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Cord-Cutting Hits the Enterprise — as Employees Become

Why investing in a pure-cloud communications system will improve employee productivity & happiness... and the bottom line.

— Anywhere Workers

New Report
from [Brian Solis](#)
of Altimeter,
A Prophet Company

COMMISSIONED BY DIALPAD

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WRITTEN BY

Brian Solis of Altimeter, A Prophet Company
Commissioned by Dialpad

Cutting the Cord

Sixty percent of U.S. households have cut the cord, removing traditional phone "landlines" from their homes.¹ Why? Mobile devices are now pervasive, making home lines redundant. But more so, how people communicate is also radically changing.

¹<http://www.digitaltrends.com/home/you-can-still-call-about-40-percent-of-u-s-households-on-a-landline>

²<http://www.chicagotribune.com/business/ct-americans-texting-00327-biz-20150326-story.html>

Beyond voice calling on mobile devices, consumers also have an abundance of apps on their pocket computers that they use to connect with others and communicate in new ways. They text, FaceTime, Hangout, Snap, Instagram message, use Facebook Messenger, Tweet, WeChat, Line, live stream, et al. What's more, among a growing number of consumers, voice isn't the only mode of communication.² The reality is that traditional phone lines simply cannot keep pace with the universal reach and impact of the internet and mobile innovation. And, every day, new devices, apps, and trends continue to shape how we communicate.

While this is happening in the home, what's happening in the workplace? Employees are progressively opting out of desktop phones there as well. Like at home, they choose to use their mobile devices or laptops to communicate.

This ultimately creates headaches for IT, as the historical experience of updating enterprise communications technologies to a unified communications (UC) or pure-cloud system is daunting, expensive, and not a priority on their roadmap. But in reality, implementing a pure-cloud productivity and communication system is exactly how to get your employees more connected and motivated. Those companies that make the move will also recognize that it's not nearly as daunting or expensive as many people perceive it to be.

IT obviously has many efforts that require immediate and long-term attention. Investments such as updating enterprise resource planning (ERP) and CRM systems can often take years. At the same time, modern business communications and productivity solutions can be rolled out in a fraction of the amount of time. This creates a critical opportunity for IT leaders to improve employee communication, collaboration, and productive at enterprise scale with more immediate ROI.

Solving for desk phones is just one piece of the remote employee puzzle as "Anywhere Workers" grow within the enterprise. Being chained to a desk, commuting, desktop computers, meetings, email, intranets, training, etc., are relics from a bygone era of work. In fact, how employees want to work versus how they actually have to work is leading to lower employee productivity and

happiness. Every day, more employees opt-in to cutting the cord at both home and the office.

Welcome to the new world of the Anywhere Worker, which is having a massive impact on how IT should adopt technology. Employees need digital freedom at work the way they do at home. This takes more than technology; it takes a new mindset to re-imagine, simplify, and improve the future of work. It's time to rethink the relationship between IT, agile technology, and the needs and expectations of your employees.

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Demise of the Desk Phone

It was just a handful of years ago that personal smartphones and tablets started to disrupt IT. The impact of working anywhere and also embracing more intuitive cloud-based technologies is also affecting the most basic and often overlooked tools for communication and collaboration: traditional desks and desktop phones.



Neither serves the more mobile needs of employees as they slowly but surely cut their ties to their anchored office space. According to research from Global Workplace Analytics, employees at Fortune 1,000 companies are not at their desks 50% to 60% of the time.³

A new survey from Dialpad found that only 19% of respondents worked at a desk 40 or more hours per week.⁴ Fifty-three percent stated that the desk phone is outdated, and nearly one-third of respondents believe desk phones won't exist three years from now.⁵

³<http://globalworkplaceanalytics.com/telecommuting-statistics>

⁴<http://hello.dialpad.com/era-anywhere-worker-ebook.html>

⁵<http://hello.dialpad.com/2016-report-on-cloud-communications-ebook.html>



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It's time for CIOs to understand the extent of employee cord-cutting once they examine the data surrounding low desk phone use. At Motorola Solutions, for example, Dialpad found that 50% of employees were using their desk phones only ten times per month.⁵ Most conversations were redirected straight to mobile phones that could be taken on-the-go. Yet still, 66% of companies provide employees with desk phones, even though 75% of employees prefer a mobile smartphone over a desk phone for business calls.⁷ According to IDG, these unused phone systems come at an average cost of \$8.1 million for every enterprise,⁸ a significant investment for an outdated technology that doesn't fulfill today's employee needs.

