The Evolving Workplace

Changing work styles present both challenges and opportunities for enterprises

Ovum

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Pauline Trotter is Practice Leader for Workspace Services within Ovum's Enterprise Services team, which focuses on how service providers can address opportunities in the future workplace. The practice brings together Ovum's research in enterprise mobility services and unified communications and collaboration (UC&C). She undertakes research with enterprise buyers as well as their employees on their plans and expectations for the future of work, and their views on the place of new technologies and new ways of working.

Pauline specialises in enterprise mobility, managed mobility services and mobile-centric UC. She has worked on many consulting assignments for service providers, vendors and enterprises. Her current research includes assessments for companies looking to select mobile workspace service providers, research with ICT buyers in large enterprises and developing a broad market landscape for workspace services.

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Adam Holtby is a senior analyst at Ovum, specializing in enterprise mobility, workplace productivity, and IT service management.

Adam focuses on helping enterprises understand how digital technologies and services, specifically mobile and service management, are evolving and the impact this can have on business. He produces enterprise case studies, detailed technology audits, insight papers, and comparative technology reports.

His work involves defining the vendor competitive landscape and providing best-practice recommendations for enterprises and vendors alike. For vendor clients, he provides technical review, market context, and strategic advice on current developments and future trends.

Executive Summary

In brief

This white paper is about the adoption of enterprise workspace services by UK companies. It provides key findings from an Ovum survey of 250 midsized to large enterprises and some multinational corporations (MNCs) in the UK. This research shows that what employees expect from a modern workspace is changing, and that organisations need to adapt to these changing needs not only in being able to realise value internally, but also in ensuring they are fit to deliver optimal products and services to customers.

- The way people work is changing, and there are many factors behind this change. Employees' desire for more flexible working arrangements is as important as the need for employers to foster a culture of innovation and drive productivity improvements. Most businesses want to attract the best young talent and build a collaborative and multigenerational workforce.
- Organisations are already making many changes to adapt to and positively encourage changing work styles. Over the coming year, many plan to introduce new services and tools to help employees collaborate more effectively. Mobilising the workforce is a key element of this and is a major focus of investment.
- Business leaders recognise that building the new workspace is not simply about introducing new technologies, and many are also introducing new working practices and making physical changes to the working environment. Most are aware of the challenges that the introduction of new technology brings to the organisation, and recognise that they must invest in training and support and continue to pay attention to the management of cultural change.
- Workspace investment to date has focused on modernising enterprise voice and contact centre as well as adding new communication and collaboration applications and managed mobile services. Top of the workspace investment list for 2018 are cloud-based productivity apps, enterprise social networking, and collaboration tools.

Key findings

- There is no single dominant factor driving work style changes within organisations – multiple elements are driving change.
- A lot of investment in workspace technologies to date has been centred on traditional and hosted voice, as well as productivity applications, some unified communications applications, and online storage.
- The opportunity in workspace will focus on extending and integrating mobility and UC&C applications to support new, flexible ways of working. Enterprise social and persistent messaging are key areas.
- Mobility is no longer seen as a disparate technology, but as a business imperative, and something that impacts the entire organisation.
- Enterprise interest in services and tools that can support enterprise mobility is strong.
- Legacy and complex IT infrastructures are restricting businesses' ability to modernise and digitise workspaces.
- Professional services and support will be important to businesses of all sizes in overcoming the challenges associated with modernising the workplace.
- Organisations must consider more than just technology when looking to successfully deliver against digital initiatives. Human and cultural elements are of great importance.

The needs of the entire workforce are changing

The way people work is changing, driven by a variety of different factors, as shown in Figure 1.

Figure 1: UK organisations are changing the way staff work

What is driving change in work style in your organisation?*

1. Driving more innovation — **36%**
2. Employees demanding flexibility — **35%**
3. Improving productivity — **35%**
4. Generational shifts in workforce — **34%**
5. Recruiting and retaining best talent — **33%**
6. Facilitating collaboration — **33%**
7. Reducing impact on environment — **33%**
8. Reducing costs/financial reasons — **32%**
9. More engaged and motivated workforce — **30%**

*Top 1-3 reasons combined
Source: Ovum UK Enterprise Survey

Business leaders are starting to think beyond just productivity measures. They are increasingly recognising that engendering a high level of engagement across the whole workforce is vital to achieving business goals, and also to improving the experiences delivered to the customers that the business serves. At the same time, organisations must support staff looking to work more flexibly to improve work–life balance. For organisations that want to attract and retain the best talent, being mindful that the modern workforce is increasingly multigenerational, and of the challenges this can present in terms of support, is important.

