Coronavirus quick fixes aren't scalable; business leaders must rethink work itself

MARCH 26 2020

By Chris Marsh

The public policy and business responses to the coronavirus crisis are fast moving and growing in severity. With increasingly stringent self-isolation measures causing an unprecedented shift to remote work, businesses need to carefully and comprehensively think about how to effectively enable prolonged work at scale.

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An immediate, sharp shock

The data from our Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey March 2020, which we conducted with over 800 technology decision-makers, paints an extraordinary picture.

- 78% of businesses believe it's already had a negative operational impact.

- 88% are spending less on business travel.

- 62% have already experienced a fall in employee productivity, or expect to in the next three months.

- 41% report having already felt an internal strain on their IT resources.

- 34% have delayed/halted strategic hiring plans, and 22% the rolling out of new products or services.

- A net 10% of companies are spending less on labor.

And this is what currently looks like only the start of the crisis. The rapidly changing circumstances even showed over the two-week period we fielded our survey. Over that short period, the proportion of businesses reporting falling customer demand, IT strain, productivity drop-offs and reductions in materials supply almost doubled.

There may be worse to come – 8% of businesses already report experiencing a major business disruption, such as losing a major client or defaulting on debt obligations. If the crisis continues in its current state, 31% won't last more than three months before they also suffer such a disruption, rising to 52% within six months. Many businesses are in highly precarious situations.

'[The] Lack of travel and face-to-face interaction with customers will damage sales. Our training and coaching services are primarily on-site at worldwide customer locations."

-Senior Management, 1-249 employees, less than $1m, Business Services

'We rely on a few large income periods during the year. One of these is right now and we've had nothing. A total loss of income. Our standard six-month cash cushion is down to two months, and unless some major things happen soon, we will be wiped out."

-Other, 1-249 employees, less than $1m, Other

'The damage being done to businesses and employees because of closings and cutbacks will last for 12 months or more."

-Other, 1-249 employees, $10m-99.99m, Manufacturing

'Prolonged disruption of upstream component supply chain will impact our ability to fulfill customer orders for finished products. Switching providers is not trivial, and would require significant time and expense."

-Midlevel Management, 250-999 employees, $10m-99.99m, Software and IT Services
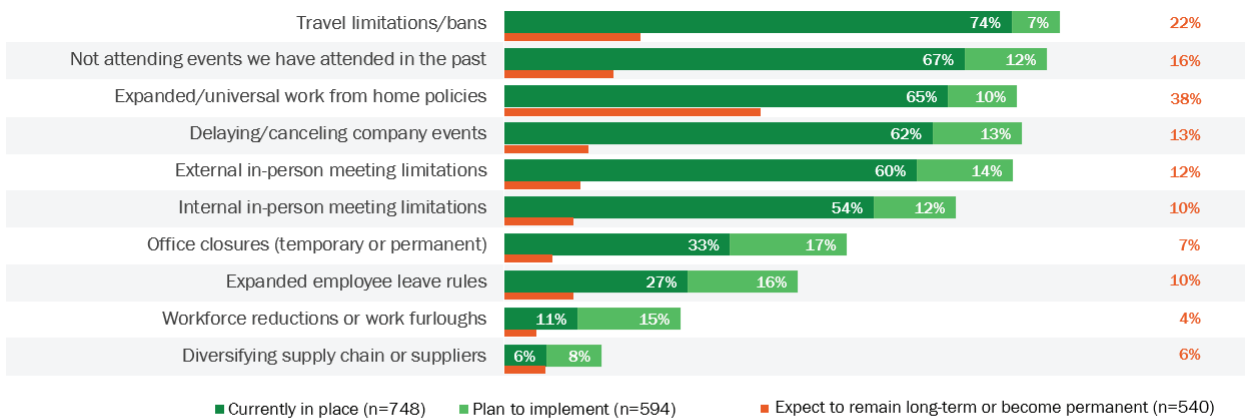
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The shift to mass remote work will likely expose how much work across the enterprise has been stitched together based on assumptions, tradition, conversations, meetings and siloed tools giving very imperfect information, as well as reliance on rigid business systems, email and pure-play collaboration apps absent impactful workflows. The danger is that, on the precipice of serious disruption, companies will resort to quick fixes to support remote working. Team collaboration tools aren't the answer to the five key challenges business now face: a hugely dynamic external environment, broad and compounding impacts across the workforce, unsettled and anxious employees, a reduced amount of useful context to inform projects, and competitive disruptions as companies look for opportunities amid the crisis. A range of technologies and strategies are there to respond effectively, and if business leaders do the considered thinking now, they may find it pays off in the long run when the crisis abates.

