Building an Employee-first Collaborative Enterprise in the Era of Flexible Work

FROST & SULLIVAN WHITEPAPER

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Introduction

Disruptive times, such as the first two years of the COVID-19 pandemic and the current uncertain macro-economic scenario, call for organizations to transform—their culture, brand, and how they work and connect both internally and externally. The pandemic has been equally disruptive for workers, compelling many to re-evaluate their priorities and career choices.

For many, work no longer confines them to a specific place or a fixed schedule. Today's dispersed workforces expect to have the flexibility to perform their work from the location, network, and device of their choosing. They encompass several work styles, ranging from tethered employees based in a single location to hybrid/remote workers who spend time between remote and dedicated locations to nomadic/mobile workers with roles that require them to operate on the move, often across multiple locations.

Organizational leaders need new strategies to attract and retain qualified talent as more workers pursue new job opportunities. In today's fluid work environment, an organization must center on employee empowerment and customer engagement to achieve excellent financial performance, enhance brand reputation, and deliver customer value.

A strong digital foundation is a prerequisite for employee retention in the new era of flexible work. Advanced digital technologies underpin the agile, work-from-anywhere workplace and differentiate it from pre-pandemic, legacy workplace practices.

> More specifically, cloud communications solutions are essential to digital foundations. Moving to the cloud enables leading-edge organizations to successfully manage hybrid work environments, increase productivity across diverse workforce demographics, and maintain effective contact with customers.

Modern cloud services platforms effectively support mobility and provide flexible application programing interfaces (APIs) that allow businesses, service providers, and third-party developers to tailor communications and collaboration solutions to specific use cases and IT environments.

Chapter I: Cloud Collaboration Empowers the Flexible Workforce

Competing by Putting Employees First

Attitudes and perceptions about work have changed forever. The global pandemic forced businesses to rapidly embrace a work-from-home model, particularly for knowledge workers who readily pivoted to the new setup. Now, years into the global remote work paradigm, many organizations have a more nuanced appreciation for the benefits of flexible work. Most business leaders acknowledge that remote workers are as productive or more so than their on-site counterparts, and that reducing office real estate and related overhead expenses delivers significant cost savings.
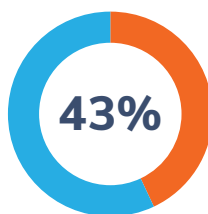
A 2022 global Frost & Sullivan survey of IT/telecom decision makers reveals that hybrid work models will be common in the future:
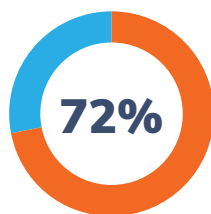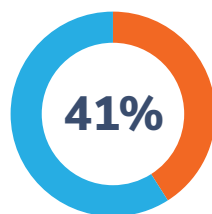
72% — IT/telecom decision-makers report that more than one-fourth of their employees will work remotely, part or full time, in two years.
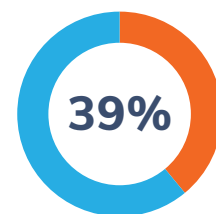
Survey respondents report three **top benefits of remote/flexible work**:

43%
Reduced costs

41%
Increased productivity

39%
Greater employee choice/happiness

Still, other business leaders have mandated their employees must return to working on-site. As a result, some eligible workers refuse to return to company locations, often citing the time and cost of commuting as well as greater productivity and job satisfaction when working from home. Certain employees, typically Millennials and Gen Z, are even likely to switch jobs when their employers' sanctioned practices do not align with their preferred work styles.

Flexible work policies are table stakes for business leaders who recognize the advantages of competing with an engaged, satisfied, and loyal workforce.

73%
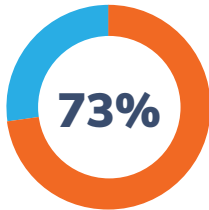
Organizations place a high priority on flexible and remote work as an employee engagement strategy.

Forward-looking decision-makers are accordingly investing in digital technologies such as cloud services that support remote, hybrid, and onsite workers equally as well as foster employee engagement and personal development.

The Future of Flexible Work Relies Upon a Cloud Foundation

Cloud services adoption is on the rise. Resilient, feature-rich, cloud-based tools are the perfect fit for the new realities of increasingly distributed organizations, fluctuating employee headcount, and broad adoption of bandwidth-intensive solutions. Cloud services also rank high among organizations' investment priorities as business leaders zero in on enhancing organizational agility and resilience.

