, 2020 (n=815)

A hybrid workforce will need a hybrid workplace that facilitates seamless communication and collaboration between employees, whether they are working from an office, in the field, or at home. Technology parity, which we define as the requirement that all workers have secure access to the resources required to do their jobs, regardless of device or location, must be a critical attribute of the hybrid workplace. This workplace will increasingly be digitally intelligent, cloud-based, and have communication and collaboration at its heart, while enabling integration with CRM, workflow management, and productivity tools.

Communications Will Increasingly be Integrated into Business Applications

As organizations adapt their customer engagement, they will aim to make it more interactive, digital, and accessible across different communication channels. Many organizations will face resource constraints in terms of skills, budget, and time to market as they try to develop these capabilities. This is where communications platform as a service (CPaaS) or programmable communications come in. CPaaS facilitates cloud-based hosting and management of communications application programing interfaces (APIs) including voice, SMS, and video.

Organizations are embracing CPaaS to embed new communications elements in their applications very easily and without significant investments in new systems or services. In their quest for new growth opportunities, CPaaS provides a quick and scalable way to better integrate business communications into key workflows and create innovative customer engagement tools, which is key in this CX-focused era. The embeddable nature of CPaaS enables solutions that can be highly tailored and industry specific. One can think of reminders and notifications that can improve efficiency and customer experience in sectors like health or travel, while embedding

video communications into learning applications has the potential to fundamentally change the digital experience in a sector like education. The growing use of artificial intelligence/machine learning (AI/ML) will enhance services for call center, real-time translation, and other services, mostly using chatbots, while augmented/virtual reality (AR/VR) will create opportunities in the retail, ecommerce, media, and entertainment sectors. IDC expects this broad and growing range of use cases and strong demand will drive the global market to grow at an average of 33% between 2019 and 2024.
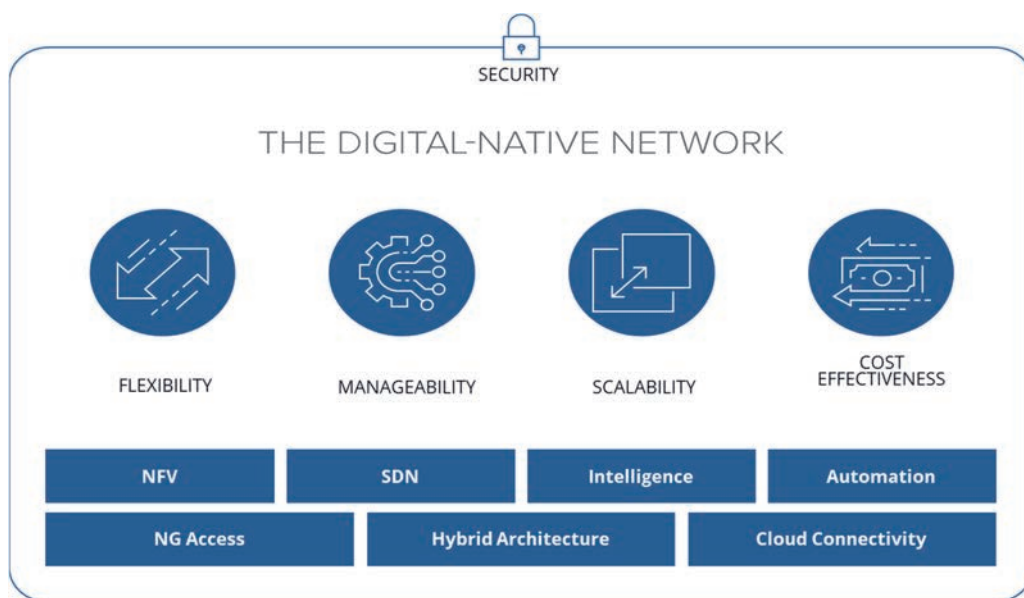
Accelerated Digital Transformation Requires a Digital-Native Network

Digital transformation can be hard without network transformation. The success of digital use cases typically depends on the network, as they elevate the requirements being placed upon the network across many vectors, including bandwidth, volumes, performance, and security. IDC has been advising the alignment of the two for years by making the network an integral part of any digital transformation plan. The Future Enterprise simply requires a digital-native network. This is an application-centric network that supports the right end-user experience for each application and user and brings better security, flexibility, scalability, manageability, and cost-effectiveness.

