The digital dislocation at work.

Driving growth by making it easier for global employees to communicate and collaborate – wherever they are.

Executive summary.

Our global survey of 758 IT decision makers in large organisations reveals just how big a problem ‘digital dislocation’ is in the workplace. It’s clear that organisations need to improve communication and collaboration to drive growth and keep ahead of competitor trends in a rapidly changing world. They have to make it easier for all employees to collaborate – whether they’re in the office, working from home, at clients’ sites or on the move.

However, out-of-date communications infrastructure and limited investment in new technology are resulting in employees increasingly bringing their own devices to work, which brings certain risks for large organisations around the world – a digital dislocation.

As concerns about cloud security subside, many IT decision makers are looking at how cloud technology can help them overcome this digital dislocation. Three in four say they want to use new cloud collaboration tools to improve communication. Others are aware of the need for collaboration tools to provide a seamless experience across all devices, where the ‘look and feel’ is similar to ease usability.

Key trends – employees at work.

More people working away from the office, more often.

- More than half (55 per cent) of IT decision makers say their people are 'working at home, on the move and on clients and suppliers' sites more often'.

Employees frustrated that existing technologies waste time.

- Nearly 75 per cent of employees want easier ways to share information and nearly two in three are frustrated by the time wasted in contacting colleagues.

Videoconferencing becoming much more popular.

- There's been a 24 per cent increase in employees using desktop videoconferencing at least once a month (up from 34 per cent in 2013 to 42 per cent in 2016).

People want it to be easier to communicate when away from the office.

- 61 per cent of employees want easier access to communications while they're on the move:
  - 83 per cent want access to the intranet from their mobile
  - 81 per cent want access to the corporate network from their mobile
  - 72 per cent want video on a smartphone or tablet
  - 62 per cent want fixed mobile convergence.

What's stopping IT decision makers delivering better collaboration?

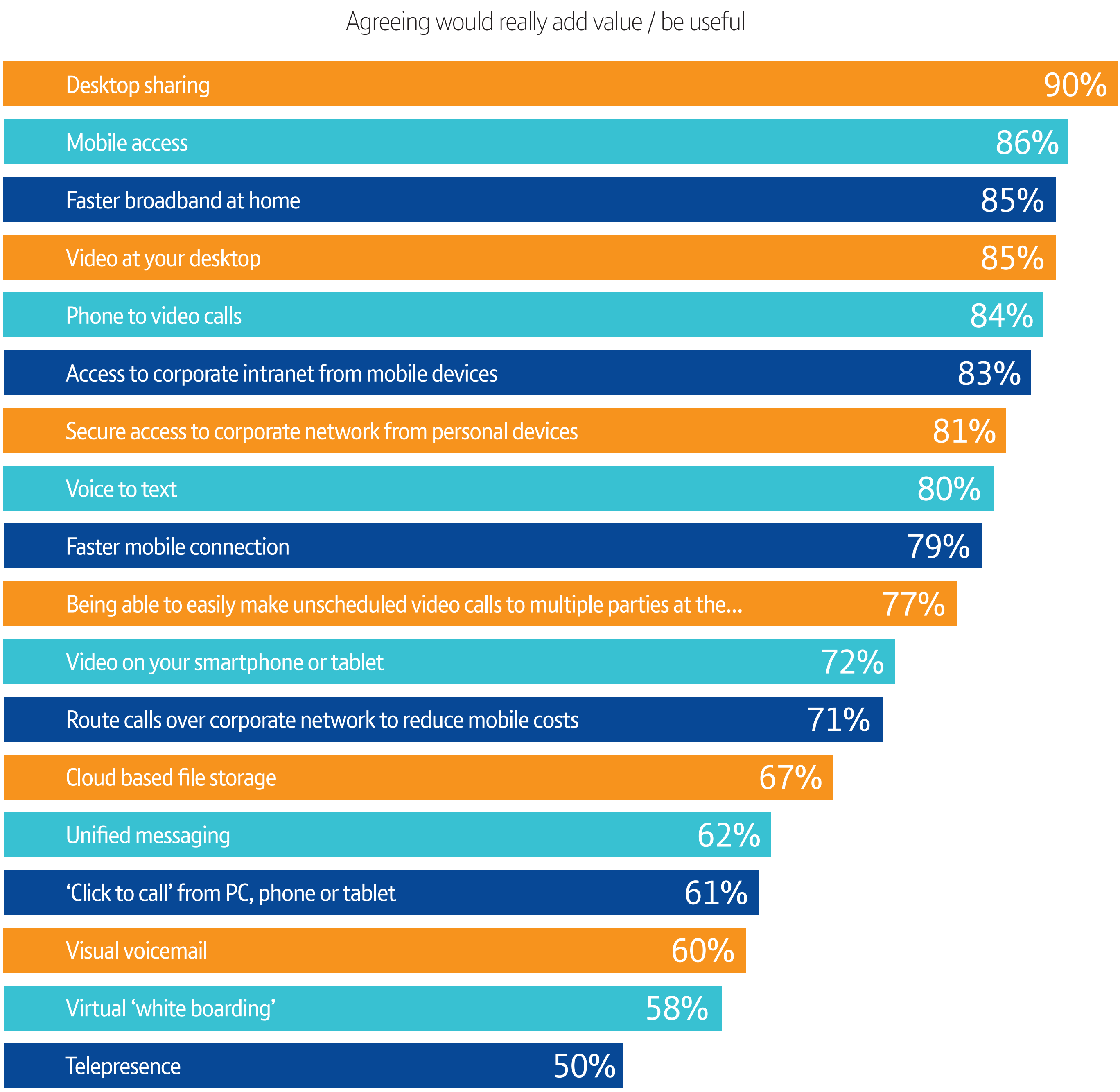
Our survey confirmed some of the biggest problems facing IT decision makers.

- Out-of-date infrastructure.
  - 56 per cent say 'our Private Branch Exchanges (PBXs) are old and need replacing' (up from 51 per cent in 2013).
  - 49 per cent say 'our Centrex needs updating' (up from 46 per cent in 2013).
- Difficulty securing capital investment.
  - Only one in five IT decision makers say their directors are 'very supportive' of IT investment.
- The growing popularity of bring your own device (BYOD).
  - In just three years there's been a huge (31 per cent) increase in employees wanting to bring their own device (mobile, tablet, etc.) to work.
  - One in two IT decision makers say BYOD creates significant problems.

How can businesses overcome digital dislocation?

Employees are already showing strong interest in cloud collaboration technology. Desktop sharing is the most popular application followed closely by desktop video, phone to video calls, and mobile access to the corporate intranet. Two in three see a role for cloud-based file storage.

IT decision makers see benefit in a wide range of collaboration tools



Large global organisations are experiencing benefits from cloud technology and trust global vendors.

The IT decision makers we surveyed are already using cloud-based technology and report some impressive results:

- 25 per cent reduction in total operating costs
- 30 per cent increase in employee and customer satisfaction
- 28 per cent increase in productivity
- 28 per cent reduction in travel costs.

But IT decision makers want to deal with global vendors when deploying cloud technology:

- 61 per cent say it's better to deal with large, well-known brands for cloud services
- 49 per cent say it's vital to have a single global price for technology end user licenses to keep rollout costs predictable
- 48 per cent say it's essential that service providers have a data centre in their region for reasons of data sovereignty
- 48 per cent say paired data centres are vital from a business continuity perspective.