First generation UC players also known as Communication-as-a-Service started in the early 2000's and made a big splash helping IT shift aging PBX (or communications) hardware into the cloud. While this was great for IT, most of these vendors today were and still are dependent on desk phones. The best option for Anywhere Workers with these systems is to forward calls to their mobile phones, laptops, tablets... basically anything other than a desk phone.

It's highly recommend that IT/CIOs review all usage of their existing systems to see the true impact on productivity and employee satisfaction. It also helps to survey your employees prior to making any decision that affects how they work. User-centered strategies can save time, money and headaches later while also communicating to employees that their input is important.

For example, in Dialpad's "Era of the Anywhere Worker Survey" survey, employees said that the smartphone tops the list of essential devices for remote work at 85.1% followed closely by laptops at 82.5%.

⁵<http://hello.dialpad.com/rs/838-ZLQ-213/images/case-study-motorola-solutions-short.pdf>

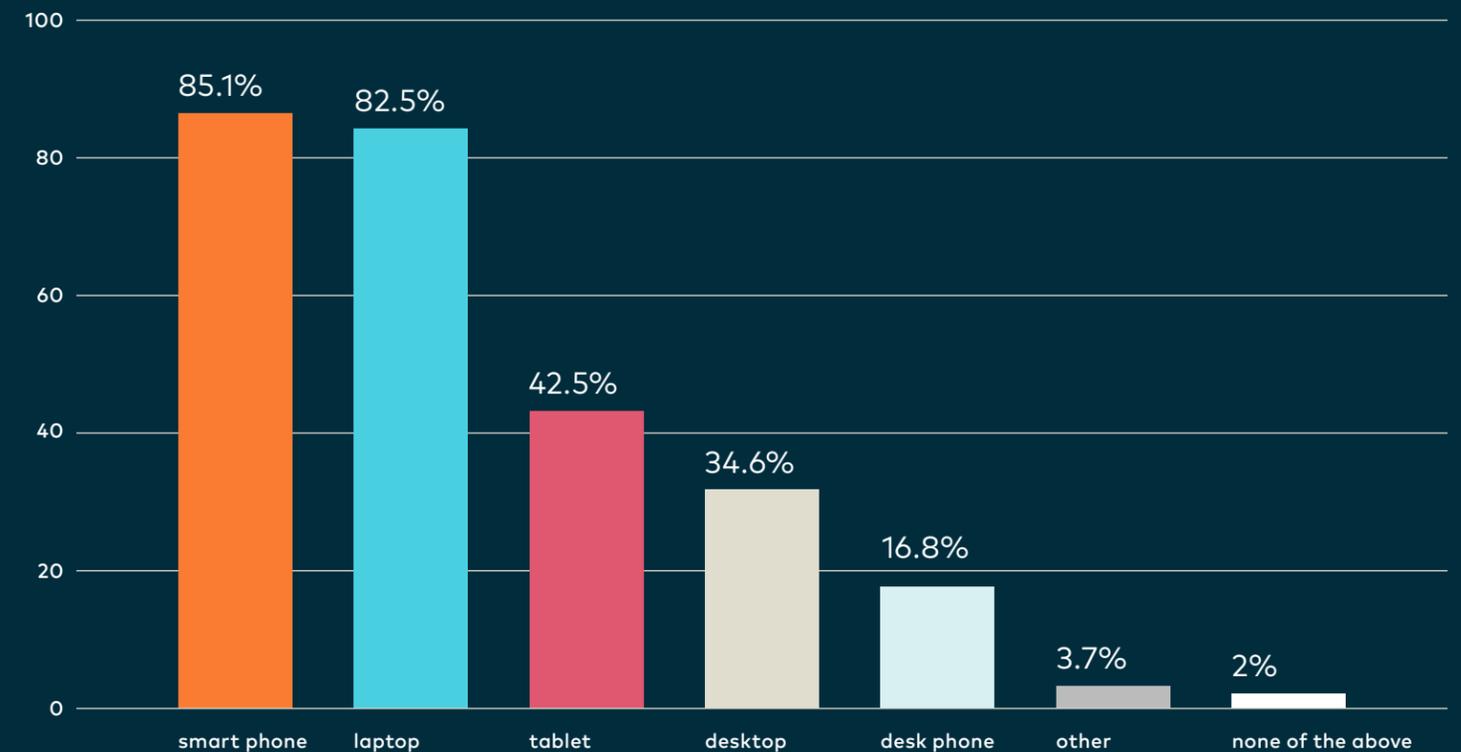
⁷<http://www.idgenterprise.com/news/press-release/unified-communications-collaboration-solutions-advanced-by-emerging-tech>