75%
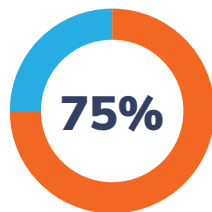
Consider a cloud strategy crucial to remaining competitive in their industry.

72%
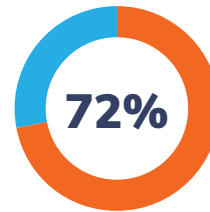
Adopted a cloud-first approach for all new applications considered essential to achieving business goals.

The shift to flexible work models has accelerated many organizations' decisions to migrate their communications and collaboration workloads to the cloud. To enhance agility and meet growing employee demand for flexible work schedules, organizations must build a solid cloud foundation that breaks inefficient internal silos and levels the playing field across job roles, workforce demographics, and physical locations.

Integrated Cloud Communications and Customer Experience (CX) Management Solutions Maximize ROI

Customer centricity begins with a focus on employee engagement. The global pandemic disrupted customer experiences and shattered brand loyalties, making it more important than ever that organizations align their resources to jointly create and deliver customer value. Enterprise employees and contact center agents equipped with the right digital tools are well positioned to excel at their tasks with a laser focus on customer satisfaction and retention. The attention to employee engagement and correlated improved customer satisfaction is accelerating upgrades of communications and CX management solutions.

As businesses increasingly move their communications and CX management capabilities to the cloud, many are also integrating these solutions.

74%

of organizations either must or would like to integrate CX capabilities with their collaboration tools when adopting a cloud communications solution.

This approach provides both enterprise employees and contact center agents access to a broader arsenal of collaboration tools, which greatly enhances the employee experience and increases job satisfaction.

Effective collaboration across the organization through visibility into co-worker presence status, shared team spaces, or video meetings also enables employees and agents alike to better support an end-to-end customer journey. For IT and telecom administrators, integrated cloud solutions deliver operational efficiencies and the benefits of a consolidated technology roadmap.

Chapter II: A Collaborative Work Environment Drives Employee Engagement

Cloud Collaboration Services Power Employee Connections

Workforce demographics are increasingly diverse, with multiple generations working and collaborating on projects. An expanded array of communications and collaboration tools unites them. Cloud video-first and messaging-centric solutions appeal to the growing cohort of digital-native workers who cherish dynamic user experiences and covet the flexibility to control how and when they communicate and connect/collaborate. More established and digital immigrant employees are also expanding their digital toolsets, with remote work driving their use of and comfort with video conferencing, team messaging, mobility, and other collaboration capabilities.

Digital tools boost employee engagement in the era of flexible work. Frost & Sullivan data show that 52% of technology decision-makers worry that the shift to remote and hybrid work models has weakened employees' well-being and relationships with coworkers. Accordingly, 77% of surveyed business leaders plan to carry out employee engagement initiatives that empower workers to make better decisions and feel more connected.

Frost & Sullivan data show that 91% of IT/telecom decision-makers consider conferencing and collaboration important or crucial to achieving their business goals. Cloud meeting and messaging tools are becoming indispensable to employee-centric organizations, particularly as they move their communications solutions to the cloud, as reflected in the data:

Nearly one-half (46%) of respondents report that their future cloud communications provider must offer video meetings.

Two out of five (41%) expect their cloud communications provider to offer team collaboration/ team spaces.
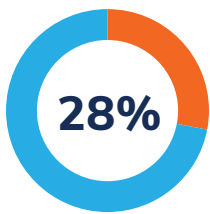
Cloud communications and collaboration tools can build strong connections across distributed teams, keep remote workers engaged, and align multi-generational employees with core company values and goals. As a result, productive, engaged employees remain satisfied and loyal.

