



Reimagining Workplace Services

Will the Real Digital Workplace Please Stand Up?

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Digital workplace: an idea whose time has come

The concept of the digital workplace is all about proactively enriching the user experience through high-touch and personalized services underpinned by real-time analytics covering various avenues of user and enterprise data.

Concurrently, non-intrusive technology is used to create seamless and well-orchestrated workflows and generate efficiency benefits equivalent to, if not more than, what traditional models offer.

The enterprise workplace is undergoing a profound transformation in today's digital age. Fundamental organizational structures and talent models across industries are experiencing significant disruption:

- **68% of large enterprises** believe that a majority of employees will be mobile and not bound by an office space by 2021
- By 2025, more than **75% of the global workplace will comprise millennials**, with many of them in influential decision-making roles
- Hierarchical structures are giving way to fluid talent models characterized by leaner, dynamic, and distributed teams

Against this backdrop, enterprises are tasked with creating a business environment that is conducive to seamless collaboration, creativity, and innovation at scale, with user experience and productivity as the focal point.

We are now moving to the third generation of workplace services, the digital workplace. What sets the digital workplace apart from traditional models is the primacy of improving user experience through a well-designed environment underpinned by software plus services. While reducing cost-to-serve is important, the focus is shifting beyond traditional levers, such as tightly controlled service access and IT labor arbitrage, to waste elimination and end-to-end automation.

However, we observe significant confusion in the market in terms of what digital workplace entails, and what it does not. Specifically, many enterprises are misled into adopting a workplace services model with second-generation solutions overlaid with a veneer of next-generation concepts, rather than a fundamental shift in approach.

This report:

- Defines the "true digital workplace" and associated tenets
- Busts existing misconceptions around the concept
- Introduces an evaluation framework for digital workplace effectiveness
- Suggests best practices for enterprises as they embark on their digital workplace transformation journeys

The dawn of the digital workplace is upon us

Everest Group take:

In a digital world, the value of enterprise workplace service is increasingly defined by improvements in collaboration, productivity, and end user experience. Cost reduction is important, but the means of achieving lower costs are different. Enterprises want to reduce costs by improving user experience and consequently eliminating high volumes of reactive resolution. This is in contrast to previous generations of service delivery philosophies, which were centered around industrialized processes, arbitrage-led delivery models, and strictly partitioned service access channels.

User experience is taking centerstage

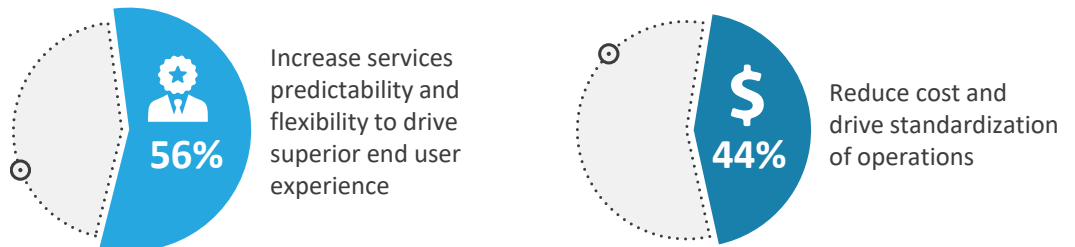
Today's enterprise IT is tasked with establishing a workplace environment that mirrors employees' personal digital lives to drive productivity, engagement, and motivation. Creating measurable business impact through workplace initiatives and investments now requires having user experience at the heart of the transformation strategy.

Consequently, CIOs are trying to move away from the traditional cost reduction mindset and are focusing on maximizing value from workplace investments through increased predictability and flexibility within services delivered to end users.