The COVID-19 situation has reaffirmed this principle in the long term. In fact, in most organizations the reliance of business continuity on bandwidth and secure remote access has increased the visibility of the network while demonstrating its value to senior management and the rest of the organization. This can only drive the realization that network transformation will be a prerequisite for the changing ways of working and new digital business models, ensuring users have secure access to data and applications wherever they are. This is shown in Figure 2, in which 37% of organizations identified network architecture as the number one area that needs permanent change.

Technologies like WiFi 6 and SD-WAN can ensure bandwidth capacity will grow with demand, while the shift to cloud and virtualization will drive scalability, reduce complexity, and make the network easier to manage. Network intelligence and automation will be critical for the right level of visibility, enabling remote network management. They will also simplify provisioning, configuration, and updates and reduce the risk of errors. The use of IoT and location-based services can further enhance the automation of business processes and workflows. When it comes to enterprise networks, security is the top driver of requirements and a key selection criterion for new solutions. At the same time, networking and security are on a path of convergence from a technological perspective. This means organizations should take a holistic approach across the two domains.

Figure 4
The Digital-Native Network

Source: IDC, 2021

Accelerated Digital Transformation: Industry Flavors

The opportunity for accelerated digital transformation to speed up recovery is near-universal. Across industries — private and public — IDC sees examples of innovation that have been triggered by the pandemic, but that will also have a lasting impact on how organizations operate.

Fighting on the frontline, the healthcare sector has stepped up its use of connected health technologies substantially, enabling patients and health workers to connect digitally and continue working and collaborating. Driven by restrictions, social distancing measures, and a surge in patients, technologies such as virtual care, online scheduling, video communications, and remote monitoring and diagnostics are put to use to effectively triage patients, trigger intervention, minimize spread, and tackle the pressure on health systems. In the life science industry, remote monitoring and virtual consultations are facilitating remote vaccine trials. Patients and employees have come to expect and appreciate the value that connected health can add to the way care is consumed and provided. It is clear that organizations will need to embed these digital practices into their standard operating models and refine and continuously evolve the patient and employee experience.

Education has been reliant on remote working more than ever, but many schools and universities have found continuity elusive. School closures have exposed their vulnerabilities and triggered a response. 65% of organizations in education mentioned "future-proofing" as their top goal for the coming 2 years[5]. They have been required to facilitate remote education for millions, not only driving investment in connectivity, communications, and infrastructure, but also in adapting collaboration methods to ever-changing circumstances. Schools will primarily go back

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[5] Source: IDC COVID-19 Impact on IT Spending Survey, Wave 13, October 15 to October 30, 2020

to on-campus modes as soon as possible, but hybrid models and remote digital capabilities strengthen education continuity, help leaders futureproof their organizations, and empower student success.

The duty to protect public health and safety has driven digital transformation in the government sector forward in the past year. Interestingly, and underlying the relatively low starting point, an IDC survey revealed that much more than any other industry, government objectives for 2021/22 focus on investing in technology to catch up in digital transformation. Many governments have accelerated their egovernment initiatives and investments to support public service delivery and citizen engagement. Investments in sensors and surveillance technology and underlying infrastructure for the purpose of crowd management and remote surveillance to monitor and enforce social distancing and other restrictions will help local authorities manage the gradual return to normality. All these investments will be key building blocks that local governments can leverage to speed up the longer-term journey toward a smart city.