Business-grade Integrated Communications and Collaboration Platforms Deliver High Value

Organizations must carefully plan and align communications upgrades with their long-term strategic goals. The often ad-hoc proliferation of communications and other digital tools within organizations creates significant challenges for IT/telecom administrators.
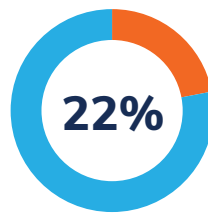
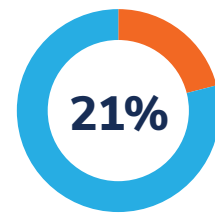Frost & Sullivan data show four top challenges for IT/telecom administrators:

28%

Security concerns

26%
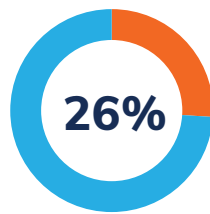
Ensuring network stability

22%

Privacy concerns

21%

Challenges with systems integration and managing multiple vendor solution environments

Many organizations recognize that the use of cloud collaboration tools enhances productivity, accelerates team decision making, and helps build camaraderie. But most enterprises must first rationalize their existing communications and collaboration deployments before they can advance cloud migration projects. They should also avoid perpetuating cloud services silos created by single-modality point solutions. To address the ever-evolving needs of a diverse and increasingly multi-generational workforce, organizations should invest in integrated cloud communications services platforms that give users the flexibility to enjoy the following:

▶ See the status of other users to better time their interactions

▶ Switch communication modalities on the fly (e.g., escalate audio calls to content sharing and video meetings)

▶ Access communications and collaboration capabilities on the device best suited for each use case

▶ Collaborate in team spaces where knowledge and information are shared and archived to facilitate more productive contextual conversations

By 2024, tightly integrated multi-vendor solutions will account for 48% of communications environments globally, whereas end-to-end single-vendor solutions will comprise 26%. Among organizations adopting or upgrading unified communications-as-a-service (UCaaS) solutions, 45% prefer to buy a full-stack UCaaS solution that includes cloud private branch exchange (PBX), meetings, and messaging from the same provider.
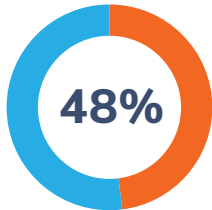
48%

Tightly integrated multi-vendor solutions

26%

End-to-end single-vendor solutions

45%
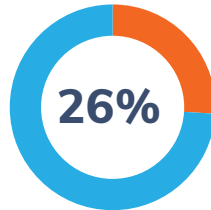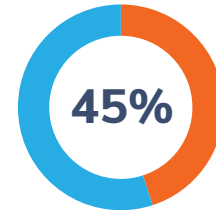
Prefer to buy a full-stack UCaaS solution

Tightly integrated cloud communications and collaboration suites provide myriad benefits:

▶ Complete set of integrated calling, messaging, meeting and file/screen sharing services

▶ Unified user experience for all communications and collaboration functions via a common app

▶ Reduced deployment cost and complexity

▶ Synchronized technology evolution roadmaps across apps

▶ Harmonized security and compliance frameworks across the toolset

▶ Integrated administration dashboards for real-time monitoring and management

Organizations must choose a solution and provider based on their unique user needs and workflows. A modular, feature-rich solution, based on tightly integrated multi-vendor technologies or a single-vendor solution stack, delivers compelling cost and productivity benefits to organizations of any size and industry.

Chapter III: Mobile-first UCaaS Bolsters the Agile Enterprise

Flexible Work Requires Mobile Capabilities

Mobility is critical to organizational agility, flexibility, and responsiveness. The recent massive shift to remote work highlighted for enterprises the importance of providing employees with mobile access to productivity and communication tools to maintain business operations; at the same time, for many employees, mobile devices have become their preferred business communication tool. Most business and IT/telecom leaders today acknowledge that mobile capabilities must become an integral part of business continuity programs going forward.

> Mobile-first communications and collaboration tools are right-fit for modern, distributed organizations. Flexible work policies that provide employees with a choice of working remotely, on-site, or in a hybrid mode are key tenets of talent recruitment and retention strategies. Corporate environmental sustainability initiatives that help reduce emissions and power usage also favor flexible, hybrid work styles and position an organization as an attractive workplace for environmentally conscious workers.

Geographically dispersed employees require collaboration tools to help them effectively manage communications at home, on-site, or at any other work location. With on-site locations being repurposed as collaboration hubs where employees meet to bond and reinforce their commitment to common goals, much of the actual work will be accomplished remotely. To remain connected, employees need to access communications, collaboration, and CX tools from mobile or desktop phones, computers, or any other connected device. A consistent user experience across devices, networks, and physical locations is critical for employee productivity and job satisfaction.