EXHIBIT 1

Enterprise strategic priorities for workplace services¹

Source: Everest Group (2018)

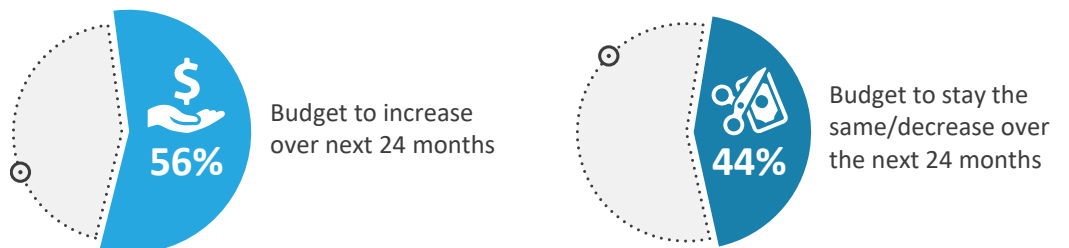


The shift in enterprise focus toward business value and user experience is also evident in CIOs' anticipated spend patterns: 56% of enterprise CIOs expect their organizational workplace budgets to expand over the next two years.

EXHIBIT 2

Enterprise workplace services budget outlook¹

Source: Everest Group (2018)



¹ Everest Group survey with ~150 CIOs / IT infrastructure heads with large enterprises (>US\$ 1billion revenues)

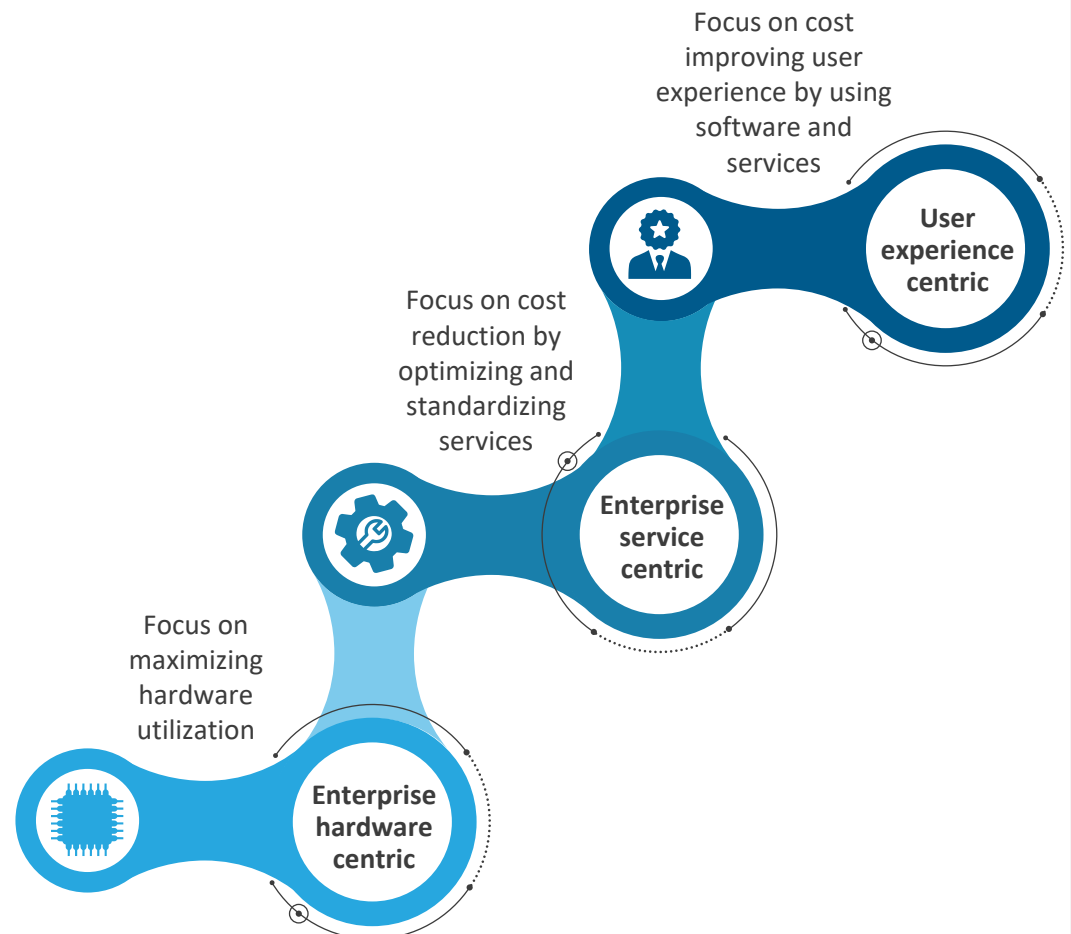
The third generation of workplace services is here

The shift toward user experience as the prime focus has given birth to the third generation of workplace services, the digital workplace. While user satisfaction has been a due consideration within existing workplace models, what sets digital workplace apart is the primacy of improving user experience.

