REMOTE WORK: A COMPREHENSIVE GUIDE ON THE 'WHAT?', 'WHY?' & 'HOW?'

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This document provides a comprehensive overview of how remote work impacts employee productivity along with financial and customer experience performance results.
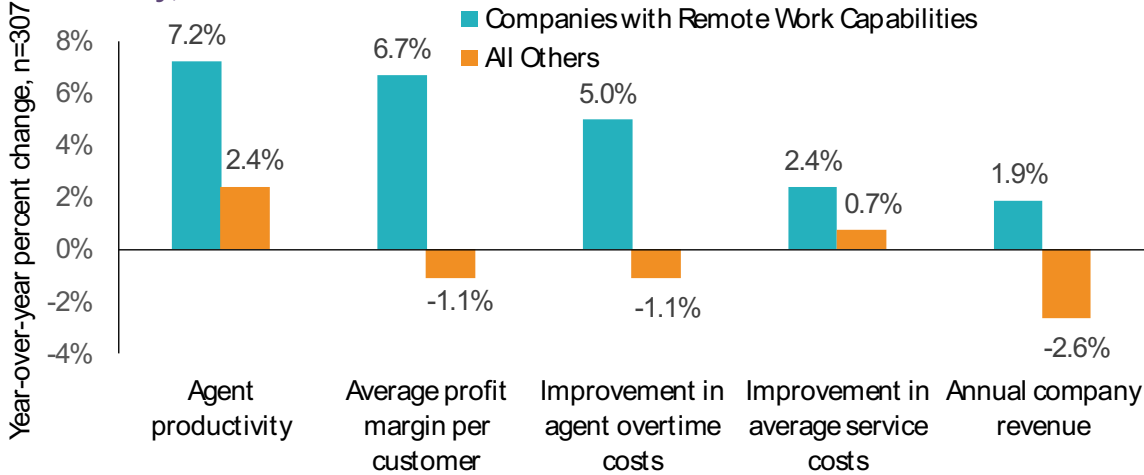
The ROI of Remote Work

The COVID-19 pandemic has truly transformed the workplace. Local and national health restrictions governing workplace requirements have pushed firms across many industries to adapt to a remote work model (see sidebar). To this point, findings from Aberdeen's 2019 *Contact Center* survey showed that only 14% of businesses had remote work capabilities in place in 2019 — before COVID. Aberdeen's 2020 *Contact Center* survey conducted in June 2020 (well after the initial stages of COVID) shows that **remote work adoption has reached 51% — indicating an almost triple the increase within just one year.**

Both of the aforementioned surveys were global, including responses from companies of all sizes and industries. Hence, we can infer that remote work adoption has skyrocketed around the globe, across a variety of industries. It's not just the contact center where remote work adoption has increased — business departments ranging from sales and marketing, to IT, operations, and finance have adopted a remote work model to remain in compliance with relevant health regulations and maintain the safety of their clients and employees.

As remote work adoption increased, so did the voices of skeptics who preferred the 'old-school' way of doing business: employees on-location at work sites (e.g., offices, stores and warehouses). Some business leaders are still skeptical if employees can indeed do their jobs working remotely and achieve organizational goals. To answer this question, Aberdeen compared the year-over-year performance change observed by firms with remote work capabilities to those without it (Figure 1).

Figure 1: Firms with Remote Work Capabilities Enjoy Superior Employee Productivity, Cost Decrease & Revenue Growth

Source: Aberdeen, September 2020

Definition: Remote Work

For the purposes of this research, Aberdeen defines remote work as companies enabling their employees to work remotely (e.g., home).

To determine the impact of remote work, we specifically analyzed the attributes of firms with remote work capabilities in place for at least 18 months (since early 2019). These firms had more than one year to implement remote work capabilities and improve them. Hence, this helps reveal how remote work affect company performance in the long-run, instead of short-term results (e.g., monthly or quarterly).

We also included firms with all types of remote work usage. Prior to the health restrictions due to COVID, most firms with remote work capabilities used a hybrid model where employees can work at a worksite and an office during different days of the week. Similarly, some employees can work remotely while others are working in a dedicated worksite.

Focusing on firms with long-term remote work capabilities also concentrates our analysis on firms that established remote work as an intentional pillar they want to use to achieve their goals, instead of a necessary one to address short-term operational needs resulting from local regulations limiting employee headcount in physical workspaces.