## Empowered Frontliners Drive Business Success

Mobile-first communications and collaboration tools address unique frontline worker requirements. Today, business leaders are acutely aware of the challenges many frontline workers face as well as the dire need to better equip them with digital tools that enhance their safety, productivity, and ability to deliver greater customer value. Frost & Sullivan data reveal the importance organizations place on empowering frontline workers to succeed.

81%
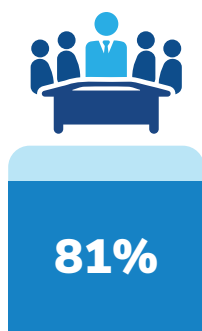
Surveyed organizations employ frontline workers.

36%

Workforce demographic is not digitally well-equipped to succeed.

70%
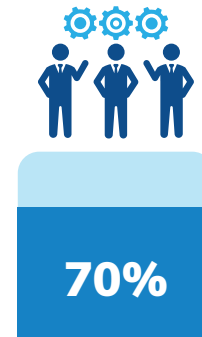
Technology investments are needed to enable frontliners to work more collaboratively with teammates and interact more efficiently with customers.

Frontliner workflows and technology needs vary significantly by industry. However, the majority of frontline workers are mobile—either campus roamers or field workers. As a result, communications, collaboration, and productivity tools designed for tethered and desk-bound workers are often a poor fit for the frontliners in the same organization. In 72% of surveyed organizations, frontliners use mobile phones; another 24% plan to equip frontliners with mobile phones in the next two years. Presently, 55% of organizations provide their frontline workers with tablets, and 33% plan to invest in tablets for frontliners in the next two years. A robust 78% of IT/telecom decision-makers consider mobile business calling apps important enablers of frontliner productivity.

To optimize operations and improve service quality, organizations must ensure that frontliners can communicate effectively with internal and external stakeholders. Mobile-first cloud meeting, messaging, and calling services (i.e., mobile UCaaS solutions) can leverage frontliners' mobile device usage to facilitate synchronous and asynchronous collaboration.

Mobile-first Solutions Future-proof Communications Investments

**Mobility is essential to digital transformation, especially for frontline employees**. Expanding mobile connectivity, including the roll out of 5G services, creates abundant opportunities for organizations to enhance worker productivity and power new business models.

46%
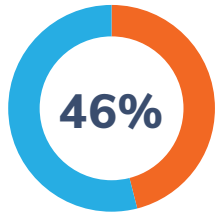
Organizations are using 5G mobile devices today.

40%
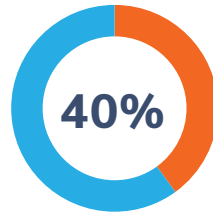
Plan to introduce such devices in the next two years.

34%
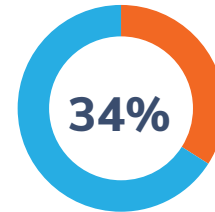
The top benefit of adopting 5G connectivity is to improve the performance of real-time communications solutions.

Technology advancements have considerably improved the mobile user experience in recent years, and for many employees, mobility is the preferred communication mode as it is often the most reliable way to contact others. UCaaS solutions provide robust capabilities to power the mobile enterprise. Organizations can choose to provide employees mobile access to UCaaS capabilities via three routes:

▶ Feature-rich mobile applications downloaded onto a mobile device

▶ Web browser/WebRTC access to cloud communications solutions

▶ Native mobile dialers on devices connected to business calling services

Most UCaaS solutions offer mobile capabilities via an app that is installed on a mobile device; but because the mobile app typically does not integrate with the device's native dialer, often workers have a fragmented communication experience where they must juggle between multiple applications. Mobile-first UCaaS solutions resolve these issues by providing native mobile access to communications and collaboration applications to create a seamless mobile collaboration experience.

Leading-edge organizations are reducing costs and addressing evolving employee preferences by replacing legacy wireline communications with more flexible mobile solutions. In 25% of surveyed organizations, more than one-half of employees are using mobile software clients only. Among all organizations, 53% expect usage of mobile software clients to increase; 38% expect it to stay the same in the future.

Going forward, mobile-first cloud communications services will enable many types of workers across a range of industries to perform their tasks from the location and time that works best for them. To boost the longevity and ROI of new communications investments, highly distributed organizations must adopt solutions that empower employees with mobile access to appropriate communications modalities.