EXHIBIT 3

Workplace services evolution

Source: Everest Group (2018)



The concept of digital workplace is all about proactively enriching the user experience through high-touch and personalized services underpinned by real-time analytics across user and enterprise data.

Concurrently, non-intrusive technology is used to create seamless and well-orchestrated workflows and generate efficiency benefits equivalent to, if not more than, what traditional service-centric models offer.

EXHIBIT 4

Comparison of workplace services models

Source: Everest Group (2018)

Service - centric workplace model

- Minimize unit cost
- Designed for the enterprise
- Resolve faster
- Reactive
- Ticket - driven
- Restricted choice of channel



User experience becoming the objective function

Digital workplace model

- Maximize employee experience
- Designed for the individual
- Eliminate resolution situations
- Proactive
- Individual context - driven
- Personalized access

Digital workplace: myths vs. reality

Proportion of enterprises investing in:

- VDI: 72%
- BYOD: 73%
- Omni-channel support: 80%
- Virtual desk agents: 81%

Proportion of enterprises optimistic about investments in:

- VDI: 33%
- BYOD: 43%
- Omni-channel support: 44%
- Virtual desk agents: 39%

Everest Group take:

In spite of significant investment in technology, breakthrough improvements in end-user experience continue to be elusive. Bolt-on technology adoption strategies can be unproductive in the absence of a fundamental reorientation of the workplace service strategy. Most service partners provide half-hearted “digital workplace” solutions that amount to little more than enforced self-service, homogenous persona-based service partitioning (in effect leading to service denial), and automation and analytics on reactive, ticket-based service delivery models. We believe these changes amount to little more than glossed-over second-generation models. Placing user experience and productivity at the center of the workplace agenda requires enterprises to rethink service design, architecture, support channels, and global delivery strategies.

Workplace services have seen significant technology advances geared toward delivering improved efficiencies. However, adoption of disparate technologies without due consideration for underlying service design, integration, and economic models is resulting in failed projects, escalating costs, and compromised user experience.

There are many common examples of technology adoption in the workplace being impeded by poor service quality/design:

- Users spending unreasonable amounts of time setting up collaboration systems before meetings, leading to productivity loss
- Lack of support for specific mobility stacks and devices despite the implementation of pan-enterprise Bring Your Own Device (BYOD) initiatives
- Lack of policy awareness leading to individuals downloading/ sharing information using inappropriate channels (in turn, introducing security and regulatory/compliance challenges)
- Service quality disruption due to vendor challenges beyond the sphere of influence for enterprise IT (e.g., O365 connectivity and sync issues)

Despite technology advances, business productivity levels have increased by a mere 1.1 percent among US-based enterprises and 0.8 percent amongst European Union-based enterprises from 2007-2017.¹









This challenge is being exacerbated further by the adoption of makeshift support models that ostensibly fall in the digital workplace category:

- **Persona-based access** that force-fits end-user behavior into broad segments that amount to little more than their functional departments (e.g., personas include “Road warriors,” “Creatives,” “Support,” “VIP,” etc., that fail to take into account contextual end-user behavior and in essence lead to denial of service)
- **Forcing self-service** and shutting off parallel channels to the extent possible without investing in a compelling self-service UX
- Driving **automation to improve efficiency of reactive operations** (i.e., after the end-user has opened a ticket), without accounting for the possibilities of ticket prevention, or situations in which the end-user does not open a ticket but is still dissatisfied
- **Use of traditional user-satisfaction surveys** with minimally updated interfaces and verbiage, rather than leveraging real-time data to gain insights into the true pulse of the environment

EXHIBIT 5

Digital workplace: busting the myths

Source: Everest Group (2018)