Understanding how workplace digital dislocation has evolved.

In 2013, BT and Cisco conducted research with large organisations across Europe to find out how effectively they were using new technologies to drive collaboration and growth. That research revealed a 'digital dislocation' – employees demanding new and better ways of collaborating and communicating, while IT managers were struggling with outdated and inflexible systems.

The digital dislocation in 2013

Employees' frustrated...		...IT Decision Makers 'making do'	
62% want **easier access to communications** when on the move for work	**50%** of employees work flexibly (home & other locations)	**52%** our PBXs **are old and need replacing**	only **1:3** our Comms platform is equipped to change with the business
nearly **40%** using open social media for better comms at work	**43%** of employees want to BYOD or CYOD	**40%** our Centrex needs replacing	**68%** of IT Decision Makers say we need to enable remote and mobile users to collaborate better

Source: The digital dislocation, 2013.

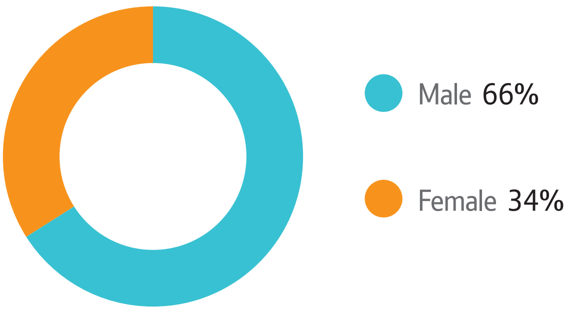
Three years on, BT and Cisco commissioned Davies Hickman Partners Ltd to conduct further research to find out how this 'digital dislocation' has evolved. What do employees want from their communications technology? What's stopping IT decision makers delivering that? Are organisations any closer to delivering truly collaborative working environments? What more do they need from suppliers?

The new research was expanded to include large organisations in ten markets across North America, Africa and Asia as well as Europe. Responses were based on a sample of 758 senior IT decision makers. The survey highlighted some important differences between the ten countries and five verticals (see Appendix 1 and 2).

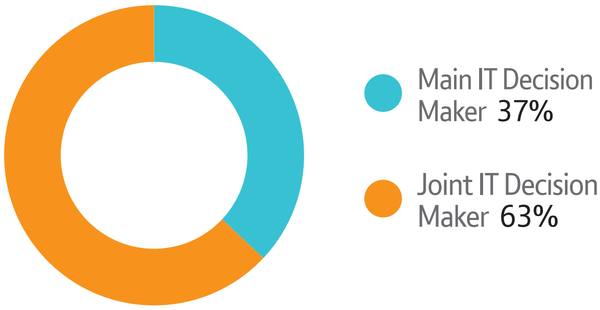
Research sample

758 IT Decision Makers across 10 global markets

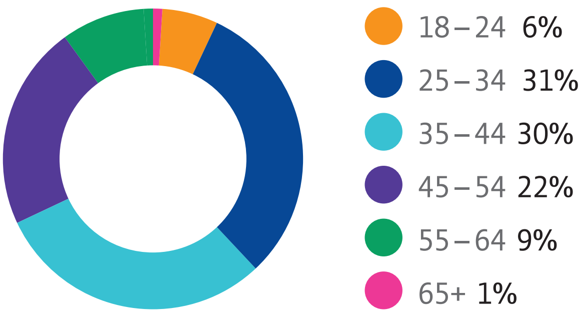
Gender - global



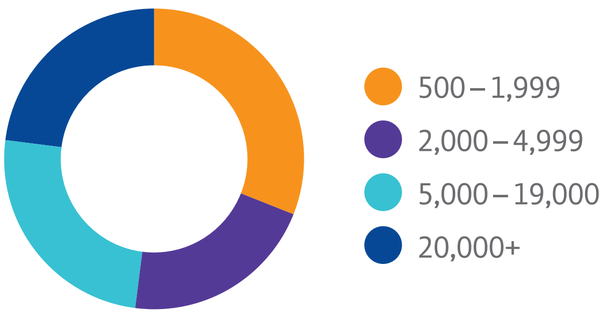
Main or Joint IT Decision Maker



Age- global



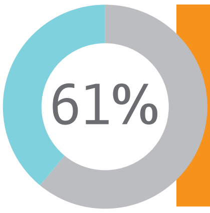
Employee numbers



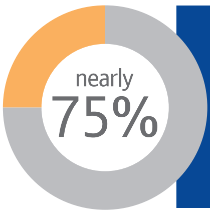
What do employees want? Easier and better communications – in the office and on the move.

We know that markets, economies and people are more closely linked than ever before. Employees know they need to cut through organisational silos to promote more collaborative working, enabling access to data quickly – often while travelling or working away from the office.

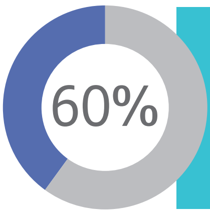
But digital dislocation is still a big stumbling block. Nearly 75 per cent of employees want easier ways to share information, and nearly three in five are frustrated by the time it takes to contact colleagues. This becomes even more of a problem as businesses expand to operate across national borders and time zones. Many employees are still frustrated with their organisation's IT set-up – 61 per cent want easier access to communications on the move.



want easier access to communications when on the move for work



want simpler ways to share information



complain about the time wasted contacting colleagues

70%
are searching for more and better data to make good decisions

57%
our organisation works in 'silos' and needs better collaboration across departments

78%
want to use new collaboration tools to improve communication

So, what has changed since 2013? More people are working away from the office.

Fifty five per cent of IT decision makers say people are now 'working at home, on the move and on clients and suppliers' sites more often' than in 2013. There's also been a 31 per cent increase in the number of employees wanting to bring their own device (whether mobile, tablet or other device) to work.

One of the biggest changes is the huge rise in the number of employees now working from home permanently – up by 61 per cent since 2013. (Up from 18% to 29%).

31%
increase in the no. of employees wanting BYOD (32% 2013 to 42% 2016)