Few industries have been hit as hard as the transport of passengers. The pandemic has resulted in a dramatic reduction in travel overall and a tendency to favor private forms of transportation over public. In response to the challenges, and to ensure safety for passengers and the workforce, the industry has increased its focus on contactless forms of payment and control. At the same time, they have improved planning, monitoring, and reservation capabilities to measure and control occupancy and allow for social distancing measures. Communication and collaboration tools have become critical for connecting the workforce, from frontline to back office, as well as the broader ecosystem of suppliers, partners, and customers. As we move out of the crisis, people will return to travel, although the level will be impacted by changing working models. In the short- to medium-term the digital investments can enable organizations to scale their operations back to more normal levels in a safe yet efficient manner, while adopting a hybrid working model. In the long run they will drive more sustainable, smarter, and more affordable mobility.

Conclusion

Every cloud, no matter how dark, has a silver lining. IDC sees an opportunity for organizations across all sectors to flatten their recovery curve by using technology. To prepare themselves for that future, IDC believes organizations should reflect on the lessons learned from the past and consider the following success factors:

- **Internalize the importance of accelerated digital transformation**, not just as a response to challenges in the near term, but even more importantly as an opportunity to strengthen the organization in the long run. Effective cloud-based communications and collaboration tools and an automated digital-native network will be the critical enablers of the success of future working models.
- **Apply a business continuity lens to all investment plans**. The pandemic has underlined the importance of contingency planning and rapid response to changing circumstances. The future enterprise will need an agile and flexible fabric that can scale with growing or shrinking demands.

- **Plot the migration path**. It is one thing to design the architecture of the future enterprise, it is a completely different thing to get there from the current state in the most seamless manner, with a strong focus on minimizing risk and cost. Include the integration of implementations that may have been ad hoc during the crisis phase into structural solutions as part of this process. And moving forward, plan how you can leverage these new technologies to simplify and automate business processes and workflows.
- **Scrutinize security implications.** Security and privacy should be key considerations across all aspects of workplace transformation. Security needs to be an integral part of any communications or networking design, while the capabilities of solutions and providers, in terms of encryption, GDPR compliance, IoT containment, hardened operating systems, network intrusion detection, and relevant certifications should be carefully assessed.
- There are many solution providers in the market, and there are many aspects to consider, but at the end of the day your organization should **choose the partner that is best placed to address your specific requirements**. Important selection criteria include:
  - **Portfolio**. Features and functions are clearly important, but so is how these can be combined to accommodate the needs of different users, applications, or sites. How comprehensive is the vendor's offering in comparison to your needs, and how easy is it to add, modify, or stop certain features?
  - **Partner ecosystem**. Understand who a technology provider is working with, how open its ecosystem is, and whether it can meet an organization's needs in terms of adjacent functionality.
  - **Deployment model**. This boils down to a choice between do-it-yourself and managed service models. Does an organization have the capabilities to self-manage, or does it outsource complexity to a managed service partner? The choice of models is growing, and this balance must be aligned with in-house resources and expertise levels and capex/opex preferences.
  - **Track record**. How well does a potential provider fit the specific profile and requirements of an organization? A trusted partner will be able to provide the proof points that it has been serving similar clients successfully and has the required service capabilities and resources to provide support where and when needed.

To succeed in the new way of working from anywhere and everywhere, organizations will need to make the right decisions now, which will minimize the impact of the current headwinds and help organizations to emerge on the other side more resilient, more digitally fit, and better able to capture their share of the new opportunities as part of the next normal.

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About the Analysts

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Jan Hein Bakkers is based in the Netherlands and is responsible for IDC's research efforts in the European enterprise communications and collaborations domain, which spans fixed voice and data connectivity, wide area networking (WAN) services, and unified communications and collaboration. His personal areas of expertise include internet access and WAN services, such as private IP and Ethernet. His research has a particular focus on WAN transformation and the role that high-growth areas such as SD-WAN and cloud connectivity play within that.

His work is published in IDC's European Enterprise Communications Services and European Unified Communications and Collaboration programs, as well as the Worldwide Telecom Services Tracker. In addition, he provides his insights, opinions, and advice to a broad base of clients via custom engagements. He is a regular speaker at industry, client, and IDC events, and is frequently quoted in the press.

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