Myth		Reality
Digital workplace is all about...		The true digital workplace means...
Providing broad persona-based support		Offering an individual-specific experience
Offering new technology as a bolt-on		Embedding next-gen technology within the service architecture
Pushing self-service		Offering access through channel of choice with compelling user interfaces
Automating resolution of common issues (cost optimization)		Avoiding common issues (cost elimination)
Segmentation & reporting through broad-based analytics		Preemptive intervention through contextual analytics
Setting up consumption interfaces (application stores, vending machines)		Also offering transparent economic models (cloud-based / as-a-service)
Tracking self-reported user satisfaction		Combining CSAT surveys with system performance data
Digital workplace solutions too expensive to be realistic		End-to-end automation and cloud solutions can generate long-term TCO benefits

1 Everest Group survey with ~150 CIOs / IT infrastructure heads with large enterprises (>US\$ 1billion revenues)

Enterprises need to view the move toward the true digital workplace as a transformative journey that requires a fundamental reimagining of the underlying service architecture and design.

The reimagined model should allow for seamless adoption of technology solutions without undermining agnosticism and transparency, or “dehumanizing” the user experience.

Introducing HUMAN-EX: the digital workplace design framework

Everest Group take:

The HUMAN-EX framework encapsulates the core design attributes that can help workplace environments transform to a true digital workplace encompassing changing business models, organizational structures, talent models, and technology disruption, while offering ongoing user experience and productivity enrichment.

EXHIBIT 6

Introducing the HUMAN-EX framework

Source: Everest Group (2018)



68% of large enterprises believe that a majority of employees will be mobile workers and not bound by an office space within next 3 years

- **Hyper-connectivity:** Drive real-time, unconstrained, and seamless information/knowledge sharing by connecting people and things
- **Ubiquity:** Offer access to information/knowledge/people such that the experience is abstracted from location and time
- **Measurability:** Offer consistent means to proactively and effectively track/measure each individual's real-time user experience; offer automated and contextual support/resolution
- **Assurance:** Ensure that by a comprehensive, scalable, and consistent performance and resilience framework underpins the environment design; move toward minimal/zero resolution
- **Novelty:** Drive differentiation by incorporating consumerized technology/service themes, use cases, and interfaces that can amplify the overall innovation, engagement, and productivity quotient among users
- **Empowerment:** Offer autonomy, flexibility, and agility within the service experience; unconstrain choice of services and support channels offered to users
- **eXtendability:** Build a service architecture that can seamlessly adapt to business dynamics and technology advances

The focus on business alignment and user experience enrichment ensures that the HUMAN-EX framework inherently subsumes TCO improvement within the design principles. The evaluation of TCO improvement in this scenario must change to incremental business value realized per unit investment.

Hyper-connectivity and ubiquity

Organizational structures within enterprises across industries are increasingly blurring. Hierarchical structures are giving way to fluid talent models characterized by leaner, dynamic, and distributed teams, cross-functional collaboration, and increasing leverage of the gig economy.

Consequently, hyper-connectivity, which is characterized by leverage of latest techniques (telecommuting, social, people-to-machine & machine-to-machine communications, and virtual presence, among others) will eventually become the de-facto collaboration mechanism.

