Future of Work-From-Home in GBS | Separating Hype from Reality

May 2021: Complimentary Abstract / Table of Contents

Contents

For more information on this and other research published by Everest Group, please contact us:

Rohitashwa Aggarwal, Vice President

Hisham Ahmed Rizvi, Senior Analyst

Background of the research

COVID-19 has fundamentally altered the Work-From-Home (WFH) proposition for global organizations, prompting a shift from opportunistic leverage in 2020 to rapid integration of WFH within a future delivery model strategy. As organizations enter 2021, WFH strategy design and implementation will be critical to ensuring future success. However, this will not be the same as WFH during 2020. As the world looks beyond COVID-19, both employer and employee preferences will change, and so will the approach toward WFH.

Methodology: This report is based on primary analysis of 100+ Global Business Services (GBS) / Global In-house Centers (GICs) / shared services centers of leading global organizations, and synthesized learnings and best practices in frameworks and case studies that can be leveraged to design a future WFH strategy.

While many organizations are addressing key WFH-related challenges in an agile manner, there is need to proactively design a future WFH strategy to align this with organizational needs and objectives. In this report, we have primarily covered four key aspects:
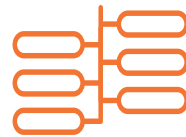
- Outlook toward WFH model and the extent of adoption
- Key design elements and approach to integrate WFH into future GBS delivery models
- Emerging trends, best practices, and use cases from leading global organizations / GBS
- Key challenges and success factors to enable success of a sustained and scaled WFH model

Scope of this report:

Key learnings
Key learnings from the 2020 WFH experiment and expectations for 2021, including key success factors for a scaled, sustained WFH model

Key elements
Deep dive into six key elements of building a future-proof Work-From-Home strategy for GBS organizations

Case studies
Case studies highlighting key initiatives and success factors for leading global organizations

Overview and abbreviated summary of key messages

In this report, we provide an in-depth analysis of the WFH strategy adopted by leading global organizations, including extent of adoption, key design elements, approach to integrate WFH in future GBS delivery models, emerging trends, best practices, and use cases from leading GBS / global organizations. The study concludes with six key elements of building a future-proof Work-From-Home strategy for GBS organizations.

Some of the findings in this report, among others, are:

Observations in 2020	• The 2020 WFH experiment was a big success. Organizations primarily focused on transitioning existing workforce to WFH model and tackling challenges associated with the new working model
	• Most governments and organizations adopted a reactive approach and made adjustments as per evolving circumstances
Expectations for 2021 and beyond	• WFH expected to become an integral part of the services delivery model
	• Focus on strategic use of WFH model to improve delivery and talent models – target new talent markets, improve retention, and improve employee experience
	• Most governments and organizations expected to adopt a proactive approach to define policies (taxation, labor laws, etc.) to enable hybrid delivery, going forward
Designing a future-proof WFH strategy	• As GBS organizations build a future WFH strategy, there are six key elements they need to address
	– Work portfolio
	– Talent model
	– Locations portfolio
	– Technology and real estate infrastructure
	– Performance management
	– Risk management

This study analyzes emerging trends, best practices, and use cases from leading global organizations, providing a deep dive into six key elements of building a future-proof WFH strategy for GBS organizations

---

Future of Work-From-Home in GBS | Separating Hype from Reality

The 2020 WFH experiment was a big success; however, organizations are adopting a pragmatic approach as they plan for 2021 and beyond

Observations in 2020		Expectations for 2021 and beyond
Reluctant/limited adoption before 2020; scaled adoption in 2020 driven by external forces (mostly COVID-19)	WFH adoption	WFH an internal part of the service delivery model; top-down mandate to scale WF
Limited choices offered during COVID-19, but strong preference for full-time/partial WFH	Employee preference	Evi of
Productivity during WFH expected to be comparable (or even better) than the standard delivery model	Productivity	Co und
Limited savings realized in 2020 given existing commitments/agreements. Several firms invested heavily in IT infrastructure and ad hoc benefits	Cost savings	WF will
Focus mostly on transitioning existing workforce to WFH model; several challenges to adapt to the new working model	Talent model	Fo nev
Most strategic plans put on hold; uncertainty caused delays in decision-making	Real estate strategy	Org sat
Most governments and organizations adopted a reactive approach and made adjustments as per evolving circumstances	Regulatory environment	Stil (tax

Designing future of work (or work from home) strategy is one of the top

Source: Primary data collection; interviews with market participants; Everest Group (2021)

Everest Group® Proprietary & Confidential. © 2021, Everest Global, Inc. | EGR-2021-0-R-4356