only 1 in 2
are fixed desk office based now – no flexible or home work

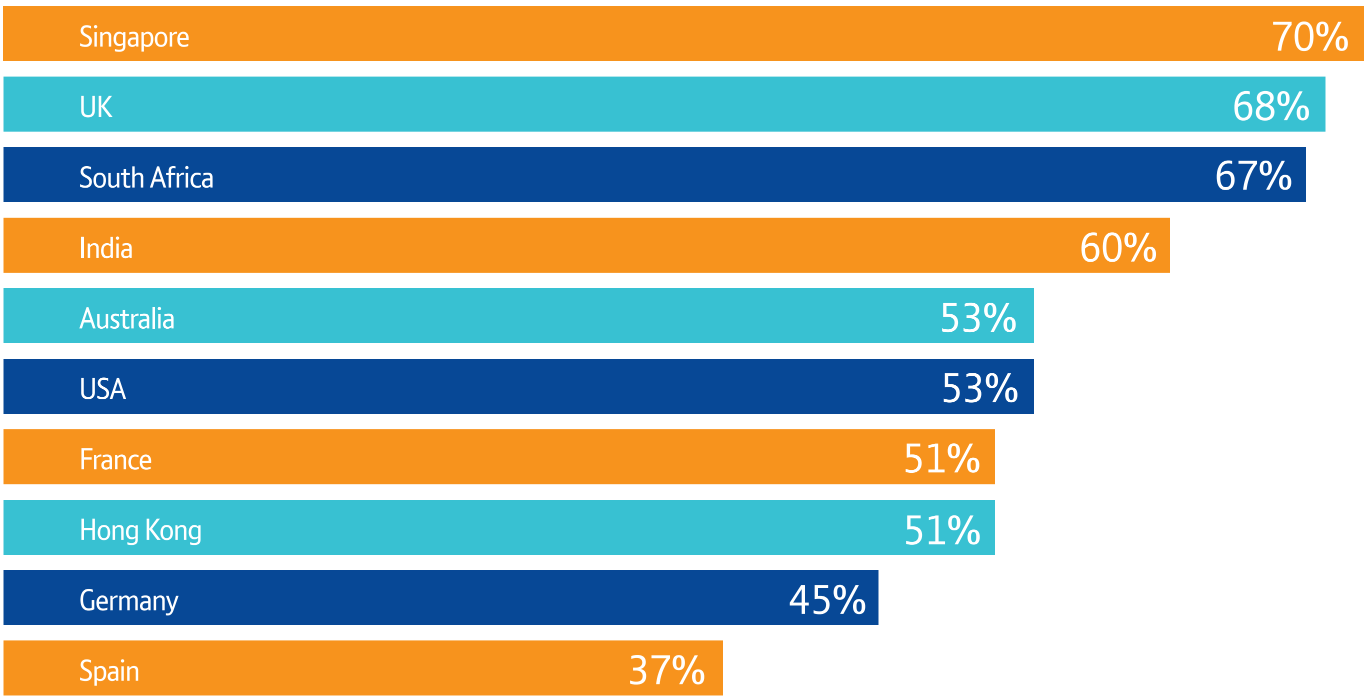
24%
increase in employees using desktop video at least once a month (34% to 42%)

10%
increase in the number of employees who travel for work at least once a month (40% to 44%)

61%
increase in the number of employees who work at home permanently (18% to 29%)

55%
are working at home, on the move and on clients and suppliers sites MORE OFTEN

Employees are working away from our offices: at home, on the move and on clients and suppliers sites MORE OFTEN

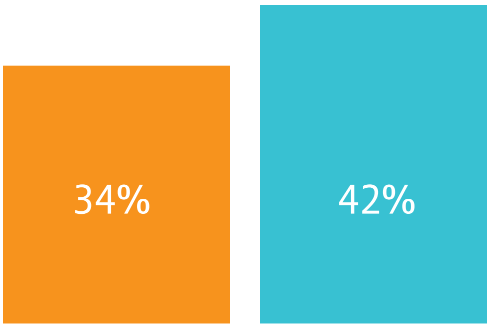


More people are using video in the workplace.

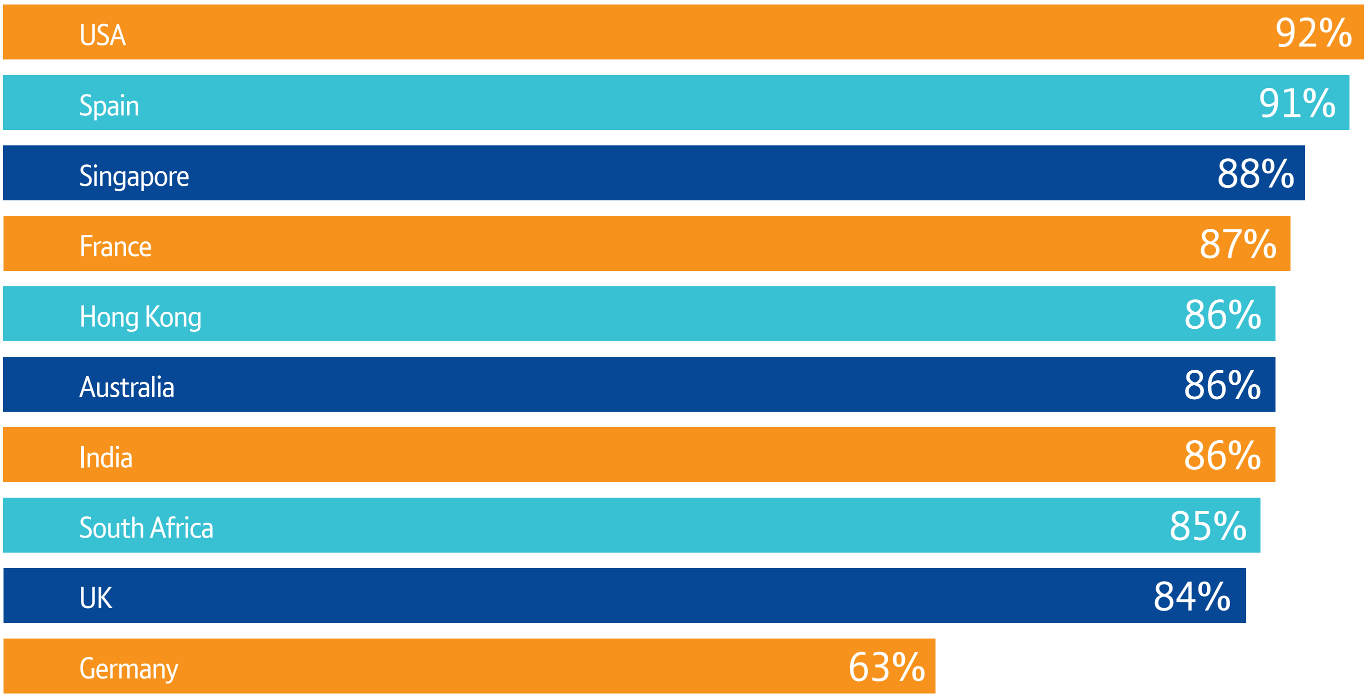
Since 2013 there's been a big rise (24 per cent) in the number of employees using desktop videoconferencing at least once a month (up from 34 per cent to 42 per cent). Video has become an important and common part of our everyday life – whether it's watching video clips on a device while commuting, or looking at 'how to' videos on YouTube for DIY and other tasks.