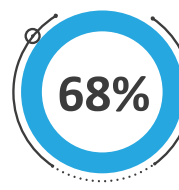
EXHIBIT 7

Hyper-connectivity and ubiquity use cases for a digital workplace¹

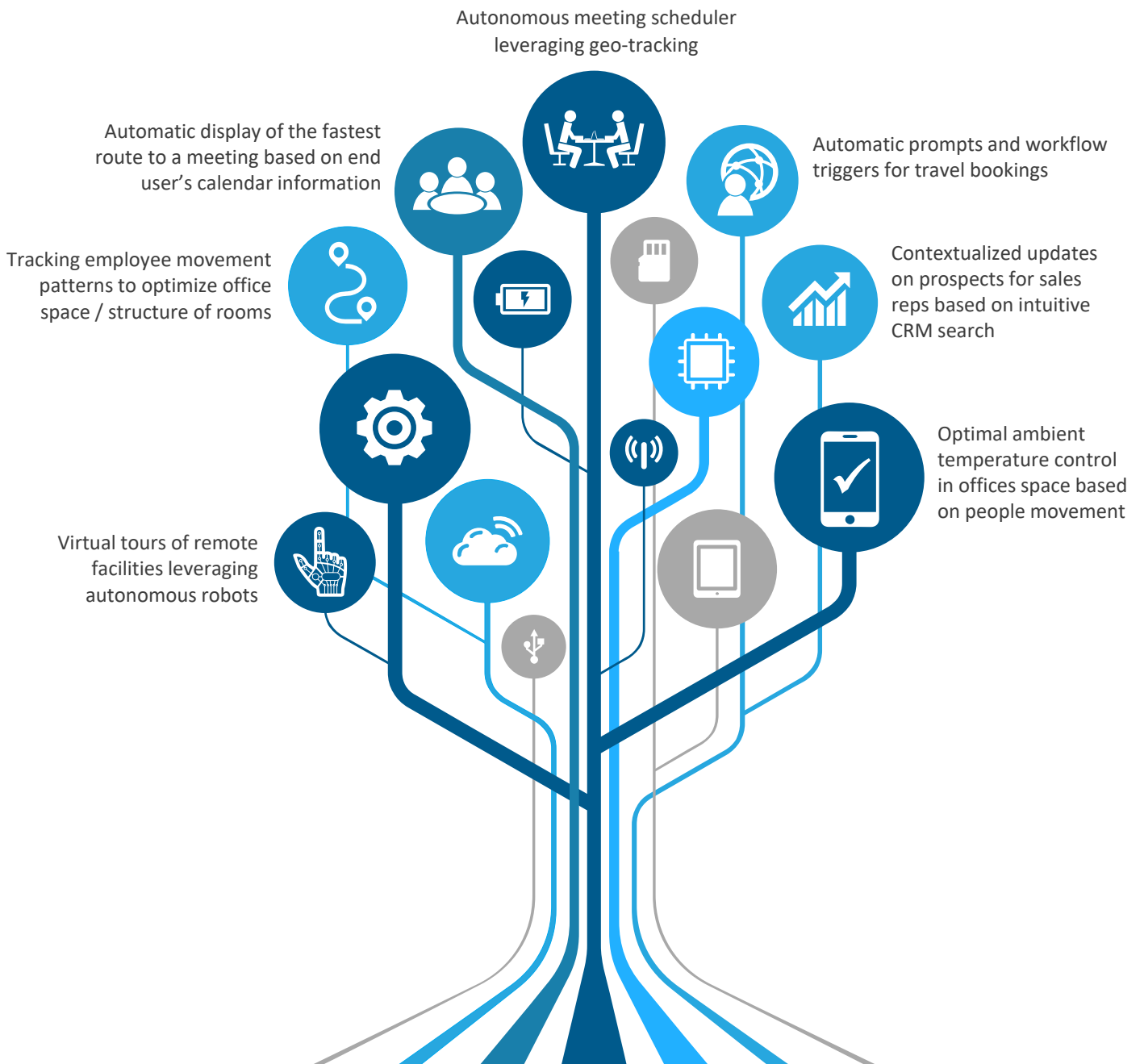
Source: Everest Group (2018)



of enterprises believe that there is huge potential for connected devices and virtual reality in the enterprise collaboration and social interaction space



of enterprises believe that end users will participate in IoT-based EUC initiatives if concerns around privacy and data management are addressed



However, enterprises also need to realize that the user interface design plays as important a role as the collaboration channel itself. It is imperative that interaction layers are designed to drive engagement through immersive and intuitive interfaces.

1 Everest Group survey with ~150 CIOs / IT infrastructure heads with large enterprises (>US\$ 1billion revenues)

Measurability

Measuring the efficacy of the digital workplace model goes beyond tracking traditional cost and operational efficiency indicators and requires more sophisticated parameters that can be linked closely to real-time user experience.

This change calls for Key Performance Indicators (KPIs) that can measure how operational efficiencies are being achieved, how fast the transition is being made, and the impact on user experience.