Future of Work-From-Home in GBS | Separating Hype from Reality

Global companies are increasingly clarifying their stance on the future of WFH, with some being more bullish about sustaining a scaled WFH model than others

NOT EXHAUSTIVE

Current outlook toward WFH

Cautious
WFH not sustainable; eager to resume in-office operations

Optimistic
Adopting WFH within the BAU delivery model; actively mitigating WFH-

BARCLAYS
JPMorgan Chase & Co.
WELLS FARGO

AMAZON
BNY MELLON
box
Facebook
NOVARTIS
salesforce
SIEMEN

"It's remarkable it's working as well as it is, but I don't think it's sustainable." – Jes Staley, CEO, Barclays

JP Morgan has noticed productivity decline among employees and wants them to return to office

Wells Fargo expects minimal change in the working model, will go back to the pre-COVID-19 model

Amazon plans to hire 20,000 seasonal staff in customer service. Most positions are part of a program that provides flexible work-from-home options

At **Microsoft**, employees will be allowed to work from home for less than half of their work week — and could work from home entirely if approved by their manager

Facebook is opening expects half of its em

Standard Chartered allowing employees to

Source: Primary data collection; interviews with market participants; Everest Group (2021)

Everest Group® Proprietary & Confidential. © 2021, Everest Global, Inc. | EGR-2021-0-R-4356

Future of Work-From-Home in GBS | Separating Hype from Reality

As GBS organizations build a future WFH strategy, there are six key elements they need to address

Elements of WFH strategy

1 WORK PORTFOLIO	2 TALENT MODEL	3 LOCATIONS PORTFOLIO	4 TECHNOLOGY AND RE INFRASTRUCTURE	5 PERFORMANCE MANAGEMENT	6 RISK MANAGEMENT
• Identify and prioritize work-types for remote delivery • Identify best-fit employees • Balance organizational imperatives and employee choice • Balancing WFH+WFO	• Strengthen ethics & culture • Productivity monitoring • Engage and encourage • Evolve talent models • Digital platform enablement	• Revaluate the service delivery model • Relook locations footprint – offshore vs. onshore model • Global delivery network – pivot to hub, spoke, and satellite • Real estate footprint	• Technology infrastructure enabling the hybrid delivery model • Reimagine role of offices in hybrid (WFH+WFO) working model • Design office of the future	• Shift to outcome-linked productivity metrics • Ensuring clear, transparent reporting mechanisms and metrics • Leadership skills for hybrid workforce management	• Business risks • Talent risks • Technology risks • Data risks • Regulatory risks • Other unaddressed aspects related to remote delivery models

Everest Group® Proprietary & Confidential. © 2021, Everest Global, Inc. | EGR-2021-0-R-4356

21

Research calendar
Talent Excellence GBS

■ Published ■ Planned ■ Current release

Published reports	Release date
Redefining the Future of Work - Human Plus Technology	January 2019
Talent Handbook for Language Skills: Answering the Calls for a Global Marketplace	November 2019
Innovative Talent Practices to Build the GBS of the Future	November 2019
European Digital Services Talent Handbook: Prepare for Digital Disruption	June 2019
Playbook: Integrating Work From Home (WFH) in the Global Business Services (GBS) Delivery Model	June 2020
Workforce Productivity: The Next Frontier in Improving Organizational Efficiency	June 2020
Engineering Services Skills Handbook: Preparing for Next Wave of Growth in Global ER&D	July 2020
Winning the War for Talent: An Enterprise Guide to Building a Sustainable Workforce Strategy	July 2020
Charting the Skilling Journey to Build the IT Services Talent of Tomorrow: Replacing the Commodity IT Services Role Definitions	August 2020
Future of Work-From-Home in GBS | Separating Hype from Reality	**May 2021**

Planned reports	Release date
Skilling Strategies for GBS Organizations | Pinnacle Model™ Analysis 2021	Q2 2021
Unlocking GBS Workforce Productivity	Q2 2021
Role of Next Generation Technologies in Talent Acquisition	Q3 2021
Next-generation Talent Practices for Evolving GBS Needs	Q3 2021
Global Workforce Strategy Planning | Pinnacle Model™ Analysis 2021	Q4 2021

Note: For a list of all of our published Talent Excellence GBS reports, please refer to our website page

Everest Group®

With you on the journey

Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **www.everestgrp.com**.

Stay connected

Website
everestgrp.com

Social Media

🐦 @EverestGroup

in @Everest Group

f @Everest Group

▶ @Everest Group

Blog
everestgrp.com/blog

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-647-557-3475