⁸<http://www.idgenterprise.com/news/press-release/unified-communications-collaboration-solutions-advanced-by-emerging-tech>

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FIGURE 1

What devices do you consider essential when you work from home or work remotely (Out of Office)? Select all that apply:



The Rise of the Anywhere Worker

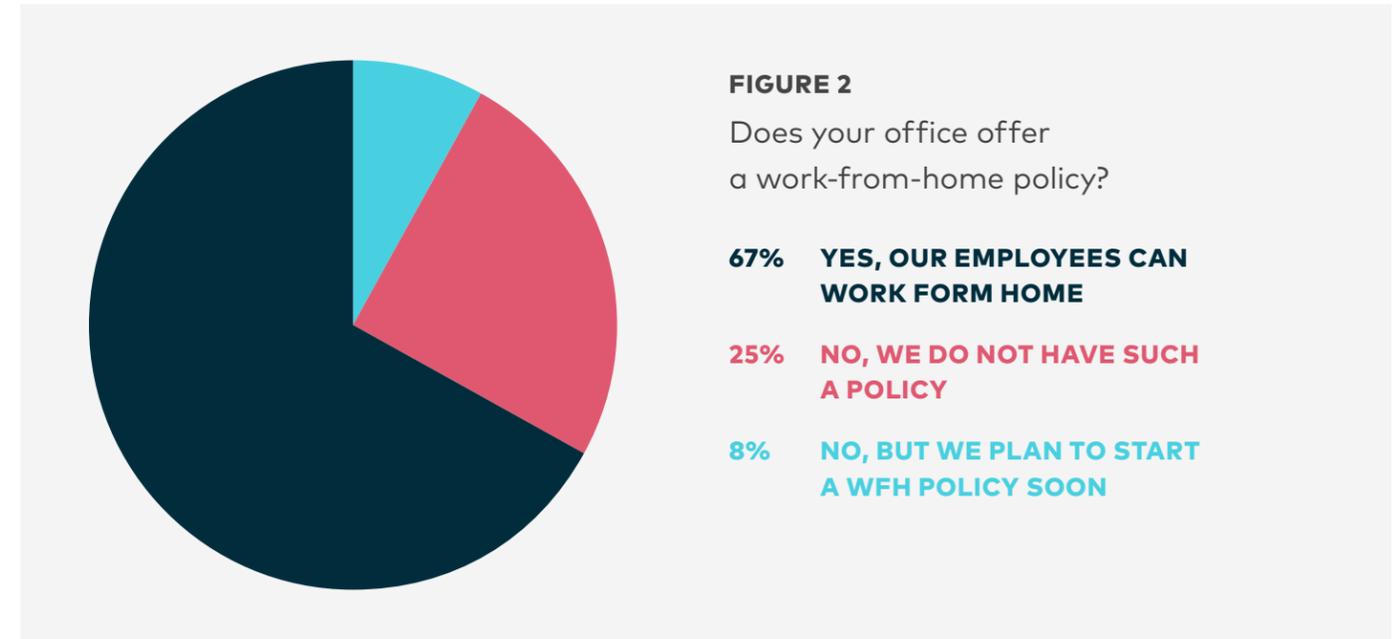
Employees are more empowered than ever to work from anywhere in the world within their current roles and job parameters. In fact, working remotely in the United States grew by almost 80% between 2005 and 2012.⁹