Remote work strategies and spend drastically ramp up

The vast majority of businesses have or will soon be implementing what, under almost any other circumstances, would be radical changes.

Some mitigation strategies businesses have put in place may prove to be long-term

	Currently in place (n=748)	Plan to implement (n=594)	Expect to remain long-term or become permanent (n=540)
Travel limitations/bans	74%	7%	22%
Not attending events we have attended in the past	67%	12%	16%
Expanded/universal work from home policies	65%	10%	38%
Delaying/canceling company events	62%	13%	13%
External in-person meeting limitations	60%	14%	12%
Internal in-person meeting limitations	54%	12%	10%
Office closures (temporary or permanent)	33%	17%	7%
Expanded employee leave rules	27%	16%	10%
Workforce reductions or work furloughs	11%	15%	4%
Diversifying supply chain or suppliers	6%	8%	6%

■ Currently in place (n=748) ■ Plan to implement (n=594) ■ Expect to remain long-term or become permanent (n=540)

Q: Which, if any, of the following strategic plans has your organization delayed, reduced or halted as a result of the situation surrounding the coronavirus outbreak? Please select all that apply.
Q: Do you expect your organization to put any of the following new policies or changes into place as a result of the circumstances surrounding the coronavirus outbreak? Please select all that apply.
Q: Do you expect any of these new policies or changes to remain in place long-term and/or become permanent? Please select all that apply.
Base: All respondents
Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey March 2020

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

The standouts are the 75% that already have or will be implementing expanded work-from-home policies in response to the crisis, and the 38% that think those policies will be long-term or made permanent. This is startling data, given that for most businesses remote work (if supported it at all) has typically meant only for some employees and only some of the time.

'With so many staff 'out of the office,' so to speak, for longer terms, plus as a new process for staff previously not exposed to work-from-home, ensuring smooth operations will require time to ramp back up."

-Other, Government/Education

'Remote access infrastructure enabling work-from-home is overwhelmed at primary client. Not enough capacity for everyone to work from home. This is affecting productivity, and will likely result in delayed project timelines and increased project costs."

-Senior Management, 1-249 employees, $1m-9.99m, Other

'[Our] Organization is risk-averse and traditionally valued 'presenteeism,' so managers are having to adjust to trusting people when remote working."

-IT/Engineering Managers and Staff, $100m-999.99m, Government/Education

'Adjusting workflows to support entire departments working entirely remote, and providing technology to support those changes (e.g., a replacement for physical fax machines used for sending documents to customers and partners)."

-IT/Engineering Managers and Staff, 1-249 employees, $10m-99m, Retail

'Specific legal processes that vary across jurisdictions and have historically been handled in person (e.g., court appearances, paper filings etc.)."

-Midlevel Management, 1,000-9,999 employees, $100m-999.99m, Business Services

'We are a face-to-face company, relying on personal connection and relationship with clients. We have never built our remote access capability for over 80% work-from-home across the globe."

-IT/Engineering Managers and Staff, 1,000-9,999 employees, $100m-999.99m, Finance

Responding to the challenge, 43% of businesses are spending more on collaboration and communications tools, which reflects the reported growth in adoption from some of the popular collaboration tool vendors. Slack recently reported that it gained 7,000 new paid customers between February 1 and March 18, a 40% increase over its previous two quarters. Microsoft also announced significant growth in Teams users in recent weeks.

In our survey, mobile devices and services came second, with 37% ramping up spend; bandwidth and network capacity came third, with 32% spending more. The table below shows the splits by company size, and those verticals tending to invest more than average across the board.