Chapter IV: Automated Workflows Improve Employee Performance

Effective Communications and Collaboration Tools Drive Workflow Efficiencies

Communications are the life blood of an organization. Effective communication tangibly improves individual and team productivity as well as product and services quality. Prompt access to information and expertise speeds workflows and boosts employee job satisfaction. To achieve desired business outcomes—accelerated decision-making, rapid issue resolution, and better customer engagement—leading organizations provide employees with the right communications and collaboration tools when and where they need them.

For maximum impact, communications capabilities must be accessible within each user's typical work environment—from the software, services, and devices they use regularly. By integrating communications and collaboration tools within workflows, organizations provide employees with the right tools at the right time, without disruption to business processes.

With the pervasive shift toward flexible work styles and more digital business models, organizations must equip their employees to efficiently communicate and collaborate within their main workflows and empower all internal stakeholders to better support the customer journey through convenient access to information and expert resources.

The Future of Business Communications Is Programmable

Modern application programming interface (API)-rich cloud communications solutions are fueling novel business models and creating competitive advantages. Visionary leaders are adopting programmable communications to streamline business processes and customize workflows so they can address rapidly shifting market requirements.

Frost & Sullivan data show that flexible APIs and communications platform-as-a-service (CPaaS), which form the foundation of programmable communications, are quickly becoming key requirements in communications and CX solution IT/telecom purchase decisions:

82%
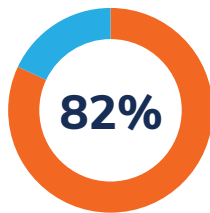
must or would like to have APIs/ CPaaS capabilities when purchasing communications and collaboration solutions.

80%
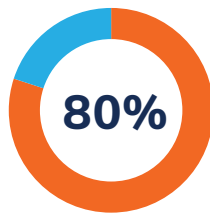
must or would like to have APIs/CPaaS capabilities when purchasing CX solutions.

79%
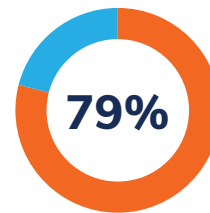
will be using flexible APIs/CPaaS to integrate third-party capabilities (e.g., calling, video) into the CX two years from now.

By 2024, organizations will be leveraging programmable communications extensively, as illustrated in the following graph.

Planned Use of CPaaS and Programmable Communications via Flexible APIs

Total: 925

Video/Meetings APIs	87%
Messaging (SMS/Chat/Social Media) APIs	86%
Two-factor authentication	85%
Email APIs	85%
Provisioning/Management APIs	84%
Voice APIs	83%
Chat Bot/AI APIs	82%
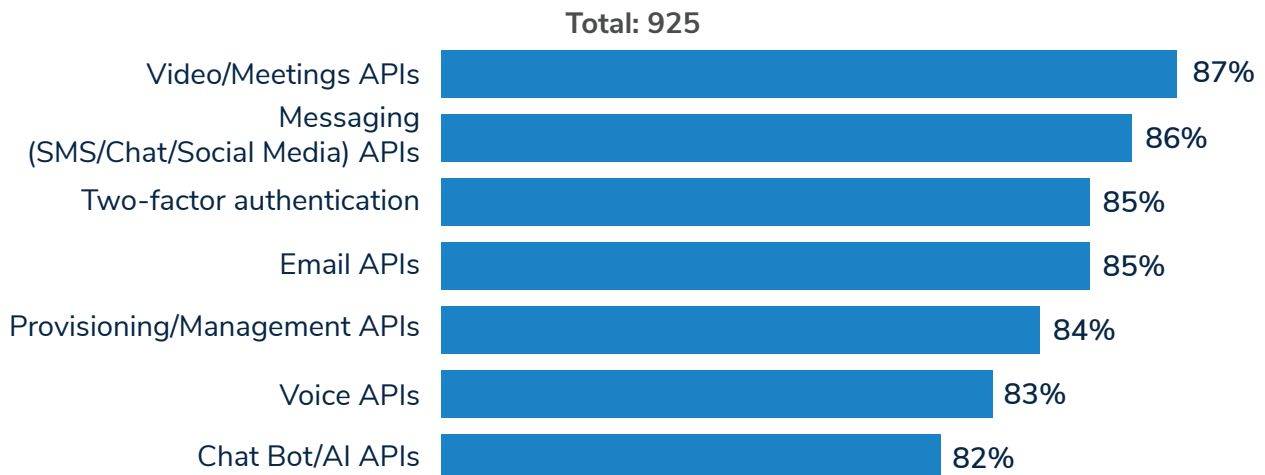
Q69. Which statement best describes your use of CPaaS and programmable communications via flexible APIs in your organizations? -Summary -Plan to Use in the Future

Organizations are preparing for rapid and constant change. The monolithic software and services from the past can no longer support an organization's need to quickly adapt to continually changing market conditions.