⁹<http://www.inc.com/comcast/the-anywhere-worker-and-the-changing-business-landscape.html>

¹⁰<http://www.gallup.com/strategicconsulting/163007/state-american-workplace.aspx>

¹¹<http://hello.dialpad.com/2016-report-on-cloud-communications-ebook.html>

¹²<http://hello.dialpad.com/era-anywhere-worker-ebook.html>



Whether you agree with the philosophy of telecommuting, the reality is, employees are demanding that part of their work time can be spent wherever they want. In fact, there are upsides in empowering them to do so. A recent Gallup State of the American Workplace report found that people who work remotely are more engaged, enthusiastic, and committed to their work.¹⁰

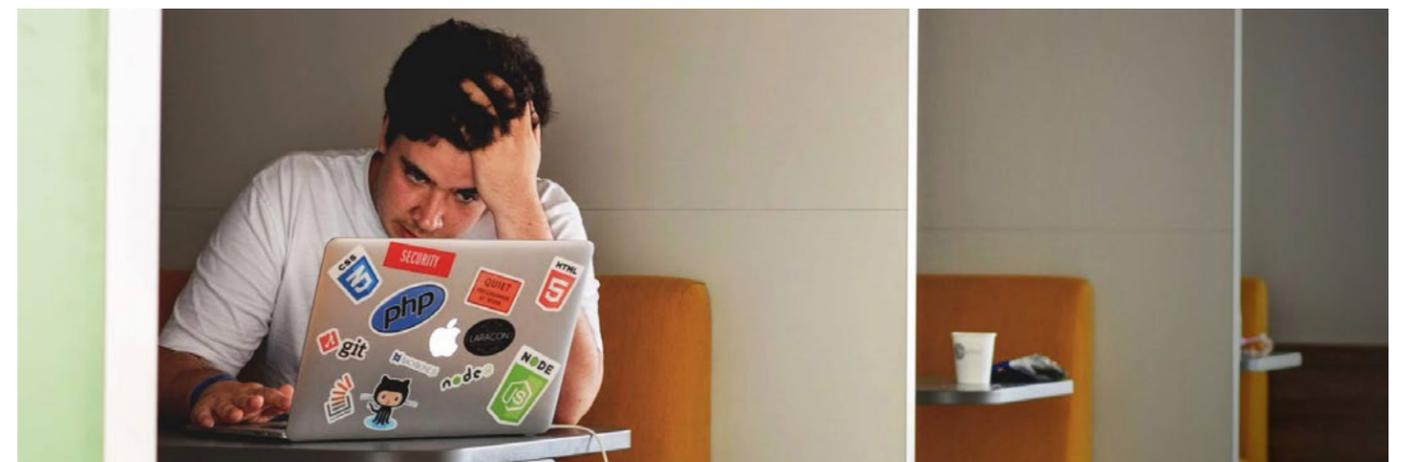
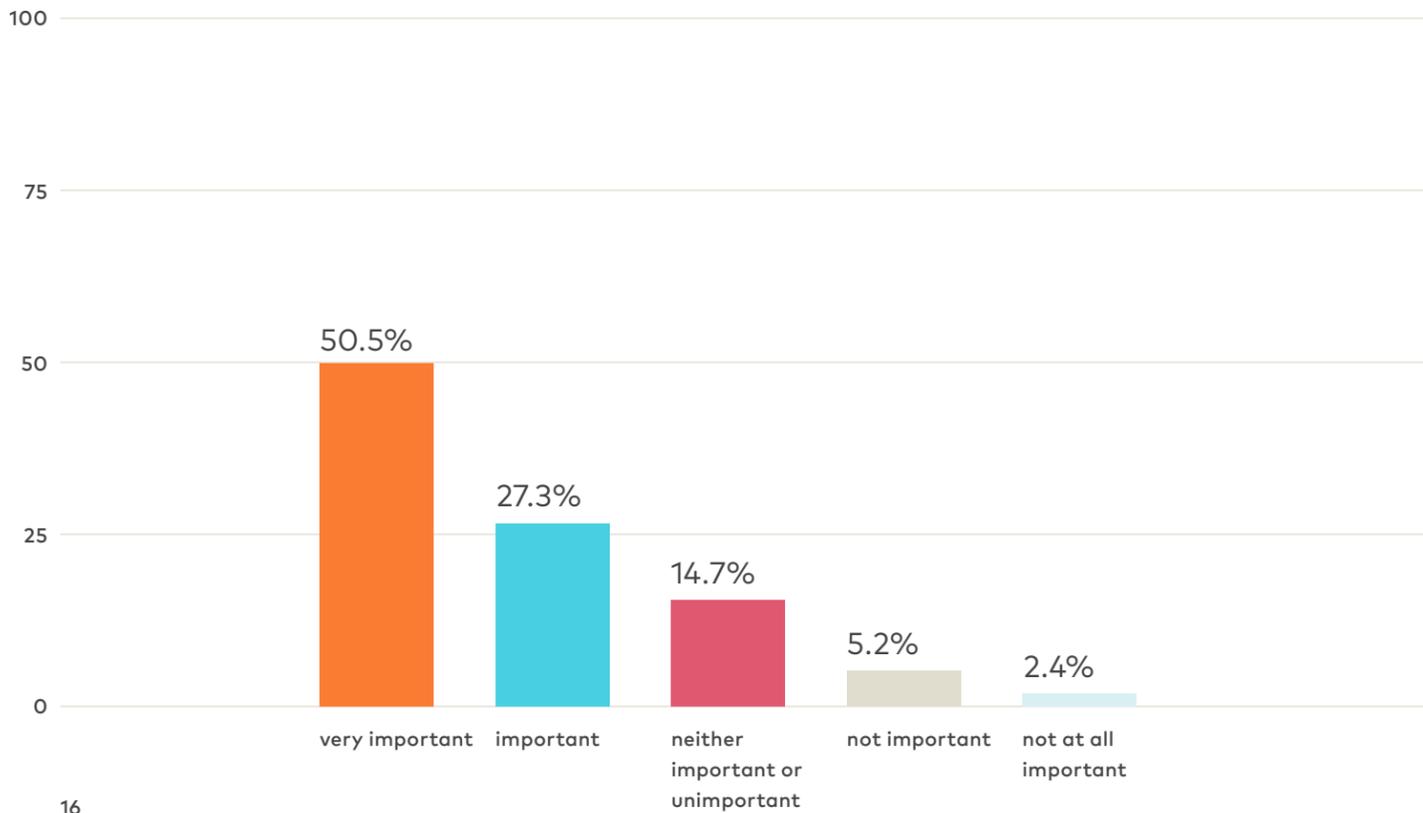
Recent research by Dialpad discovered that 67% of companies offer a work-at-home policy¹¹ (see Fig. 2) and 89% of employees would prefer to work outside of the office at least one full day per week.¹² Interestingly, 25% do not have a remote work policy, nor do they plan to. You can predict which of these groups have a happier and more productive workforce.

When you examine the data on what employees want and what makes them more productive, it's clear that IT and HR need to accelerate the pace of transformation. In Dialpad's Era of the Anywhere Worker study of 543 sales, customer service, professionals services, and marketing professionals,¹³ 77.8% of employees feel it's "very important" or "important" to have the ability to work from anywhere (see Fig. 3).

¹³<http://hello.dialpad.com/era-anywhere-worker-ebook.html>



FIGURE 3
How important is it for you to have the ability to work from anywhere (e.g., home, office, cafe, hotel, plane)?