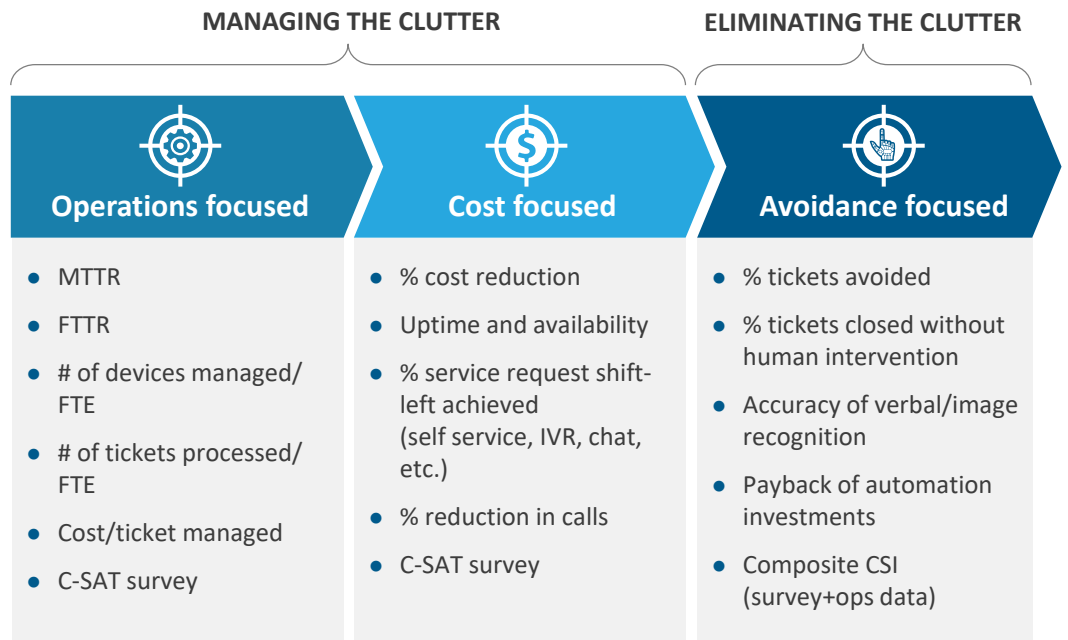
EXHIBIT 8

Evolution of KPIs in workplace services

Source: Everest Group (2018)

Data generated from business emails alone is estimated to grow by **20-30%** annually.

43% of enterprises mention end-user analytics as a top 3 investment theme for the future



The design principles should also ensure effective metering and automated charge-back of services to business units through a complete white-box model, which requires the service architecture to be underpinned by a strong layer of real-time analytics and cloud-based services to offer and measure consumption at a granular level.

Assurance

The rapid proliferation in digital touch-points provides enterprises with a vast volume and variety of user data, offering a tremendous opportunity for enterprises to establish behavioral patterns for personalized and real-time resolution, including encouraging a zero resolution model, rather than just offering effective reactive support or self-service resolution.

It is relevant to point out here that persona-based offerings largely end up segmenting and force-fitting a select set of services onto users. In fact, 76% enterprises agree that persona-based services should give way to personalized, software-based approaches that take into account contextual user and system behavior.

The proliferation in digital touch-points also has critical implications for how the overall security architecture for the workplace is designed and managed. In fact, security remains the most significant concern that impedes enterprises from adopting next-generation workplace service and technology themes.

EXHIBIT 9

Security within the digital workplace¹

Source: Everest Group (2018)



The key consideration for enterprises in establishing security for the digital workplace is to balance robust governance models/policies and security measures with user freedom around channel, access, and overall service experience. The security design should provide seamless and scalable assurance measures, covering both end points and data, while allowing users access through devices and locations of their choice.

Some best practices for driving security assurance within the digital workplace environment include:

- Enforcing strong passwords and rules around screen lock
- Use of anti-virus and Data Loss Prevention (DLP) solutions with two-factor authentication as an additional security layer
- Full-disk encryption for disk, removable media and cloud storage systems
- Mobile Device Management (MDM) for managing policies and protocols around accessing company data from across locations, and controlling sensitive data on devices
- Partitioning network connectivity and offering access to corporate data through encrypted connections (e.g., VPN-based)
- Enforcing strong application control policies
- Using encrypted email clients
- Implementing cloud-based Identity and Access Management (IAM) solutions with single sign-on features
- Abstracting behavioral data from user identity to manage privacy concerns. The linkage between data and identity is established only in case of strong security alerts or established policy violations

Novelty and Empowerment

Enterprises need to focus on crushing the consumer-business technology divide, not only to build business differentiation but also to attract and retain talent.