IT decision makers report growing interest in desktop video

Employees using desktop video regularly (at least once a month)



Video desktop – agreeing would really add value/be useful



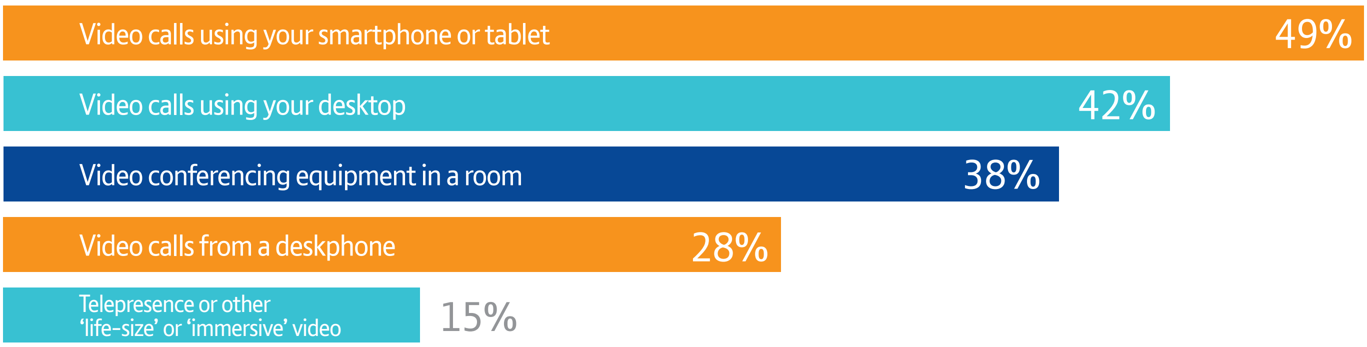
Compared to 2013, the IT decision makers we surveyed for the 2016 research are stronger advocates of video:

- 59 per cent say it's essential that voice and video work well together in their business
- 80 per cent say videoconferencing is 'definitely or possibly' a good solution for their organisation
- 67 per cent say switching from a phone to a video call would really add value or be useful
- 38 per cent say their videoconferencing needs updating.

Some video communication is more popular than others.

As the technology has developed, video communication has splintered into many different applications. Although its growing popularity is based on desktop use, video calls on a smartphone or tablet are also becoming more popular. Immersive telepresence still has its place for more formal discussions. But when IT decision makers were asked to choose their top two preferences out of five, immersive telepresence was the least popular.

Employees top two preferences for alternative types of collaboration video



Also important – employees say that important that voice and video work well together?

Improving access while on the move is a top priority.

IT decision makers know how important it is for employees to be able to work on the move. Wherever they may be, they need the same easy access to people, data and systems as if they were in the office.

IT decision makers are eager to find better solutions for mobile working. They know what's important:

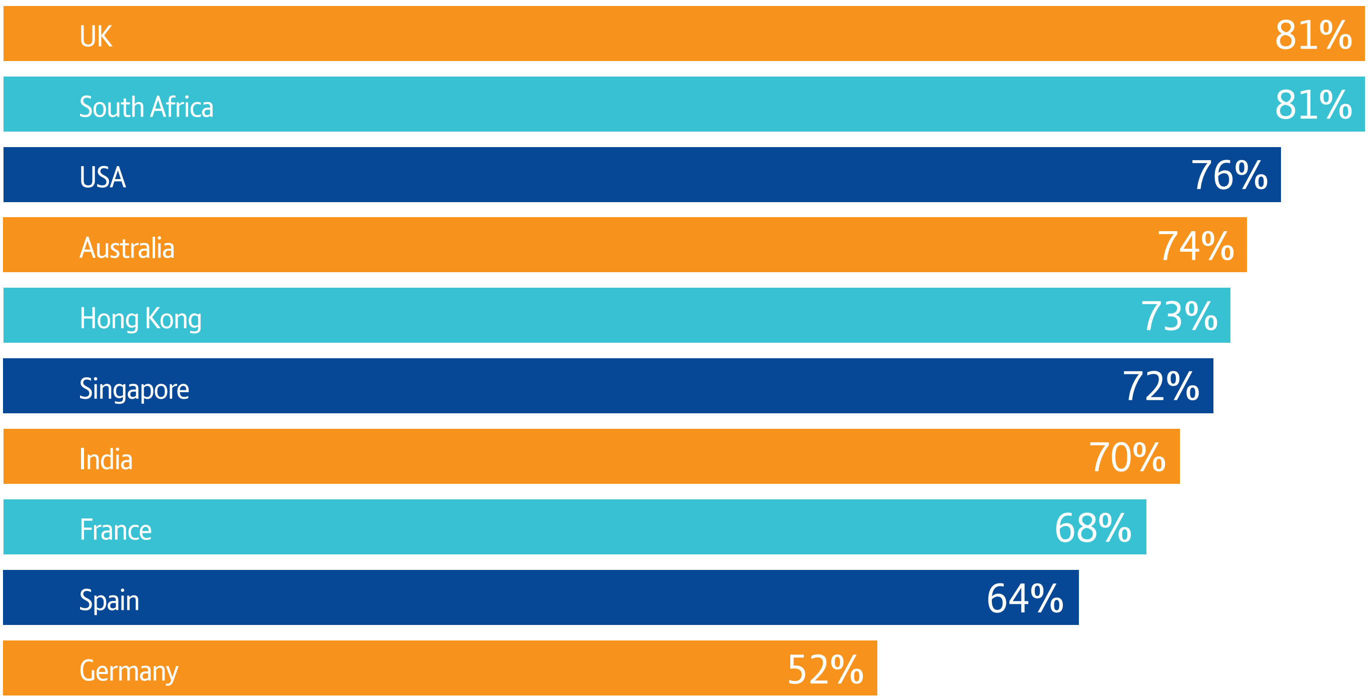
- 61 per cent say reducing mobile and mobile roaming costs is a priority.
- Nearly two in three say reducing business travel costs is a priority.
- Only 32 per cent say their fixed and mobile voice services work well together.

There's a great deal of interest in collaborative tools that could make it easier for employees to work on the move. These include access to the intranet from mobile, secure mobile access to the wider corporate network, video on a smartphone, and fixed mobile convergence. This would bring mobile and traditional office phones together into the same commercial and physical package to save the business time and money.

IT decision makers see a growing role for mobile collaboration

Agreeing would really add value/be useful

Video on your smartphone or tablet – Agreeing would really add value/be useful



What's stopping IT decision makers delivering what employees want?

Out-of-date technology.

Our survey shows that out-of-date technologies are one of the main reasons why IT decision makers can't deliver the kind of collaborative working their employees want. What's more, the rate of investment in upgrading legacy infrastructure has fallen since 2013:

- 56 per cent say 'our PBXs are old and need replacing' (up from 51 per cent in 2013)
- 49 per cent say 'our Centrex needs updating' (up from 46 per cent in 2013).

