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SPECIAL REPORT

S&P Global Market Intelligence

How the Surge in Remote Work Is Impacting Workforce Communications

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Introduction

Organizations across all industries have experienced various levels of disruption as a result of the COVID-19 quarantine and the resulting work-from-home (WFH) mandates during the first half of 2020. Nearly six months into the widespread shutdown, organizations are evaluating the permanence of WFH policies and the long-term impact this will have on workforce communications.

As a follow-up to our 2019 survey and ensuing report, Beyond Conversation, Verizon and 451 Research/S&P Global Market Intelligence teamed up to conduct a quick phone survey with executives from both small and medium-sized businesses (SMBs) and enterprise organizations in order to better understand the impact that the COVID-19 pandemic and the shift to remote work have had on business and productivity, and the role of unified communications as a service (UCaaS) in business continuity.

Key Findings

- The COVID-19 pandemic has placed a spotlight on the criticality of UCaaS for business continuity.
- Organizations were able to quickly move beyond their initial response to the pandemic and are now focusing on the long-term implications of supporting a remote workforce.
- Security and reliability are emerging as key requirements for supporting a distributed workforce.
- The shutdown period has provided a testing ground for the 'new normal,' which could lead to significant improvements in workforce productivity.

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COVID-19 Proved the Criticality of UCaaS for Business Continuity

Our study showed that most IT decision-makers and end users consider UCaaS a business system that is ‘critical’ (35% of respondents) or ‘important’ (53%) for getting their work done. The pandemic has further reinforced this point, placing a spotlight on the criticality of UCaaS for business continuity.

This became evident in the early days of the shutdown, as businesses rushed to comply with WFH mandates. Participants in our phone survey stated that UCaaS was a key factor in their readiness and ability to comply with WFH mandates. Those organizations that had already deployed UCaaS (78%) believe it enabled a smooth transition, while those planning to deploy or in the process of deploying UCaaS (22%) saw the need to accelerate their efforts.

Figure 1: Organizations That Had Already Deployed UCaaS Saw a Mostly Smooth Transition to WFH

RESPONDENT QUOTES	UCAAS	COMPANY TYPE
"[UCaaS] truly has been the centerpiece. I cannot emphasize enough... without it, our productivity would greatly suffer, especially with everybody being at an individual location."	UCaaS fully deployed	Enterprise
"UCaaS tools are important for business continuity and enable work to take place wherever, whenever."	UCaaS fully deployed	Enterprise
"[UCaaS] allowed us to continue business... without that, we would have struggled quite a bit."	UCaaS fully deployed	SMB
"The pandemic forced us to accelerate the transition from traditional PBX [private branch exchange], quicker than initially planned – from 18 months to a year."	On-premises or UCaaS not fully deployed	Enterprise

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Work From Home Is the ‘New Normal’

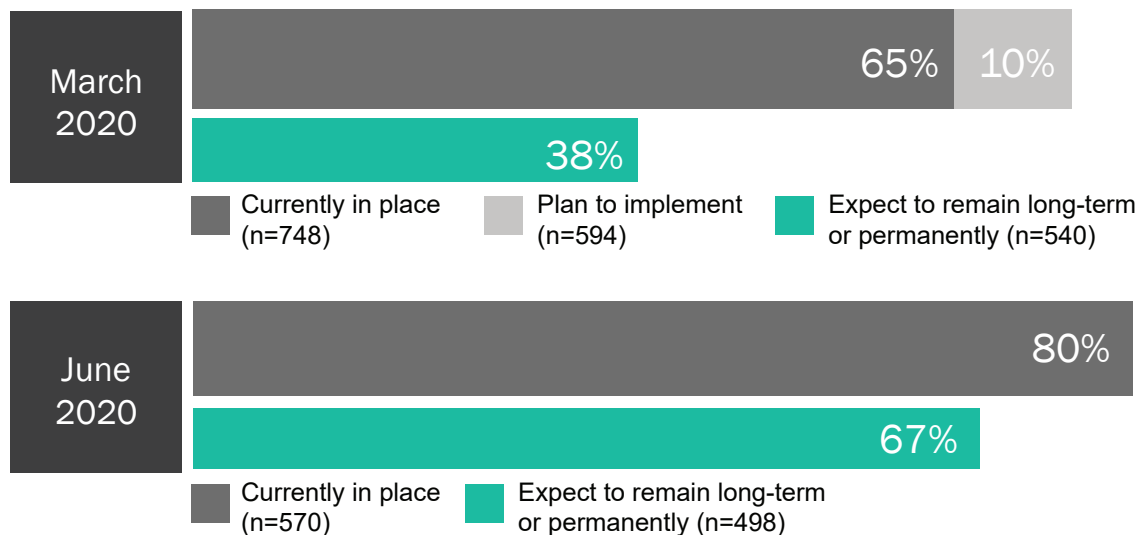
Our survey took place several months into the COVID-19 shutdown, allowing us to assess how businesses were adapting beyond their initial response. Our research shows that universal WFH policies that were implemented due to the pandemic will continue to be relevant, with most organizations looking to keep them in place long-term or permanently.