From BYOD to BYOD+Apps

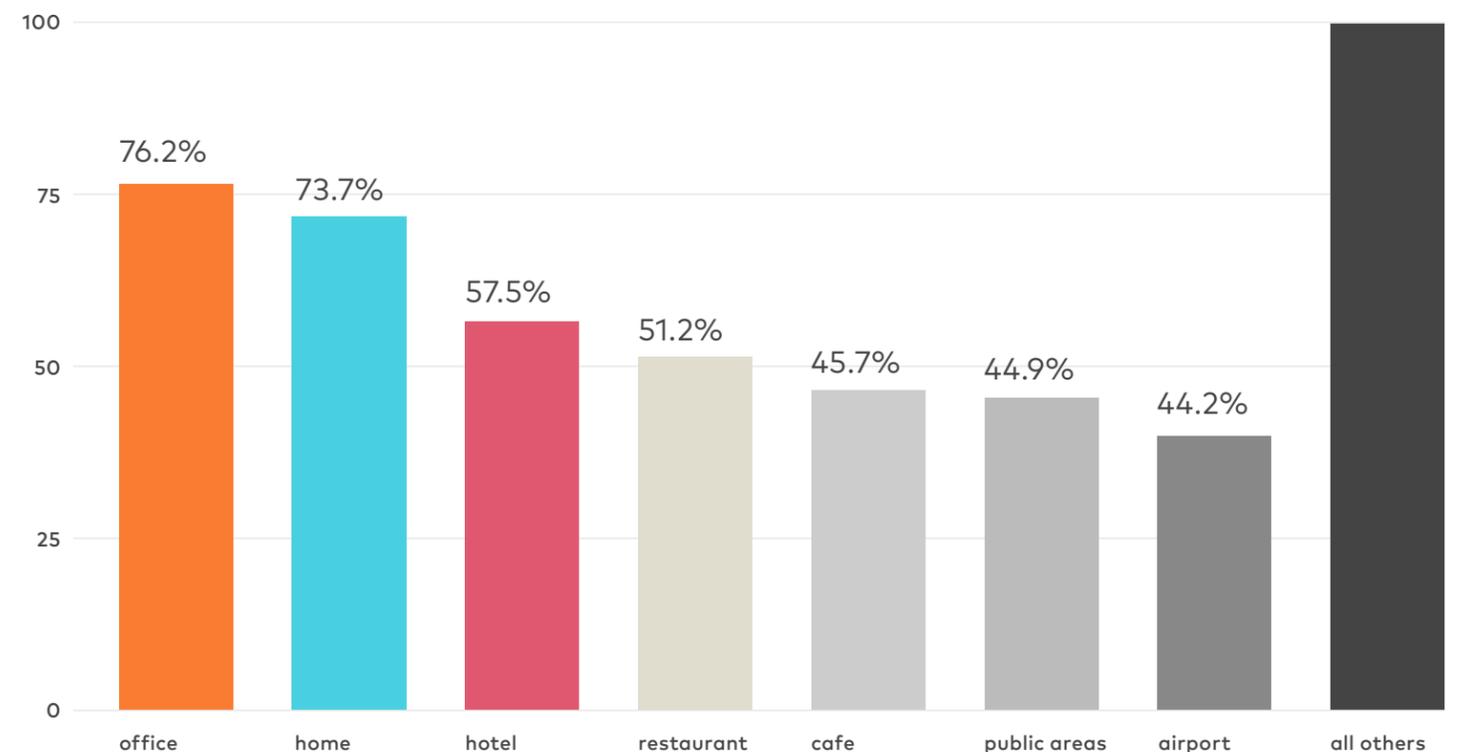
The Anywhere Worker is just that: someone who can work anywhere. To work well from anywhere, they must have the right tools at their disposal. This means that the days of "bring your own device," or BYOD, have also evolved.

Anywhere Workers may begin their day on the phone in bed, perhaps they transition to their tablet over coffee, continue with their laptop at a nearby café, and end their day with their mobile device on the couch. The future of work is quickly becoming BYOD+Apps where employees bring their own app-filled devices anywhere.

Where people work goes beyond the office, or even hotels and airports. Now, people are choosing environments that are more social or scenic such as restaurants, cafes, and public areas (see Fig. 4).