Increased spend on technologies in response to the coronavirus outbreak.

	AVERAGE	1-999 EMPLOYEES	1,000+ EMPLOYEES	FINANCE	MANUFACTURING	GOVERNMENT/ EDUCATION
COLLABORATION AND COMMUNICATIONS TOOLS	43%	33%	57%	55%	52%	58%
MOBILE DEVICES/ SERVICES	37%	28%	49%	55%	41%	54%
BANDWIDTH/ NETWORK CAPACITY	32%	22%	49%	47%	39%	35%
INFORMATION SECURITY SOFTWARE/ TOOLS	28%	18%	44%	40%	30%	39%
EXTERNAL/ HOSTED/CLOUD IT INFRASTRUCTURE	18%	13%	26%	24%	21%	23%
INTERNAL IT INFRASTRUCTURE	17%	13%	25%	29%	17%	9%
THIRD-PARTY SERVICES (E.G., INSTALLATION, MANAGED SERVICES, ETC.)	8%	6%	9%	11%	6%	16%
NONE	29%	40%	12%	15%	20%	14%

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

Be wary of quick fixes

In a previous report we showed how only 13% of employees spend all of their time working remotely. Implementing prolonged and expanded remote work policies therefore represents (for the vast majority of businesses) a significant break from the norm, coming with new and significant cultural, operational and technical challenges.

This prompts a very important question: How should businesses prepare for this scenario? Much of the initial industry reaction has been myopic. Shifting more work into email, virtual conferencing and other team collaboration tools won't make up for the productivity losses many have already experienced. They certainly aren't on their own long-term solutions, and they may actually introduce more friction into employees' day-to-day work.

Before the current circumstances, fixing that problem was rising up the agenda of business and technology leaders. Our Voice of the Enterprise: Workforce Productivity & Collaboration: Employee Lifecycle Q2 2019 survey shows that transforming workforce productivity and collaboration is the single most important strategic focus for IT-led digital transformation initiatives. Wanting more operational agility, a growing number of businesses have been focusing on removing the pervasive friction across the siloed tools, information and data, and unactionable conversations and meetings that pervade almost every employee's typical day-to-day experience and can make execution against corporate strategies highly challenging.

Improving the workforce's collaboration and productivity tools is a transformation priority for IT

% of Respondents (n=639)
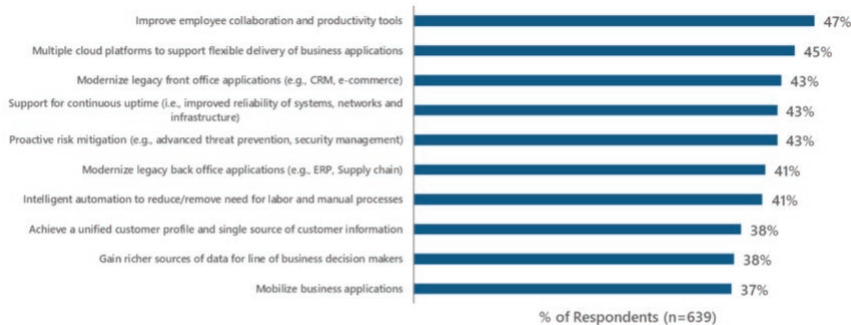
Source: 451 Research's VotE: Workforce Productivity & Collaboration, Employee Lifecycle 2019

This is now even more of a priority, given the compounding impact on workforce dynamics. Our coronavirus survey reports the following.

- 34% are delaying or reducing the hiring of staff.

- 11% are delaying or reducing geographic expansion plans.

- 11% have already reduced or furloughed workers, 10% expect to.

- 10% are delaying or reducing making strategic partnerships.

- A net 10% of businesses are reducing spend on labor.

The idea that business can be done as usual, just remotely, is fanciful. The answer has to be more than provisioning new mobile devices, extra licenses for their popular conferencing tools, and shifting more workflows into messaging platforms and email.