These findings are consistent with 451 Research’s Voice of the Enterprise: Coronavirus Flash Survey, June 2020, which shows that many organizations expect altered conditions to extend into or beyond 2021. Survey results show that two out of three respondents (67%) expect that their organizations will keep travel restrictions and WFH policies in place long-term (i.e., beyond the COVID-19 shutdown/quarantine period) or permanently. This is a significant increase from the 38% that expressed this expectation in March, as shown in Figure 2.

Figure 2: Expected Persistence of Expanded Work-From-Home Policies

Source: 451 Research’s Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey, June 2020

Two-thirds of organizations expect their expanded work-from-home policies to remain in effect long-term or permanently



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The Transition Came with a Steep Learning Curve for Some

Our research shows that the transition to remote work proved challenging for some organizations, with respondents saying that their organizations experienced longer lead times for customer service and product delivery, and longer working hours for some employees. However, most respondents stated that no significant productivity losses materialized, and those that initially experienced hits to their productivity were able to quickly recover.

Most participants in our phone survey reported that employees quickly developed the skills needed to get through the WFH learning curve and adapt to the 'new normal.' Meanwhile – as previously noted – those that had already deployed UCaaS and implemented flexible work arrangements pre-COVID-19 reported a mostly smooth transition.

Figure 3: The WFH Transition Was Challenging for Some Organizations, But They Quickly Recovered

RESPONDENT QUOTES	READINESS	COMPANY TYPE
"Initially, remote work was very difficult for some employees, and many of them were working more. At this time, however, employees have gotten used to it as they've needed to accept that it will be longer-term."	Initially struggled	Enterprise
"Our company was remote for the last few years, so the transition didn't really need to happen. We only had a very small number of people in our New York City office. Pre-COVID, 90% of employees were remote; now it's 100%... No big change in work hours or productivity, since the company always maintained flexible hours."	Mostly smooth transition	SMB
"We had a smooth transition to remote work in part because last year we moved everything onto the cloud and over to a VoIP system, so by March all the tools needed were in place. In February, we got a plan in place for home devices and VPN access."	Mostly smooth transition	SMB

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The New Normal Could Lead to Improvements in Workforce Productivity

Overall, survey participants stated that productivity has not been significantly affected as a result of the shift to remote work. Furthermore, as employees adapt to the new normal, some organizations are realizing unexpected benefits.

Participants in our phone survey stated that certain benefits – such as the flexibility afforded by WFH and the time saved commuting to and from work – could lead to improvements in workforce productivity. This reinforces a key finding from our 2019 report *Beyond Conversation*, which showed that UCaaS can play an important role in workforce transformation by enabling greater operational agility. While this was already an emerging trend, our latest survey shows that it is accelerating because of COVID-19 and the shift to WFH.

Figure 4: Flexibility of Remote Work Could Lead to Improvements in Workforce Productivity

RESPONDENT QUOTES	COMPANY TYPE
"We saw actually a fairly big uptick in productivity at the very beginning. Then as we've gone through several months of this now, the productivity has returned to normal, but it hasn't dropped off... "	Enterprise
"In some areas, I think we were more productive and produced more work. And I think [this is] because [we had] more concentrated [periods], less interruptions across staff because they're not in the office. And so, it's much more focused work time. So, I actually see some quality-of-work improvements and some throughput improvements because of the work-from-home model."	SMB
"I think generally – certainly for my team, which I'm the closest with – that we are more productive. We're actually working more hours because instead of commuting for the hour or hour and a half like I have, I can walk into my dining room and sit down at the computer, so I'm starting a lot earlier in the morning."	SMB
"Some teams have been more efficient and productive while remote because they are not being pulled into things as frequently and aren't being interrupted."	SMB

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Security and Reliability Are Emerging as Key Requirements

Most participants in our phone survey said the performance and reliability of their UCaaS system has been consistent during the pandemic. However, the shift to remote work brought several challenges, with security and service reliability being the most consistently cited issues. For several end users, a key issue in terms of service reliability has been bandwidth consumption. When it comes to security, participants from organizations in regulated verticals, including finance and healthcare, cited concerns around IT's ability to provide the same level of security to remote workers that they provide to workers in the office.