The evolution of the workplace: What are UK businesses doing?

Organisations are making many changes to adapt to and positively encourage changing work styles. Over the coming year, many plan to make changes to the physical office environment, introduce flexible working, and bring in new services and tools to help employees collaborate more effectively.

Flexible working is often introduced by businesses to reduce the cost of office space, but an unexpected benefit can be the improved retention of staff due to increased employee satisfaction. The importance of helping employees achieve a greater work–life balance should not be underestimated. However, as workforces become more geographically dispersed, companies must work even harder to maintain an inclusive and collaborative culture. This means they must embrace new technologies that can help foster collaboration across different locations, and also make the best possible use of physical office spaces by providing more informal meeting places, for example. The involvement and influence of HR leaders in the coming year, in conjunction with IT departments, will be vital in delivering successful workplace transformations. These will affect employees across the entire business, so buy-in and support from the most senior level of management and from different business unit leaders will be important.

Mobility is no longer viewed as a disparate technology component, but as a key digital transformation element that has an impact across the entire business. Supporting the mobile workforce therefore represents a key activity for organisations looking to successfully deliver against any digital transformation initiative. As the data in Figure 2 shows, this is a view shared by organisations, with 60% of survey respondents saying that they have either put in place tools and services to support the mobile workforce or plan to do so within the next 12 months.

Figure 2: Organisations are responding in a variety of ways to changes in workstyle

What are you doing to evolve your workplace in response to changes in work style?*

1. Introducing tools to support a mobile workforce — 60%
2. Responding to HR wanting to have a more connected organisation — 56%
3. Providing a virtual working environment — 55%
4. Introducing UC&C tools or enterprise social networking — 55%
5. Enabling more flexible working arrangements — 54%
6. Introducing emerging technologies to enhance the workplace — 50%
7. Implementing employee training and development with rapid feedback — 45%
8. Changing the physical office — 42%

*Doing now or planning to do within the year

Source: Ovum UK Enterprise Survey

Modernising the workplace is a challenging initiative

As Figure 3 shows, workspace transformation is no insignificant task, and any initiative will bring many challenges that organisations must be prepared to face. Legacy and complex IT infrastructures restrict organisations' ability to modernise and digitise. How to move from a current state to a desired state is a key challenge that many have identified they need help with.

Figure 3: Organisations are facing many challenges when deploying workspace tools

*Top 1 and 2 reasons combined
Source: Ovum UK Enterprise Survey

UK business leaders see other challenges too, particularly that relevant IT skills are in short supply. Sourcing budget for major investment in any improvement initiative is an issue, since measuring success and demonstrating return on investment (ROI) is difficult.

Businesses implementing new technologies and new working practices across their organisation must also consider the human element. For example, resistance to change can be a big issue, particularly among longer-serving staff members who have worked in a particular way and with the same tools for a long time. Businesses should put in place a means of both collecting and acting on employee feedback, as well as offering suitable training where and when required.

Looking at the existing workspace estate, much investment and focus has been centred on enterprise voice (both traditional and hosted) and contact centres (see Figure 4). Modernisation of these is underway with the addition of new communication and collaboration applications. The provision of mobile connectivity and devices is lower, but this will be a key investment area for many organisations as they introduce new, flexible ways of working. Enterprise mobility management will be a growing requirement as they mobilise more, and more critical, business processes.

Figure 4: Existing workspace estate is being modernised in several key areas

Which of the following workspace services/technologies do you currently use in your corporate network and IT?