Data shows that **firms with remote work capabilities enjoy 3.0x greater annual increase in employee productivity** in the contact center (7.2% vs. 2.4%). This is a critical finding, as it shows that *when implemented the right way,* remote work capabilities enable employees to accomplish more within the same amount of time, compared to their peers without access to these capabilities (see sidebar). Such productivity growth is observed for numerous reasons. One of them is the streamlining of employee communication and collaboration using technology tools such as unified communications (UC) — a technology capability adopted 76% more widely by firms making use of remote work (60% vs. 34%).

Leveraging such technology, employees can more easily find and communicate with peers without the need to walk throughout an office or travel to a different worksite. One of the other sources of productivity increase for employees is reducing unplanned disruptions in the workplace. Some unplanned conversations that happen in the hallway or by the water cooler and cafeteria are highly beneficial. They provide opportunities for employees to communicate and collaborate in-person, generate new ideas, as well as nurture a team / company culture. However, some of these unplanned conversations also revolve around non-work-related topics (e.g., weekend sporting events, concerts, etc.) and it's those conversations that bond employees to a certain degree but don't deliver measurable productivity benefits for firms without remote work capabilities.

Nonetheless, a common concern when it comes to remote work is whether employees are spending their time doing their jobs, instead of browsing the internet, watching TV shows, or engaging in other non-work-related activities. Data shows **savvy firms proactively monitor employee productivity to ensure their remote work program success.** Specifically, they are 2.1x more likely to use desktop analytics to monitor employee desktop (70% vs. 34%). Desktop analytics is a technology capability that allows business leaders to monitor active screen time, percent of time spent doing specific tasks, application usage, etc., so companies can ensure that employees spend their time doing their job when working remotely. The insights gleaned through monitoring the employee desktop not only helps firms monitor employee productivity, but also reveals opportunities for coaching and guidance. For example, if employees take a long time to complete a certain task, then they can be trained on how to more effectively complete the task. That's another reason why, in terms of improving employee productivity, firms with remote work capabilities get ahead of their peers without it.

As a best practice, firms using desktop analytics should let employees know that their activities are monitored when logged into work devices. This provides more transparency within the company / employee relationship. It's also recommended that desktop analytics isn't used in a silo as the only tool to measure employee productivity. For example, a contact center agent may have high active screen time, handling a high number of customer issues, but may handle each issue poorly — resulting in repeat customer contact and frustrated clients. Similarly, an employee may be more effective one day and complete scheduled tasks in a shorter period than others. This doesn't mean that the employee isn't productive, since all tasks are completed.

For a more holistic and balanced approach to measuring and managing productivity, firms also **utilize business intelligence tools to analyze employee performance across key performance indicators** (KPIs). Specifically, this gauges employee performance across metrics such as customer satisfaction, first contact resolution, etc. The results of this analysis allow firms to continuously improve their remote work capabilities by providing each employee with the right coaching and guidance they need to do their jobs. When doing so, firms may also uncover that they need to improve some existing processes that result in inefficiencies.

Aberdeen research shows that savvy firms that succeed with remote work are 49% more likely to use the analytical process noted earlier (61% vs. 41%). In turn, this allows them to improve (<u>decrease</u>) their service costs by 3.4x more year-over-year, compared to companies without remote work capabilities (2.4% vs. 0.7%). For a service organization observing $10 million in annual service costs, this 1.7% delta (2.4% minus 0.7%) enjoyed by effective use of remote work translates to $850,000 in cost savings within five years ($10 million times 1.7% times five years).

Remote work users also report 1.9% year-over-year growth in annual revenue, compared to 2.6% worsening by others. While both this revenue growth and the service cost numbers may seem rather small, they have significant financial impact on company results. Assuming that the business mentioned in the above paragraph also generates $100 million in annual revenue, the 4.5% delta in revenue growth (2.6% minus negative 1.9%) means that the company enjoys $22.5 million more in revenue growth ($100 million times 4.5% times five years). Together, **adding remote work helps this business with $23.5 million in financial benefits within five years** which equals an annualized gain of $4.67 million each year.

To further expand on the cost savings associated with remote work capabilities, Figure 1 also shows that firms with this capability enjoy 5.0% annual improvement (<u>decrease</u>) in agent overtime costs and 6.7% growth in average profit margin per customer, compared to 1.1% worsening observed by firms without it across both metrics. These are important because it shows that when firms manage remote work programs effectively, they improve agent productivity and utilization, which in turn helps them control costs.