Figure 5: Security and Reliability Were the Most-Cited Issues for End Users During the Quarantine

RESPONDENT QUOTES	KEY ISSUES	COMPANY TYPE
"Some employees had issues with bandwidth consumption at home, so the organization had to start paying for extra bandwidth upgrades in some cases."	Reliability/ Bandwidth	SMB
"The biggest challenge... some folks didn't have that high-speed network connectivity in their houses, so we had to address those. Some had... children streaming with school, and their spouse... streaming for work. The bandwidth consumption was huge, so some had to increase their connectivity."	Reliability/ Bandwidth	SMB
"There were some [security] issues early on in March with some vendors. They seem to both have made changes to meet security and usage demands."	Security	SMB
"FINRA – the regulator in financial services – has typically allowed crew or employees that have access to customer accounts to only be in a secure office location. They've suspended that regulation due to the pandemic."	Security	Enterprise

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Our phone survey also found that the widespread shift to WFH added fuel to the ongoing debate over unified suites vs. ‘best of breed’ solutions. While they showed an even split between the two approaches, survey participants expressed a preference for the practical aspects of unified solutions – including security and productivity – while some respondents showed hesitation with regard to a single platform’s ability to be ‘great’ at everything.

Figure 6: Respondents Prefer the Practical Aspects of Unified Solutions, But Believe ‘Best of Breed’ Provides Superior Capabilities

	PROS	CONS
UNIFIED SOLUTIONS	<p>Security: "We may have less security concerns than with disparate solutions as opposed to having all the company information in one place."</p> <p>Productivity: "We prefer an integrated tool vs. best-of-breed because there is less to track and maintain (less apps to keep open, less tools to remember to check)."</p> <p>Cost of ownership: "We prefer one tool with integrations vs. best-of-breed approach for scalability purposes and benefits from an opex and capex perspective."</p>	<p>Technology: "Ideally, it would be one just from a management perspective and a training perspective, but... that means you have one provider who’s not really good at a bunch of things..."</p>
BEST OF BREED	<p>Technology: "...The ones who need specific features really rely on them. Also, it gives employees more freedom to pick from an array of best-of-breed tools instead of sticking within one provider’s tools."</p>	<p>Complexity: "It does take more training, and not everyone used all the features."</p>

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Conclusions and Long-Term Considerations Post-COVID-19

Results from our phone survey reinforce several key points from our previous survey. As one of the few technologies that is relevant across the entire workforce, business and technology leaders are considering UCaaS for more than just its functionality as an employee communication tool. UCaaS is emerging as a critical business system for personal and team productivity and as a reliable, single source of truth for interactions between employees and their peers, partners and clients.

The COVID-19 pandemic and the shift to WFH in the first half of 2020 have reinforced the relevance of UCaaS as a critical business system. UCaaS can remove much of the pervasive friction that a distributed workforce might experience in their daily work, acting as plane of connectivity across applications and enabling employee engagement and team alignment, even in crisis situations.

Nearly half a year since the shutdown began, organizations are beginning to look at their long-term requirements, with remote work becoming the new normal for a substantial number of employees and organizations. However, while most organizations have adapted, our research shows that several key challenges remain. The need to support an unprecedented number of remote workers has uncovered the security risks that a distributed work environment entails, highlighting that complexity will increase exponentially with the number of communications and collaboration tools that organizations have in place.

Moving forward, these factors will require organizations to plan their communications and collaboration strategy based on securely supporting WFH policies and flexible work arrangements. We also expect this will lead organizations to streamline the number of tools that employees use for communication and collaboration.

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Methodology

451 Research conducted a quick phone survey during the month of July 2020. The survey was conducted with 18 business and tech executives from both large enterprises and small and medium-sized businesses (SMBs) in different industries, each of whom had some level of responsibility for managing their company's UCaaS deployment. Lasting approximately 30 minutes, the survey comprised 10 open-ended questions covering topics such as the impact of the COVID-19 pandemic on the organization's workforce productivity technology and the shift to remote work. This paper also relies on key data points from 451 Research's Voice of the Enterprise: Coronavirus Flash Survey, June 2020.



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