¹ Everest Group survey with ~150 CIOs / IT infrastructure heads with large enterprises (>US\$ 1billion revenues)

EXHIBIT 10

Workplace services innovation forecast¹

Source: Everest Group (2018)



of enterprises believe that they need to prepare for the eventuality that wearables will soon be the next BYO element



of enterprises view virtual agents as the first point of service desk contact in their organizations within the next 2 years

Innovative use cases involving IoT, wearables, AR/VR, and cognitive need to be driven through a center of excellence (CoE) model and embedded within the workplace service architecture, rather than bolted-on with limited accessibility, adoption, or scalability. The ability to drive automation for straight-through processing across the service stack is the key to cost effectively scaling empowerment and innovation. Enterprises can scale their digital workplace services by ensuring seamless collaboration between virtual and human agents, and by using virtuous self-learning cycles to eliminate tickets.

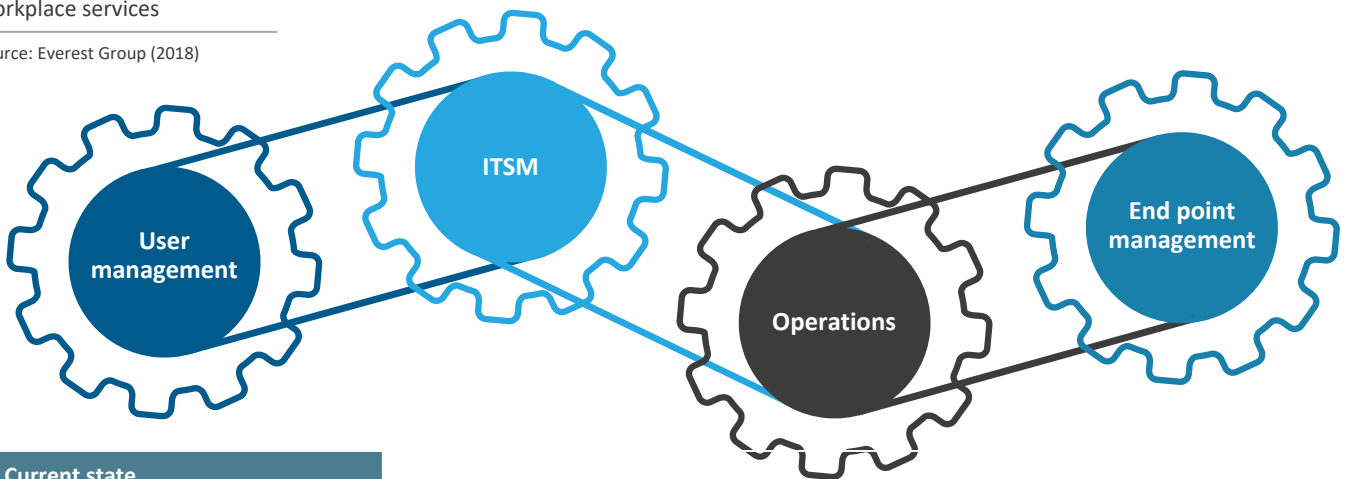
eXtendability

Finally, the business environment design should comprise modular services and support models that are elastic and capable of mirroring business requirements. Furthermore, the security and resilience architecture should allow for seamless integration of new technology and service models. Extendibility requires a strong multi-vendor service integration and governance model that helps onboard new technology without disrupting the service delivery fabric.