While cost reduction is a key objective for service organizations, findings from Aberdeen's June 2020 *The Intelligent Contact Center* survey shows that improving customer experience (CX) results and consistency ranks as the number one objective firms aim to achieve. Companies with remote work capabilities also enjoy superior performance improvements across their CX results (Figure 2). Specifically, they report 2.2x greater annual increase in customer satisfaction rates (9.2% vs. 4.1%) coupled with 3.1x greater annual increase in customer retention rates (10.0% vs. 3.2%). Together, these findings signal that companies don't need contact center agents to be physically located in a call center to have them address customer needs. **When provided with the right tools and information, employees can address client issues — regardless of their physical location.**

Remote work helps companies improve employee productivity, decrease costs, boost customer spend while delighting clients.

However, simply allowing employees to work remotely doesn't guarantee success. In fact, a poorly implemented remote work program is more likely to result in lack of productivity, increase in costs and unhappy clients. For firms to truly achieve the maximum benefits from remote work, they must implement a series of key building blocks covered in this report.

Figure 2: Firms with Remote Work Capabilities Outperform Others in Delighting their Clientele
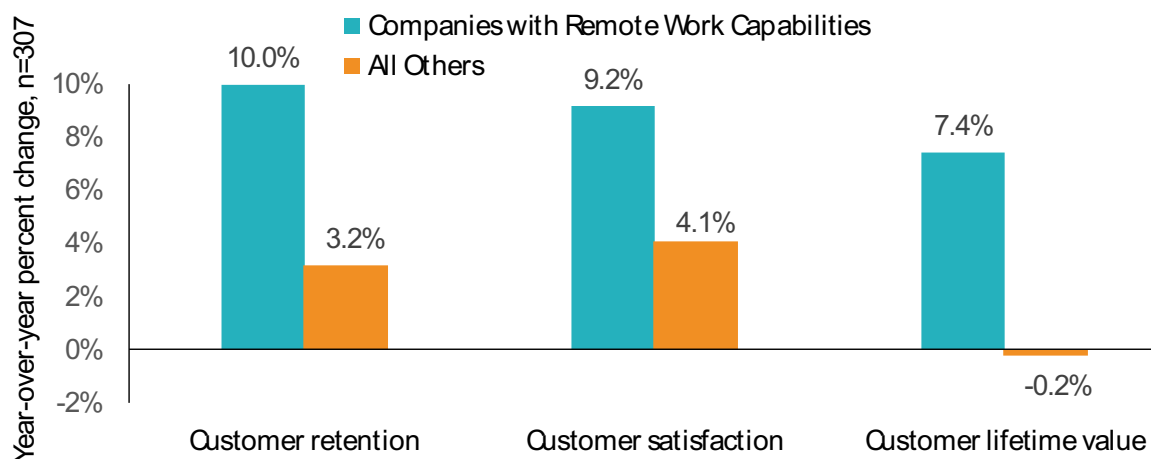
Source: Aberdeen, September 2020

It's important to note that while the findings in Figure 2 reflect the benefits observed by contact centers with remote work capabilities, other departments across the business are also empowered to accomplish similar CX performance improvements. For example, a sales representative doesn't need to be physically working in an office to sell new products / services if the rep can access the tools and information they need to sell remotely. Similarly, a marketing manager doesn't need to be in an office to launch a marketing campaign to a target audience.

Enriching remote work capabilities with technologies (noted in the sidebar on page 3) such as predictive analytics and AI also allows firms to provide remote employees with more contextual guidance to address customer needs — even when working remotely. As an example, using speech analytics, the company can analyze agent / customer conversation in real-time. Using machine learning algorithms combined with the help of predictive analytics, this data can then be compared to existing insights to predict customer churn risk. If the conversation is deemed to pose a churn risk, the agent can be automatically provided with AI-enabled, next-best-action guidance in the form of a screen pop-up on the agent desktop suggesting next steps to minimize churn risk.

Companies using digital channels (e.g., web, social media, chat, messaging) to interact with their current and potential customers are the ones that particularly benefit from remote work. Firms whose activities are limited to in-person interactions (e.g., hair and nail salons, gyms) will need to find innovative ways to incorporate digital capabilities (e.g., gyms offering online classes) within their activities to benefit from remote work capabilities. Aberdeen's March 2020 *CX Executive Agenda Study 2020* study indicated that 77% of companies use at least two digital channels to interact with their customers. The COVID-19 pandemic has accelerated adoption of these channels, boosting company use of at least two digital channels to an estimated more than 80% of firms.