1. SIP trunking — 54%
2. Traditional voice — 49%
3. Customer contact centre — 46%
4. Hosted voice — 40%
5. Hosted UC — 36%
6. Remote access to VPN — 35%
7. Enterprise mobility management — 34%
8. 4G back up for new/remote sites — 34%
9. Mobile connectivity (SIMs) — 32%
10. No workspace services — 20%
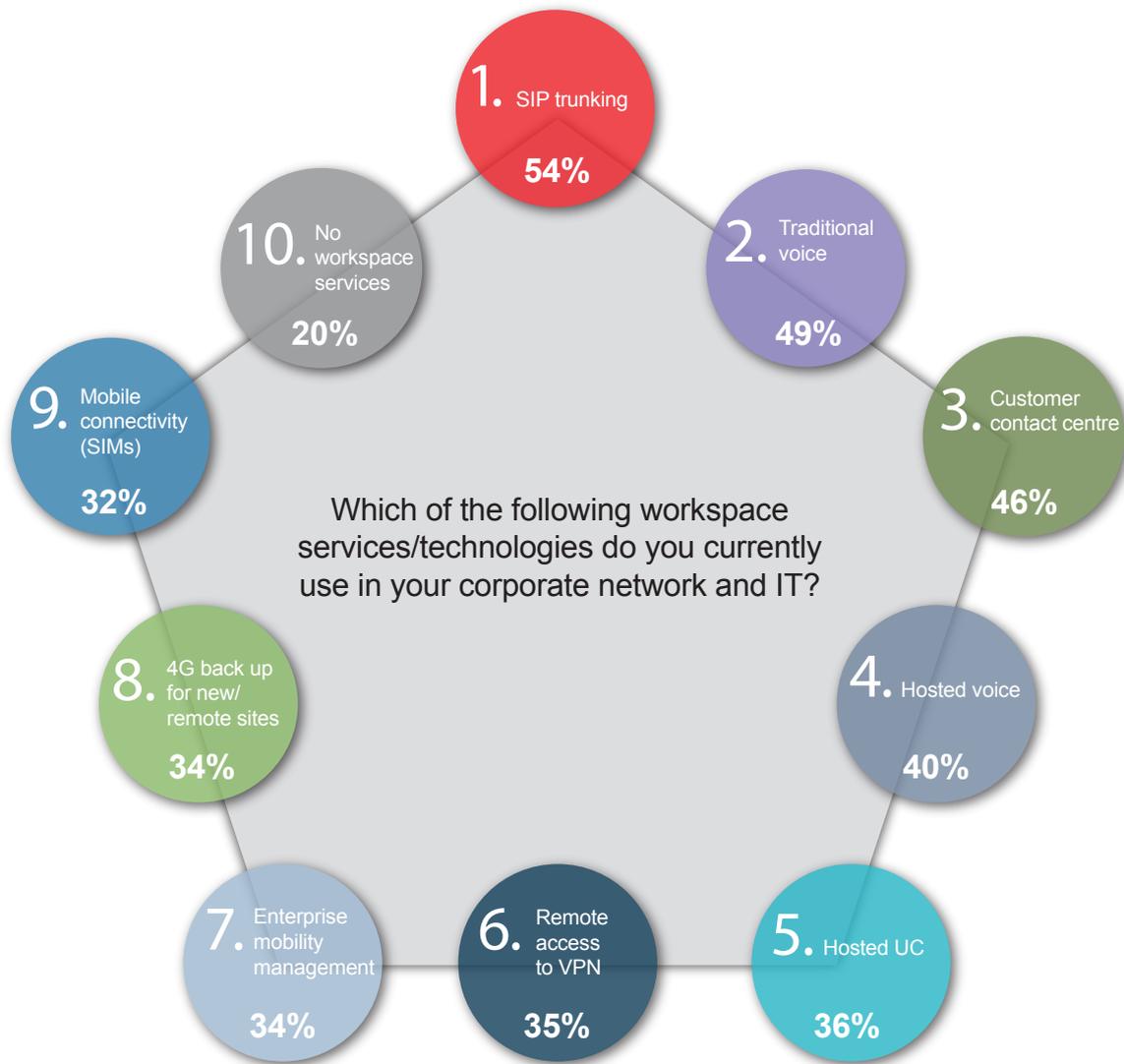
Source: Ovum UK Enterprise Survey

Businesses should look to improve communication not only internally, but also with customers

With improved collaboration across the business high on the list of objectives, it's no surprise that UC&C technologies are a priority for workspace investment. As well as improving collaboration internally – among office-based, remote, and mobile workers – these investments should also be aimed at improving communications externally, as this will contribute to improving productivity and the customer experience. Figure 5 shows that the key communications and collaboration technologies being used by organisations at present are instant messaging, web conferencing, and document sharing and storage. Many organisations also say they plan to move to cloud-based productivity apps this year, reflecting a desire for a more flexible approach to the way in which applications are used. Also set to grow this year are enterprise social and persistent messaging apps.