EXHIBIT 11

Integrated automation in workplace services

Source: Everest Group (2018)



Current state

- Self-service
- Basic chat bots
- Interactive voice assistance

- Self-service
- Basic chat bots
- Interactive voice assistance

- Automated L1 incident resolution
- Root-cause analysis
- Predictive analytics (basic)

- Routine tasks – export, patching, monitoring

Future roadmap

- Multi-lingual, self-learning chat agents
- Solutions integrated with leading third-party virtual assistants

- Leverage of unstructured user input
- Intelligent virtual agents for contextual escalation and agent collaboration

- Preemptive resolution; self-healing operations

- Infrastructure-as-code principles - breaking automation siloes, end-to-end updates

¹ Everest Group survey with ~150 CIOs / IT infrastructure heads with large enterprises (>US\$ 1billion revenues)

Conclusion: a check list for digital workplace

The transformation journey for the enterprise is often critically dependent on the capabilities of its service partners. The digital HUMAN-EX journey is further complicated by the fact that, while most service providers claim to deliver digital workplace solutions, few are capable of truly embracing the concept as a central tenet of service architecture. The following checklist can serve as a guide for enterprises to evaluate provider capabilities.

EXHIBIT 12

Sourcing check-list for digital workplace

Source: Everest Group (2018)

HUMAN-EX attribute	What to check for
Hyper-connectivity	<ul style="list-style-type: none"> • Does the service provider have credible Unified Communications as a Service (UCaaS) experience, including integration experience with multiple stacks? • Does the service provider have credible enterprise knowledge management solutions? • Does the service provider have capabilities and proof points around integrating social collaboration platforms / stacks such as Yammer, Jive, LinkedIn, Workplace for Facebook? • Can the service provider solution be integrated with HR systems to accommodate changes in policy control and governance across the employee life cycle?
Ubiquity	<ul style="list-style-type: none"> • Can the service provider demonstrate capabilities across multiple mobility and mobile data management stacks? • Does the service provider offer multiple hosting options for VDI solutions and offer desktop-as-a-service (DaaS) solutions?
Measurability	<ul style="list-style-type: none"> • Is the service provider offering “skin in the game” for avoidance-focused KPIs rather than cost-centric metrics? • Is the service provider committing to user experience measures based on operations data beyond periodic surveys? • Does the service provider offer AI/machine-learning based solutions to analyze system data and improve real-time user experience?
Assurance	<ul style="list-style-type: none"> • Is there a comprehensive approach towards security policy definitions across end points and devices, data, and user identities? • Does the service provider have credible proof points for implementing and running cloud security solutions? • What is the sophistication and granularity of cost metering / chargeback mechanisms?

EXHIBIT 12 (continued)

Sourcing check-list for digital workplace

Source: Everest Group (2018)

HUMAN-EX attribute	What to check for
Novelty	<ul style="list-style-type: none"> • Does the service provider proactively offer UI/UX design expertise as part of workplace solutions? • Does the service provider have a roadmap for innovative workplace service use cases leveraging IoT, AR/VR, and social? Are they willing to co-invest in a workplace innovation CoE? • Does the service provider have experience in integrating consumerized solutions such as Slack, and Facebook@Work with large enterprises? • Does the service provider have a roadmap for innovative AI and machine learning use cases within workplace environments (e.g., semantic analysis, auto-remediation of user issues)?
Empowerment	<ul style="list-style-type: none"> • Can the service provider help build a BYOD design, governance, and management model that can allow users to bring in their devices and platforms of choice? • Is the service provider offering cloud-based app store environments? Does the digital workplace solution feature certified personnel and apps for devices? • Is the service provider offering multiple channels of service (e.g., personalized enterprise application stores, walk-in tech cafes, self-service kiosks, social collaboration platforms) as opposed to pushing personas and limited self-service use cases? • Does the service provider have a roadmap for integrating virtual and human agents seamlessly within the service delivery fabric?
eXtendability	<ul style="list-style-type: none"> • Does the service provider have credible governance and service integration experience in multi-vendor environments? • What is their level of commitment to invest in a technology ecosystem comprising traditional players as well as start-ups?


Few enterprise may need, or have the appetite to invest in all the solution elements described in the checklist above at a given point in time. However, having a comprehensive view of the potential solution landscape is imperative for enterprises to prioritize investments, sequence initiatives, and distinguish truly transformational solutions from those that are likely to yield only incremental improvements in operational efficiency.

About Everest Group

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