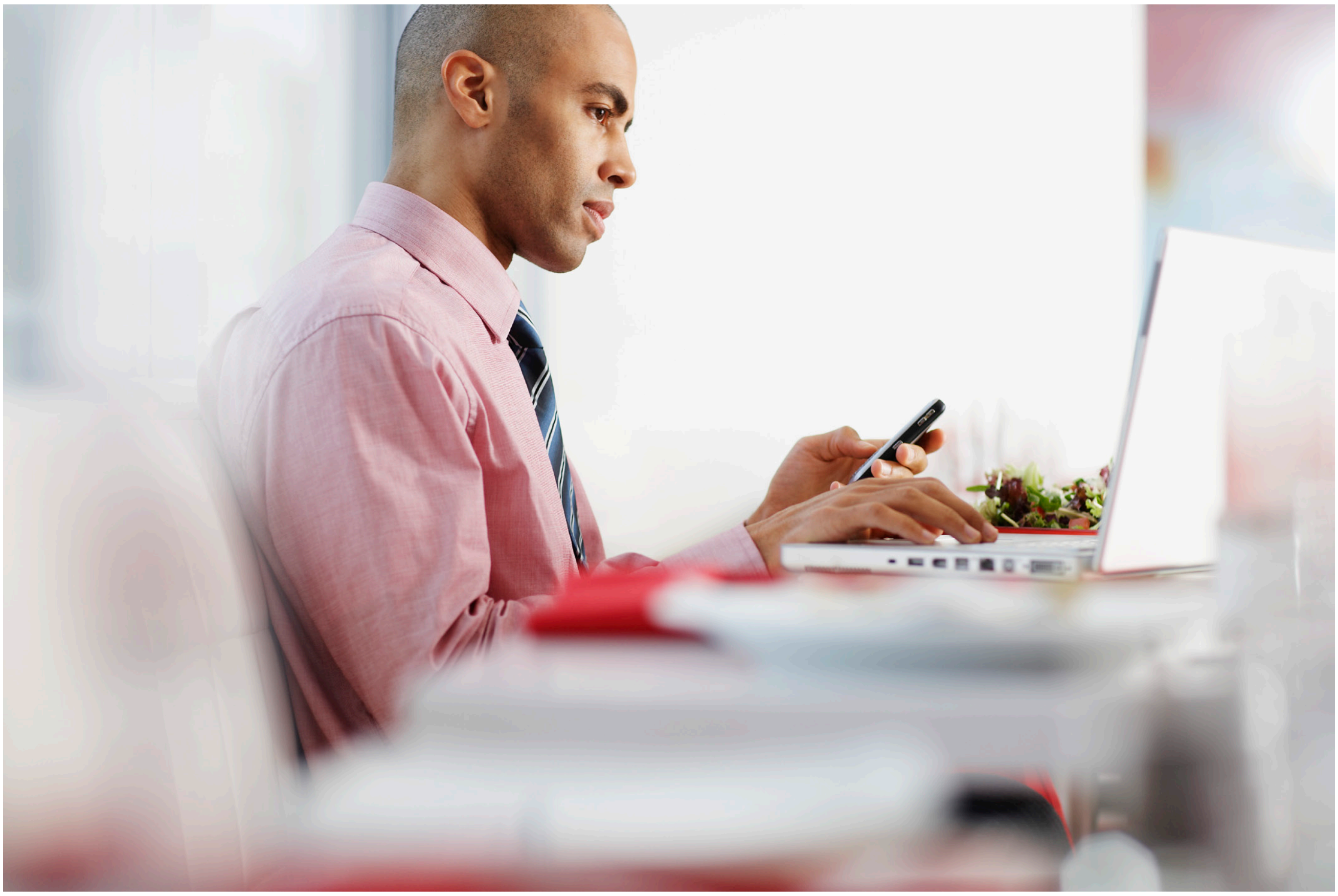
The survey also revealed that technologies for collaboration aren't always working well together, making it more difficult for employees to switch between channels when they need to.

- Only one in three say their fixed and mobile voice services work well together.

29 per cent say their voice and desktop sharing services work well together, with just 23 per cent saying the same for their voice, instant messaging, presence and video.

IT decision makers are aware of the need for collaboration tools to provide a seamless experience across all devices, where the 'look and feel' is similar to ease usability. Currently interfaces vary widely across smartphones, tablets, phones and desktops. However, new cloud collaboration tools have the same appearance and design across all devices making it easier for employees working in different locations.

Out-of-date technology also results in frustrations such as difficulty in searching for phone numbers (fixed and mobile), or being able to share documents while on a call, as well as in choosing the appropriate channel depending on a colleague's location.



Difficulty securing capital investment.

IT decision makers know that reducing costs is a priority, and one that extends to communications systems. Although there seems to have been a slight easing of pressure from the Board to reduce costs since 2013, this remains a significant and ongoing challenge. Top priorities are reducing the costs of equipment maintenance, mobile and business travel.

IT decision makers' priorities for reducing spend

Note: Scored on a ten point scale of importance to the organisation.

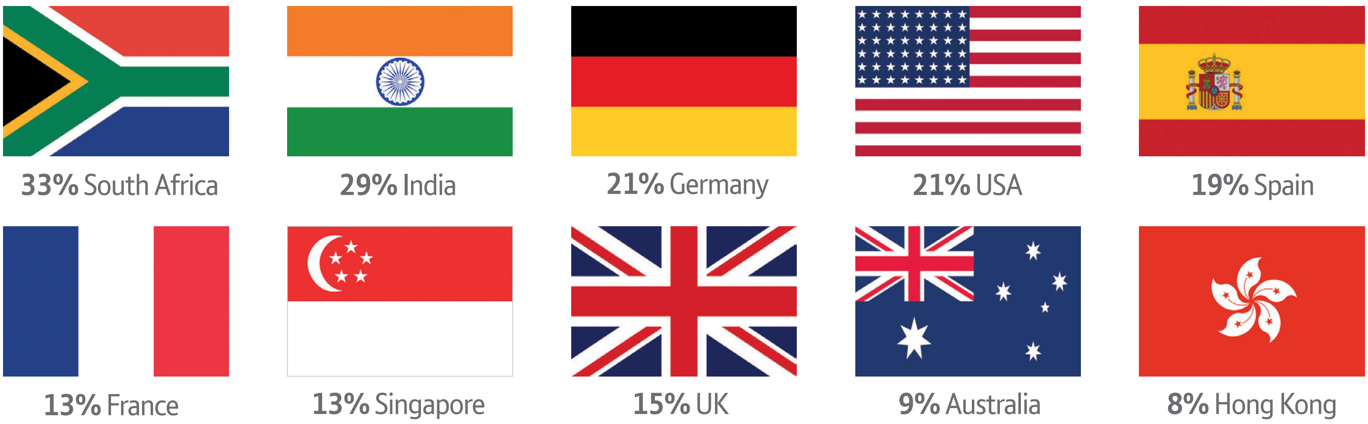
IT decision makers say equipment maintenance is a cost reduction priority

Note: Scored on a ten point scale of importance to the organisation.

Getting the right collaboration technology can help to reduce these costs. But it requires investment in new technology.

Securing this investment means competing with other departments that may need funding for product development, market expansion, or a host of other reasons. Most IT decision makers say it's difficult to secure the necessary investment – just one in five say their Board is very supportive.

IT decision makers agreeing strongly that directors in their organisation prioritises and see the value in investing in IT



These two issues – out-of-date technology and difficulty securing capital investment – create other problems for IT decision makers too...

Frustrated employees bringing their own devices to work.

Employees have access to fantastic technology at home. Whether it's a tablet, 4K television, smart sensors (learning thermostats such as Nest) or the ubiquitous smartphone, consumers are used to intuitive, modern and stylish technology at their fingertips.

So it's not surprising that they're frustrated with the outdated collaboration technology available in the office, and want to use their personal devices instead. The survey confirms a huge leap in employees wanting to bring their own device (BYOD) – from 32 per cent in 2013 to 42 per cent in 2016. This makes life difficult for IT departments, with one in two IT decision makers saying BYOD creates real problems. Only one in three have a good BYOD policy in place.

While BYOD may seem a good solution for employees, it brings some unwelcome risks for large organisations.

Data security is at risk in large organisations.

Cybercrime against large organisations is on the rise, often resulting in high-profile brand-damaging publicity. So it's not surprising that IT decision makers are concerned about data security. Employees using their own devices at work is one thing; sharing commercially sensitive data through file-sharing websites is quite another.