> Organizations should consider upgrading their communications and collaboration capabilities by adopting API-rich solutions that allow them to streamline and scale operations through automation and better address diverse workforce requirements and ever-rising customer expectations.

Flexible APIs Are Critical for Workflow Optimization

Enlightened organizations are embracing the API economy. They are leveraging flexible APIs to tailor both employee and customer experiences and optimize workflows.

APIs enable the integration of communications tools into business, productivity, and vertical software, which helps reduce disruptive app switching and task completion time while improving accuracy. APIs deliver timely information from a variety of sources, providing the required context for more productive conversations and faster issue resolution. For example, API-based integration enables contact center agents and knowledge workers to initiate an interaction from within customer relationship management (CRM) software, which saves time and enriches the conversation with important background information.

By automating simple or repetitive tasks, APIs reduce costs and free organizations to allocate human resources to higher-value tasks. For example, a recent Frost & Sullivan survey indicates that 34% of organizations find APIs enhance office worker productivity. Organizations can use APIs to automate call logging, improve record keeping, and optimize future customer interactions. Similarly, API-based integrations with vertical software enable automated notifications, such as appointment or prescription refill reminders or take-out delivery notices, which enhance customer service and free employees to handle more complex tasks.

Benefits of CPaaS and Programmable Communications via Flexible APIs

Total: 925

Benefit	Percentage
Enhance office worker productivity	34%
Improve operational efficiencies by automating workflows	33%
Improve inbound customer interactions	31%
Support worker or customer safety	29%
Reduce costs and risks related to human error	29%
Improve outbound customer outreach	28%
Reduce customer service workload and associated cost	28%
Address first time worker needs	27%
Address unique vertical or business-specific use cases	24%

Q71: Which of the following benefits are you looking to realize by using CPaaS and programmable communications via Portable APIs

To prepare for the age of digital agility, organizations must consider leveraging APIs to integrate communications with key workflows. Those ready to future-proof communications investments must choose modern cloud communications solutions that offer flexible APIs and off-the-shelf integrations with third-party software and services that the organization relies on.

Call to Action

The seismic shift to new work styles is driving profound changes in employee and business leaders' work attitudes and goals. To foster an engaged workforce that is focused on customer outcomes, organizations need to invest in and equip employees with cloud communications and collaboration tools. These solutions must fully support and enhance flexible work styles, boost productivity, cultivate team bonds, and align internal resources around shared values.

Emphasis on employee empowerment and engagement is driving adoption of cloud communications and collaboration tools in organizations across all industries. Future-proof investments by adopting integrated cloud services suites that deliver the experiences employees and IT/telecom administrators need and want. Choose providers that offer comprehensive UCaaS stacks including calling, meetings, and team messaging to address diverse and continually evolving user needs and use cases. A modular, feature-rich solution and an experienced, trusted provider can help power effective collaboration and engagement among your workforce in the long run, despite shifting organizational requirements or macro-economic conditions.

To boost your organization's competitive power, incorporate mobility as a key tenet of your technology evolution roadmap:

▶ Seriously consider adopting a mobile-first approach when upgrading communications and collaboration solutions to attract and retain employee talent.

▶ Carefully evaluate mobile communications and collaboration solutions to identify the right tools for your specific workforce demographic, job roles, and workflow requirements.

▶ Consider cloud communications providers that can also deliver mobile voice and data connectivity services as part of your solution bundle.

Adopt programmable communications solutions leveraging flexible APIs and CPaaS to create scale and operational efficiencies through automation. To stay agile and navigate change within your industry and the global economy, deploy cloud communications solutions that fit into a flexible, composable architecture that adapts as your organization's needs evolve.

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For over six decades, Frost & Sullivan has provided actionable insights to corporations, governments and investors, resulting in a stream of innovative growth opportunities that allow them to maximize their economic potential, navigate emerging Mega Trends and shape a future based on sustainable growth.

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