One of the common mistakes companies make when they first incorporate remote work capabilities is not training employees and managers on how to get the most out

A common concern when it comes to remote work is whether employees are spending their time doing their jobs, instead of browsing the internet, watching TV shows or doing other non-work-related activities. Firms that get the most out of remote work programs proactively monitor employee productivity to ensure their remote work program success.

They also go beyond tracking employee activity through metrics such as active screen time. Instead, they focus on results such as change in customer satisfaction and cross-sell / up-sell revenue to implement a truly accurate and objective approach to manage remote work.

of it. It's not enough for companies to provide employees with laptops to do their jobs remotely; to satisfy continuously changing customer needs, firms must also implement best practices such as regular meetings to discuss program delivery for an important account. Implementing such best practices to get the most out of remote work ultimately enables companies to improve their CX activity results, leading to growth in customer spend. In fact, Figure 2 shows that **firms using remote work capabilities enjoy 7.4% annual growth in average customer spend, compared to 0.2% worsening by those without it**.

Key Takeaways

Remote work helps companies improve employee productivity, decrease costs, and boost customer spend while delighting clients. And it's not just the contact center and the customer service departments enjoying these results. Companies across all industries, of all sizes, around the world benefit by empowering employees to do their jobs without being confined to a specific workplace. It helps expand the talent pool they can draw from while improving employee engagement, as employees are typically more likely to be engaged and productive in their roles when they can integrate their work and life activities harmoniously through remote work capabilities.

However, simply allowing employees to work remotely doesn't guarantee success. In fact, a poorly implemented remote work program is more likely to result in lack of productivity, increase in costs, and result in unhappy clients. For firms to truly achieve the maximum benefits of remote work, they must **first determine which activities can be done remotely**. As an example, while a contact center agent working at a telecommunications company can address customer issues remotely, a retail store associate responsible from managing inventory needs to be on-site to do their job. So, the first step in implementing remote work capabilities should be determining which jobs require employees to be physically present at a worksite. Firms may find that some jobs may not require full-time physical presence, in which case, even employees who need to be present at a worksite during certain times can also do their jobs remotely at other times.

The next step in the process should be to **train both employees <u>and</u> managers on how to do their jobs remotely**. This process ensures that each employee is provided with the right tools and information by the company. It also ensures that employees know how to use different tools to remain productive when working remotely. Firms should **implement regular communication and collaboration processes** in order to minimize the risk of some employees feeling that they may not be receiving the support they can otherwise receive when working at a worksite. Such processes also help establish and maintain camaraderie, which is an important attribute of companies that rely on teamwork, innovation, and delivering omni-channel customer experiences.

One of the struggles companies face when using remote work is onboarding new employees. While firms can expand their talent pool by allowing employees to work remotely, training those employees is an area companies may struggle since traditionally, new employee orientations and training are done at worksites — allowing employees to meet and interact with different departments and learn in-person.

However, many firms (particularly in the high-tech and professional services industries) have also successfully implemented remote onboarding programs. To optimize employee hiring and onboarding activities, we recommend companies **leverage unified communications capabilities where new employees can interact with colleagues through video, phone, and messaging**. We also recommend **determining which onboarding activities require physically being present at a worksite**. This enables firms to ensure that employees receive relevant, in-person training (applicable) to succeed in their roles while also leveraging the benefits of remote work capabilities.

To ascertain that employees truly remain productive and perform at the levels needed to help the company achieve its goals, remote work capabilities should also be enriched with use of analytics. Specifically, use of desktop analytics allows companies to **monitor and measure employee productivity by observing metrics such as active screen time and task completion rates**. However, activity and results don't always go hand-in-hand. To go beyond measuring employee active time on a screen and ensuring that employees also address customer needs, we recommend **using business intelligence tools to measure employee performance across KPIs such as customer satisfaction, repeat contact, and cross-sell / up-sell revenue**. Using these analytical insights, companies can form a more objective and data-driven approach to evaluate remote employee performance. They can use these insights to provide targeted employee coaching and guidance and adjust their remote work program to address any inefficiencies while maintaining its strengths to deliver positive outcomes.

About Aberdeen

Since 1988, Aberdeen has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen is headquartered in Waltham, Massachusetts, USA.