Many businesses may find their workforces having to do more – with more friction, but with fewer resources. This will advantage technology-forward businesses that already have a track record in automating their business processes and digitizing assets. This already shows in the initial response to the crisis – digital leaders are more likely to be planning and investing to adapt, implementing mitigation strategies to a greater extent than laggards.

Responses to the current crisis may further separate digital leaders from laggards

Note: We define digital leaders as those businesses already with formal transformation strategies for digitizing business processes and assets. Digital laggards are those without any such strategy.	DIGITAL TRANSFORMATION LEADERS	DIGITAL TRANSFORMATION LAGGARDS
Strongly agree that their organization's response has been excellent.	56%	42%
Increasing spend on employee communication/ collaboration technologies.	50%	31%
Increasing spend on mobile devices/services (e.g., phones, tablets, laptops, connectivity).	46%	24%
Not increasing spend on new technologies.	19%	45%
Expanded/universal work-from-home policies already implemented.	80%	40%
Already experienced major disruption, or only able to function for another two months without one.	18%	30%

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

Pointers on keeping your workforce productive and engaged

This crisis will likely highlight just how much work is the sum of stitched together assumptions, conversations, imperfect data, siloed tools and unsatisfactory employee experiences. Businesses have to be careful not to double down on work practices that many employees didn't favor before the crisis – 25% of nonmanagerial employees prior to the current circumstances wanted more time focusing on their own work, not in conversation with others; 33% wanted less time in email and messaging apps.

The temptation now will be to over-rely on those tools, which would introduce more friction into an already hugely disruptive time. Businesses should look instead to tooling that provides visibility, trackability, automation, reporting and planning around work initiatives for which synchronous conversation and asynchronous messaging should be a secondary support, not a replacement.

More specifically, there are five key challenges businesses now face, each of which requires its own technology approach.

- A hugely dynamic external environment.

- Broad and compounding workforce impacts.

- Unsettled and anxious employees.

- Reduced travel, fewer meetings and less access to key information.

- Competitive disruptions as companies look for opportunities amid the crisis.

The situation will likely remain highly dynamic for a while, with compounding disruptions and businesses having to take their lead from public policy prescriptions and the resulting fallout. Now's the time to get on the front foot and align corporate performance management, project management, business intelligence, key systems of record and communications tools, to ensure the right data is being fed into the right decision-makers. Use this data to scenario-plan around major disruption events so you can respond with clarity and velocity when needed.

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Existing employees may need to do more with less, given broad-ranging workforce impacts such as possible reductions in the size of workforces and freezes on new hiring. That's a big ask, especially given the fall in productivity many employees will experience due to the disruption. This makes it critical to manage your people resources effectively. Inventorying your employees' skills, ensuring visibility into workloads and across key projects, mapping critical dependencies between people and projects, and periodically assessing sentiment from your teams will help identify bottlenecks, redeploy slack where it exists and identify workarounds to avoid disruptions.

Feelings of isolation, vulnerability and distraction at the scale of the outbreak and its socio-economic impacts will be behind a lot of the fall in productivity. Now's the time to double down on focusing and engaging your workforce. Measuring sentiment across your workforce, overcommunicating your organization's response to the crisis and any available support policies, and recognizing and rewarding contributions won't go amiss. Clarity around responsibilities and goals and easy access to critical information can also support employees feeling engaged, in control and able to focus.

For those businesses able to weather the initial shocks, new opportunities and new threats from their competition will emerge as businesses look to 'not waste a crisis,' as the saying goes. It will be important for businesses to stay connected to their external ecosystems of partners, influencers and other communities, to maintain a pulse on shifts in market dynamics. A pre-crisis trend was the internal crowdsourcing of ideas on strategic company initiatives from their workforces – another valuable source of input, not least for how to respond as an organization to the current circumstances.

Finally, and not to be underestimated, much of the context that employees' previously would have captured from travel to events and meetings, from conversations with peers and from their networks of relationships, will now be much less easy to come by and leverage. Look for tools like collaborative and immersive workspaces that can help compound, share and amplify the value of context where it exists – bringing conversations, documents, data and people in one place rather than having them siloed in separate applications.