IT decision makers are also keenly aware that employees are using social media more and more for work purposes. For example, the proportion of employees using Facebook for work purposes has gone up from 29 per cent in 2013 to 36 per cent in 2016. The figures for those using Twitter are also up, from 19 per cent to 26 per cent. Nearly one in five use Dropbox or other cloud-based file-sharing or storage services.

It's understandable that employees want to use these applications to collaborate at work, and they could be entirely safe. But IT decision makers must ensure the integrity of corporate and customer data. After all, the buck stops with them.

36%
Facebook (29% in 2013)

37%
Skype (31% in 2013)

13%
Corporate dashboards

26%
Twitter (19% in 2013)

27%
YouTube (14 % in 2013)

24%
Dropbox or similar

Increased use from 2013

Overall, the combination of these problems means that 'digital dislocation' is as much a phenomenon in 2016 as it was in 2013. It seems that many large organisations have not managed to improve their employees' communication and collaboration during the past three years.

Overcoming digital dislocation to build collaboration and drive growth.

Cloud-based and hosted technology offers some attractive solutions for improving collaboration and overcoming digital dislocation at work. The global IT decision makers we surveyed are aware of its potential. Some are already taking advantage of these technologies – whether in CRM, collaboration, web technology or other business areas – and reaping the benefits.

What can cloud-based technology offer?

Overall, IT decision makers that are already using cloud-based technology reported some impressive results:

- 25 per cent reduction in total operating costs
- 30 per cent increase in employee and customer satisfaction
- 28 per cent increase in productivity
- 28 per cent reduction in travel costs.

These successes can help build the business case to persuade Boards to invest in cloud technologies.

IT decision makers reported benefit from investing in cloud technology

25% Reduction in total operating costs (TOC)

30% increase in customer satisfaction

28% reduction in travel costs

30% increase in employee satisfaction

28% increase in productivity

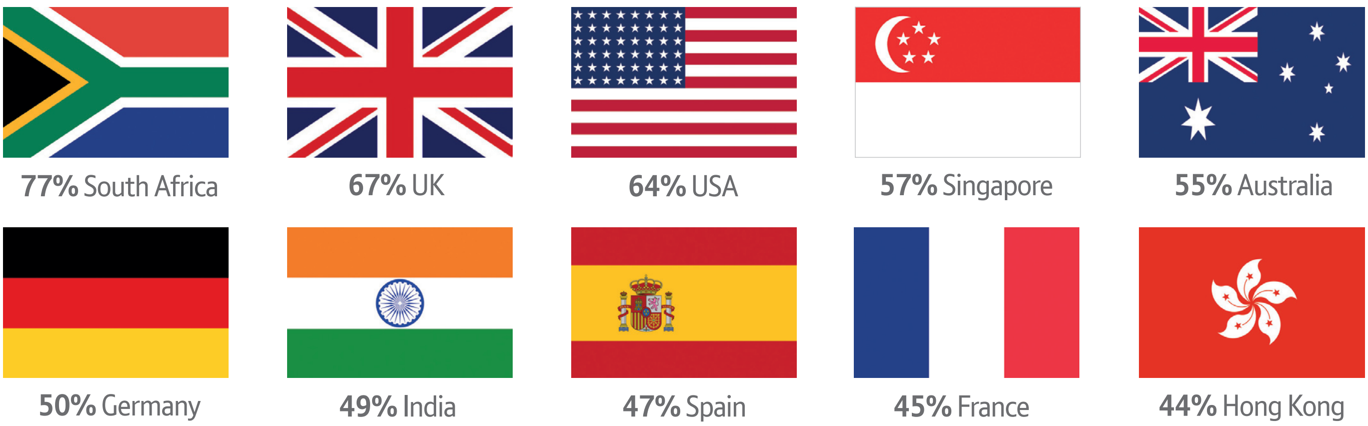
Only **35%** of IT Decision Makers say reducing Capex is NOT important

Growing confidence in the security of cloud technology.

Cloud technology is becoming more and more common in people's everyday lives. Because of this, executives and IT decision makers are less likely to be put off by data security concerns.

This is borne out by the survey. In 2013, 68 per cent of IT decision makers said security concerns were a barrier to using cloud technology for collaboration. But just three years later, that number has fallen sharply – to 52 per cent.

IT decision makers agreeing that security concerns are a barrier to implementing cloud technology



Cloud technology is easy to update, flex and saves money.

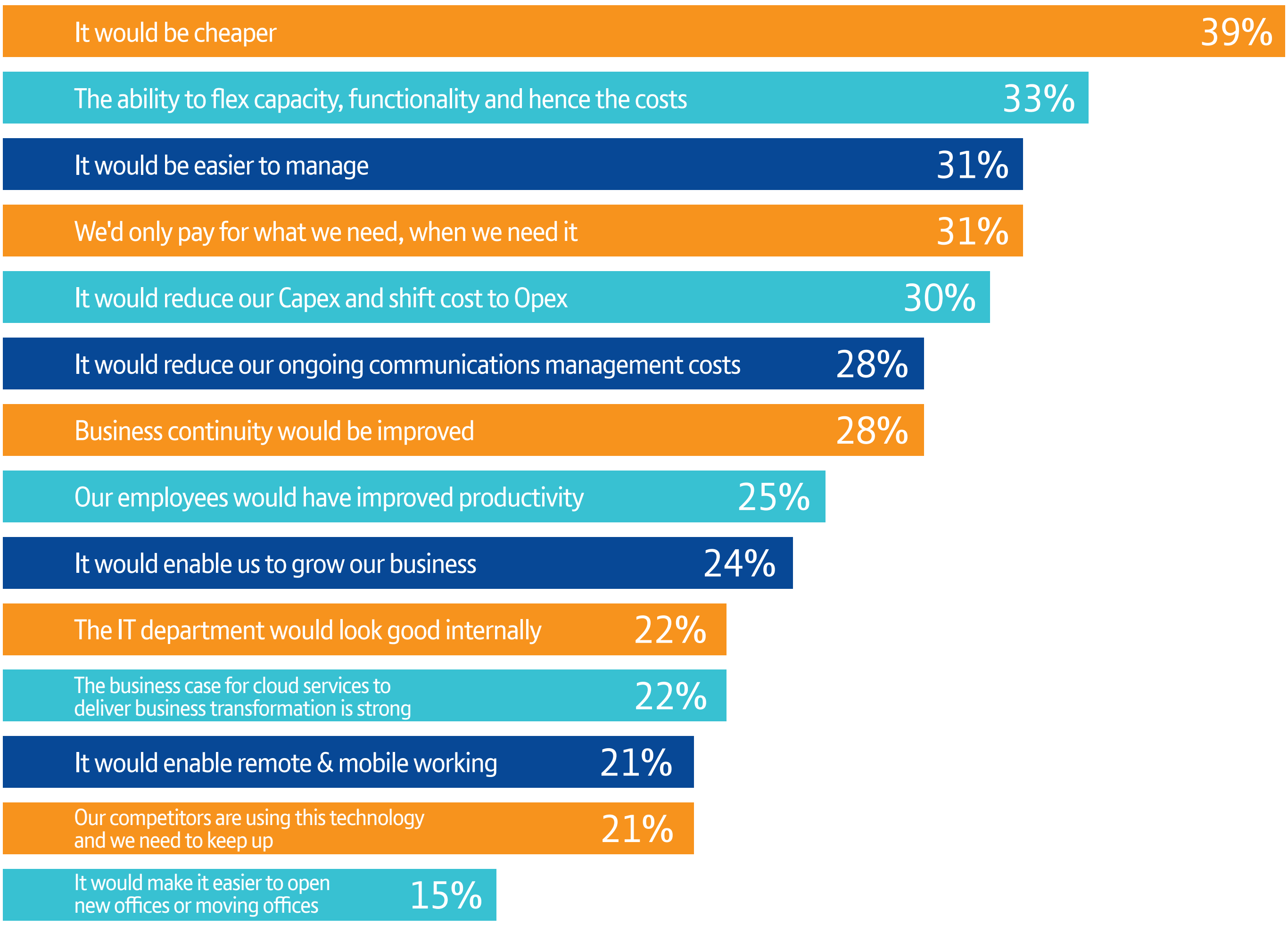
With concerns about data security on the decline, IT decision makers are more able to focus on the benefits of cloud technology. Those we surveyed were aware of some of its many benefits:

- 66 per cent say cloud solutions are much easier to keep up to date
- 63 per cent are aware it can adjust capacity according to business need.

But they cited others too. While keeping costs down comes out top, flexibility and scalability – not to say ease of use – explain the growing popularity of cloud collaboration technology:

- 39 per cent say it would be cheaper
- 33 per cent say it gives the ability to flex capacity and functionality
- 31 per cent say it'd be easier to manage.

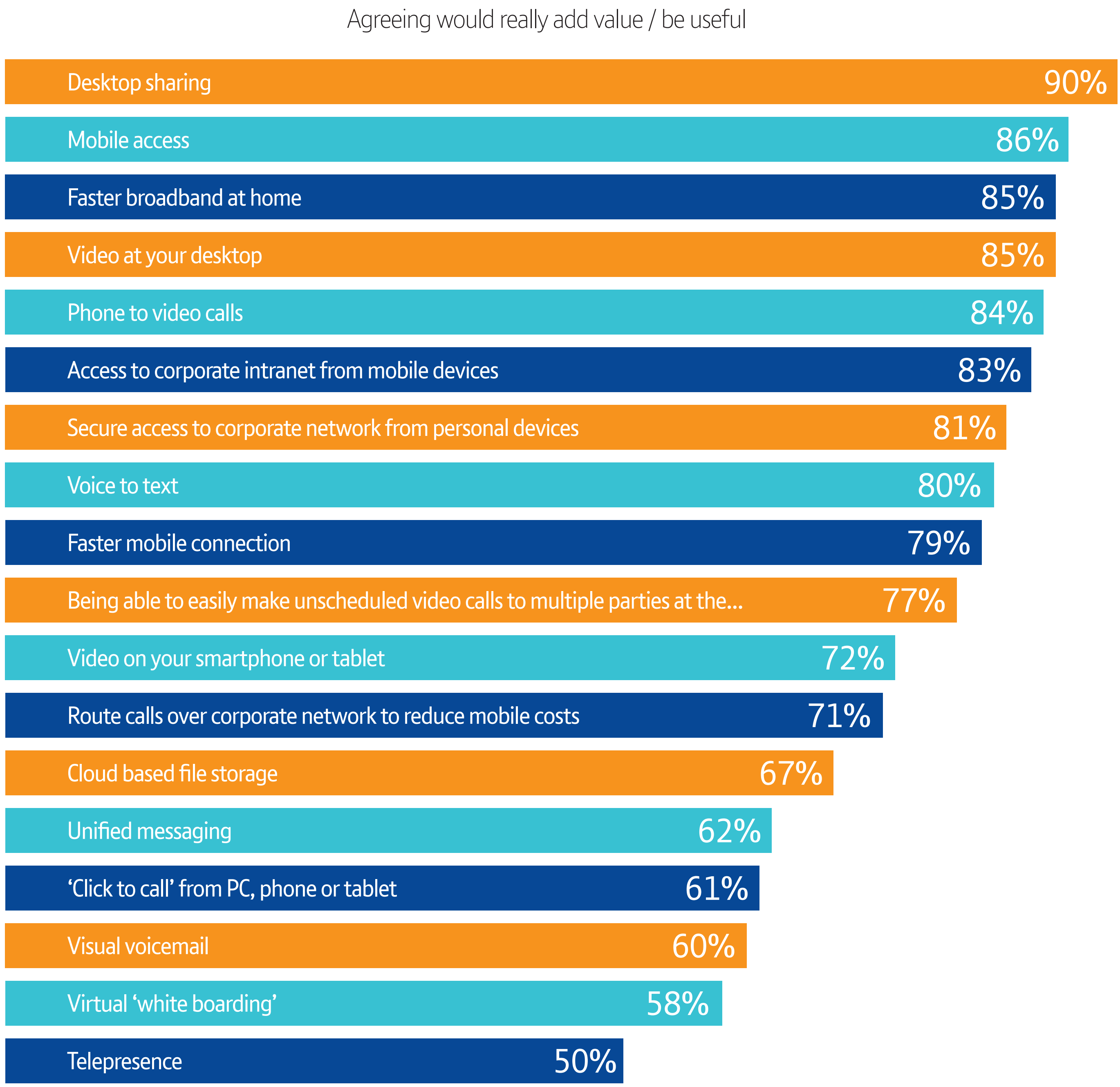
IT decision makers reasons for using a cloud solution to meet their organisation's collaboration needs



Cloud collaboration applications already popular with employees.

IT decision makers can see that their employees are very interested in using cloud collaboration technology. Desktop sharing is the most popular single application, followed closely by desktop video, phone to video calls, and mobile access to the corporate intranet. Two in three even see a role for cloud-based file storage.

IT decision makers see benefit in a wide range of collaboration tools



Global organisations trust global vendors.

Large organisations certainly find the new collaboration technologies very attractive. But IT decision makers confirmed they want to deal with trusted suppliers – 61 per cent said it's better to deal with large, well-known brands for cloud services. They cited other factors as important too:

- 49 per cent of main IT decision makers say it's vital to have a single global price for technology end user licenses to make global rollout costs more predictable
- 48 per cent of IT decision makers say it's essential that service providers have a data centre in their region for data sovereignty
- 48 per cent say that paired data centres are vital from a business continuity perspective.

Appendix 1 - Country summaries.

The survey of 758 IT decision makers working in ten global markets represents the way work is undertaken in large organisations. But it's worth highlighting some important differences between the countries.

France – Behind on mobile and remote working, ahead on video at work.

IT decision makers in France are more focused on reducing total operating costs, with 77 per cent saying this is important, compared to the European average of 65 per cent. Improving remote and mobile working is a priority for 73 per cent, while for the rest of Europe this figure is 57 per cent. Only 24 per cent say their organisation supports remote, mobile and flexible working, compared to 36 per cent globally. However, the French are ahead on the use of videoconferencing at work – 51 per cent of employees use this once a month compared to a European average of 36 per cent.

Germany – Less focused on reducing cost, high users of audio conferencing.