Figure 5: Companies have ambitious plans to invest in communications and collaboration this year

Top 5 tools used now

%	Tool
62%	Instant messaging
53%	Web conferencing
47%	Document sharing and storage
43%	Collaboration tools
38%	Enterprise social

Top 5 tools planned this year

%	Tool
44%	Cloud-based productivity and collaboration applications
32%	Enterprise social
31%	Collaboration tools
25%	Audio conferencing
24%	Document sharing and storage
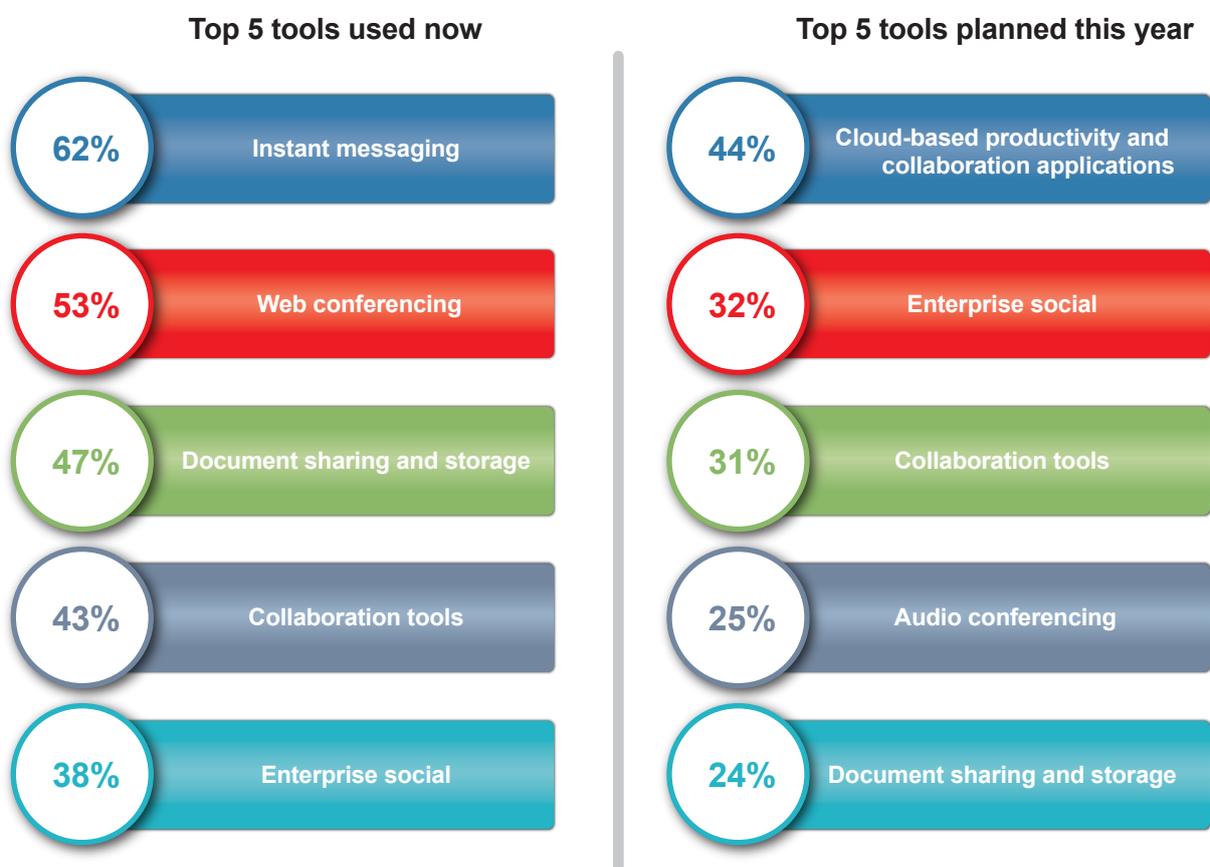
Source: Ovum UK Enterprise Survey

Businesses of all sizes can benefit from working with partners in transforming the workspace

With a mix of applications, devices, and services, as well as a shortage of IT skills, choosing the right partner(s) is critical to the success of any digital workspace initiative. Most organisations will find they need to work with MSPs at some point (see Figure 6), and when they do, they must ensure these partners have the right skills and tools and a clear roadmap that aligns with their own direction. It is important that a chosen partner recognises the diverse needs of the business, especially as these needs will continue to evolve over time.

Figure 6: Working with an MSP has several benefits compared to using in-house resources

MSP
- Dedicated staff and real-time support around the clock at competitive price points.
- Access to a proven set of latest tools, expertise, and cross-vertical best practices.
- Advanced knowledge of tools and processes that helps generate and analyse data to produce meaningful insights.
- Helps reduce complexities and costs, while still providing a level of control.

In-house
- Dependent on full-time employees (FTEs), hence costly and does not provide 24x7 support.
- Dependent on acquiring tools from a third party.
- May lack critical knowledge needed to use tools to address business objectives.
- Lack of available and relevant support and expertise that can aid utilisation of any technology.
- Resources expended on deploying and integrating applications can negatively impact time taken to achieve value.