IT decision makers in Germany are less likely to prioritise reducing total operating costs. Only 50 per cent say this is important compared to the European average of 65 per cent. German employees are more active users of audio conferencing: 73 per cent of IT decision makers say this is important compared to 58 per cent globally. Only 17 per cent use videoconferencing regularly at work compared to the global average of 43 per cent. There's less interest more generally in upgrading collaboration tools.

Spain – Looking to support remote and mobile workers, behind on the use of video at work.

Just under three in four Spanish IT decision makers see a need to help their remote and mobile workers improve collaboration compared to 57 per cent across Europe. The proportion of their employees who are working away from the office, at home, on the move or at suppliers' sites more often is 37 per cent. The global comparator is 55 per cent. Around one in five use videoconferencing at work compared to the European average of 36 per cent. Spanish employees are one of the highest users of WhatsApp for work purposes – 59 per cent, compared to 36 per cent in the rest of Europe.

UK – More often working on the move, view cloud services as the future of collaboration.

UK employees index highly for working away from the office. IT decision makers say 68 per cent of employees are working at home, on the move and at clients and suppliers' sites more often compared with 50 per cent in Europe and 55 per cent globally. More UK IT decision makers are concerned about the security aspects of using cloud collaboration services – 67 per cent, compared to 52 per cent in Europe. But they are becoming less concerned when compared with 2013. 60 per cent use videoconferencing at work regularly compared to the European average of 36 per cent. Nearly two in three say cloud technology will become the most common way of delivering voice and collaboration services.

Australia – Index highly for BYOD and organisations supporting flexible working.

Employees in Australia are more likely to want to BYOD than their global colleagues – 57 per cent compared to 47 per cent. Nearly one in two say their organisation supports flexible working compared to a global average of 36 per cent. The proportion of IT decision makers who say that desktop video would really add value is 31 per cent compared to 42 per cent globally. However, only 47 per cent say their directors prioritise IT investment compared to 57 per cent globally. 51 per cent are concerned that upgrading to new technology will disrupt their organisation compared to 41 per cent globally.

Hong Kong – Employees less likely to complain of problems collaborating.

Communication appears to work well in Hong Kong. Only 35 per cent of employees complained that the time they waste trying to contact people leads to delays in decision making, compared to 57 per cent globally. However, 64 per cent think Instant Messaging would add value compared with 36 per cent globally. Use of Twitter for work purposes is much lower in Hong Kong – 13 per cent compared to 25 per cent globally. 62 per cent use WhatsApp for work. 55 per cent use video on the desktop regularly (compared to 43 per cent globally) but only 31 per cent want to BYOD (compared with 47 per cent globally). 70 per cent of IT decision makers say remote workers need to collaborate better (compared with 53 per cent globally).

India – Positive about upgrading cloud collaboration tools.

IT decision makers in India face strong demands from their employees to use collaborative technologies more often – 75 per cent compared to 63 per cent elsewhere. Three in four say it's vital that voice and video work well together compared to 59 per cent globally. Generally, IT decision makers in India want to upgrade their collaborative tools – 59 per cent compared with 48 per cent globally. Not surprisingly, as a result, 75 per cent say their PBXs are old and need replacing (56 per cent globally). A strong driver of using cloud technology is a shift to OPEX (45 per cent, versus 30 per cent in other markets).

Singapore – Employees most likely to be working away from the office compared with previously.

Employees in Singapore top the ladder in terms of working away from the office more often – 71 per cent, compared to an average of 55 per cent globally. Nearly one in two employees find it difficult to collaborate with colleagues in different countries. 61 per cent of IT decision makers say their colleagues want to BYOD (compared with 47 per cent globally). But data security concerns are higher in Singapore with 52 per cent of decision makers worried that upgrading to new cloud technology will disrupt their organisation (compared to 42 per cent elsewhere).

South Africa – On a drive for better collaboration with the rest of the world.

IT decision makers in South Africa say their colleagues want to use collaboration tools more often (80 per cent compared to 63 per cent). 87 per cent want simpler ways to share information. Over three in four complain about time wasted trying to contact colleagues compared with 57 per cent globally. Although there remain some concerns about data security, nearly three in five IT decision makers say they want to upgrade their collaboration tools. Potential cost savings are a strong reason for IT decision makers in South Africa choosing cloud technology – 52 per cent, compared to 39 per cent globally.

United States – Video positive and more likely to have invested in new technology.

IT decision makers in the US are very keen on video in the workplace. 92 per cent say video at the desktop would add value or be useful compared to 85 per cent globally. For phone to video calls, the figure is 89 per cent (compared to 84 per cent elsewhere) and a similar proportion is in favour of video on smartphones or tablets. IT decision makers in the US are more likely to have recently invested in new technology (59 per cent compared to 47 per cent globally). Only 4 per cent say cloud offers few benefits (compared to 20 per cent globally).

Appendix 2 – Vertical trends.

It's also worth highlighting some differences between each of the five key verticals.

Financial services.

Audio and videoconferencing are important and used on a regular basis. This sector has the highest percentage of employees travelling globally once a year, and using a number of different platforms for communication. Security is a concern and they want to make access to data more secure. Some technology (collaboration and Centex) needs updating and features such as desktop sharing would really add value (59 per cent):

- Desktop videoconferencing at least once a month (46 per cent)
- Audio conferencing once a week (49 per cent)
- Want more support to keep data secure (75 per cent)
- One telephone number that connects desk phone and mobile (54 per cent)
- Facebook for work (42 per cent)

FMCG/Pharmaceutical/Retail.

This sector has some of the highest use of communication via all platforms and particularly conference calls. But IT decision makers in this sector are less likely to believe their systems and technology need to be updated:

- Highest regular users of Skype, WhatsApp and text, at 41 per cent, 40 per cent and 40 per cent respectively
- They think it's important to know where colleagues are and what they're doing (44 per cent)
- Least interested in a faster broadband at home or mobile connection (42 per cent and 27 per cent)

Government.

This sector uses the least amount of technology (e.g. BYOD and audio/videoconferencing). Employees are least likely to work while on the move and are less interested in being able to switch between communication platforms. They're less likely to use social media for work purposes and are more conscious of security concerns:

- Employees bring their own devices to work (39 per cent)
- Global travel at least once a year (30 per cent)
- Secure access to network from phone or tablet (38 per cent)

IT and telecoms

This sector has the highest percentage of employees using BYOD. Employees are away from the office more frequently but find international collaboration difficult and want it to improve. They are frequent users of multi-platform communications such as Skype (47 per cent) or Facebook (43 per cent). They believe cloud solutions will reduce the headcount in the IT department (76 per cent):

- Highest percentage of employees using BYOD (49 per cent)
- Most often away from the office, at home, on the move, with clients (59 per cent)
- Find international collaboration difficult (38 per cent)

Logistics/Manufacturing/Engineering.

This sector wants to use cloud services to store data but need more support to keep data secure. They have the least interest in multi-platform messaging. They don't feel the need to know where their employees are or what they're doing, but want technology that can bring everyone together instantly:

- Want cloud services to store data (62 per cent)
- Want support to keep data secure (72 per cent)
- Cloud-based workforce optimisation (32 per cent)
- HD calls would lead to better communication (65 per cent)

Offices worldwide

Find out more at:

Contact your BT account manager directly

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