Source: Ovum

As Figure 7 shows, UK enterprises are looking for a range of skills in key partners, but four areas stand out: the quality of service provider technology partnerships (rated critical by 42% of the organisations in our survey), end user support (39%), the ability to customise the solution to their own needs (37%), and the flexibility of commercial models (36%).

Figure 7: Organisations are looking for critical factors in workspace providers
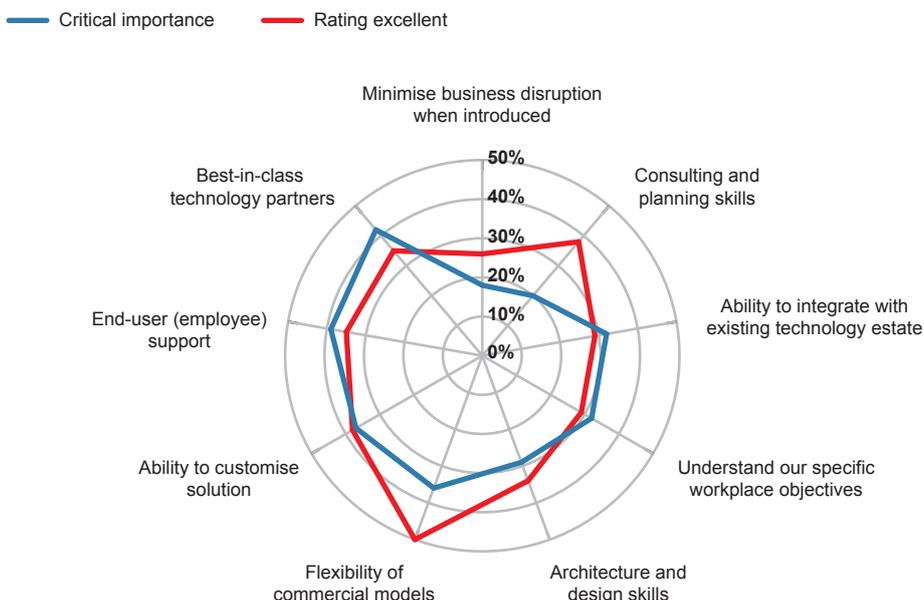
Source: Ovum UK Enterprise Survey

When asked to rate their existing service providers against these attributes, we can see that in two of the most critical areas – the ability to customise the solution and the use of best-in-class technology partners – service providers were not meeting expectations. The quality of technology partnerships is the most critical requirement, and it is one where existing providers fall short the most.

Conclusions: Workspace modernisation efforts present enterprises with both opportunities and challenges

- Employees across the business are working differently and with new workspace technologies. It is vital that organisations understand these changing needs in the context of their business, selecting the most appropriate partners, technologies, and services to assist their efforts.
- It is not just about technology issues. It is important that businesses remember that people should be at the heart of any workspace modernisation effort. Should businesses fail to recognise this, then the introduction of any new technology may well be unsuccessful. Resistance to change could be high among some groups of workers, and without training and encouragement, uptake will remain low and the desired benefits will not be achieved.
- Organisations of all sizes should look to work with partners that not only offer capable technology and services, but also show an understanding of their unique needs and the business outcomes they wish to achieve.
- Unifying communications and collaboration and mobility are important digitisation themes for organisations, hence the interest and priority for investment expressed in these workspace capabilities.

Appendix

Methodology

This research was developed based on findings derived from an extensive survey of senior decision-makers in 250 midsized to large enterprises, conducted in November/December 2017. Other data from Ovum's 2017 Workspace Services and ICT Enterprise Insights surveys was also used.

ABOUT OVUM

Ovum is a leading global technology research and advisory firm. Through its 180 analysts worldwide it offers expert analysis and strategic insight across the IT, telecoms, and media industries. Founded in 1985, Ovum has one of the most experienced analyst teams in the industry and is a respected source of guidance for technology business leaders, CIOs, vendors, service providers, and regulators looking for comprehensive, accurate, and insightful market data, research, and consulting. With 23 offices across six continents, Ovum offers a truly global perspective on technology and media markets and provides thousands of clients with insight including workflow tools, forecasts, surveys, market assessments, technology audits, and opinion. In 2012, Ovum was jointly named Global Analyst Firm of the Year by the IIAR.

For more details on Ovum and how we can help your company identify future trends and opportunities, please contact us at marketingdepartment@ovum.com or visit www.ovum.informa.com. To hear more from our analyst team join our Analyst Community group on LinkedIn www.linkedin.com/company/ovum and follow us on Twitter www.twitter.com/Ovum.

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