FIGURE 4

Please identify ALL of the locations you have worked in. Select all that apply.



While the promise of telecommuting is not new, the new generation of Anywhere Workers is starting to expand the conversation beyond simply working remotely. It's also important to understand that what's happening now is not solely a Millennial phenomenon or an executive-only option.

This behavior is the result of "no software" cloud technologies, the pervasiveness of mobile devices, social networks and apps, and also cloud-based enterprise productivity suites. It is now the standard for workers in all size companies in all levels. What's starting to become clearer is that Anywhere Workers also want to change how they work as well as the technologies they use to do so. The cloud is enabling people at work and home to mobilize, untethered from legacy systems.

For instance, more progressive companies are investing in productivity suites, such as Google Apps for Work and Microsoft Office 365 because they help workers operate in any environment. For those companies that don't yet provide a cloud-based suite that works anywhere on any device, employees hack the way they work.

That means they will use their own devices (61% bring their personal mobile phone to work)¹⁴ and apps to get work done their way. Unfortunately, their needs and methods become more important than IT protocol. What's also unfortunate is that employees value this way of working to the point that they would consider leaving a company to move to an organization that understands and supports their mobility.

When employees were asked if mobility was key to joining a company, a resounding 82.9% said yes (see Fig. 5). As a result, Anywhere Workers raise new demands from IT to rapidly implement cloud-based technologies that by default define a new business paradigm and ultimately the evolution of work. Digitally transforming organizations now need to consider many different cloud-based apps and platforms that bring with them benefits.

One such benefit is something that IT rarely measures: employee happiness. When asked if flexibility to work anywhere would make employees happy, 83.5% said yes (see Fig. 6). An additional 78.6% believe that remote work flexibility would improve their overall creativity, and 77.5% believe it would improve their overall productivity. This offers incredible promise to boost efficiencies, create better products and customer experiences, and increase longevity of the workforce.

¹⁴<http://www.idgenterprise.com/news/press-release/unified-communications-collaboration-solutions-advanced-by-emerging-tech>

FIGURE 5

Would you make a decision to join a company based on your ability to work from anywhere?



FIGURE 6

Do you believe having the flexibility to work from anywhere would improve your overall happiness?



From online meetings to collaboration, communication tools to file transfer and storage, IT now faces an opportunity to define the future of work. CIOs must not only consider the technology needs of today's enterprise, but also how people prefer to work and what their needs will be two-to-three years from now. This requires an employee-centered approach instead of a technology-first roadmap.

It's easy for IT to find every reason to not invest in anything new that's not already prioritized on the existing roadmap. The cost of updating legacy infrastructure, systems and hardware to support modern cloud communications is not insignificant. Additionally, training employees on how to use something new is never easy or without its need for resources. Of course, there's also bandwidth and network capacity that may also need upgrading. But once CIOs add a human filter to their technology lens, these challenges also represent necessary upgrades to enable the future of work. More so, it's a move that communicates to employees that they will be empowered and productive.

Among CIOs, the unsaid objective is to make an impact within two years inside companies otherwise they risk losing their job and opportunity to drive the future of digital transformation. To make their mark, they look at the big priorities for big impact. But like cloud-based productivity apps, a mobile communications platform could be considered low hanging fruit. On this front alone, productivity gains can amount to at least 10%, according to a study by Nucleus Research.¹⁵

What could that mean for your business? For a more comprehensive, yet safe and cost-effective approach, CIOs can couple cloud productivity suites with a pure-cloud communications platform to help employees take, make and receive calls, meet online, coworker-to-coworker video calls, and message on-the-go. But like all new things, bringing about change in the enterprise, no matter how small or large, is always a top challenge for CIOs. But that doesn't mean it's impossible.

The prospect of uprooting a fleet of desk phones in favor of a pure-cloud communication solution is almost counter-intuitive. To some CIOs, it makes more sense to update other aspects of business such as ERP systems. The reality is that even without making investments in mobile communications, employees are taking it upon themselves to communicate more efficiently. Seventy-five percent of employees prefer to use their mobile smart phone for business calls (see Fig. 7).

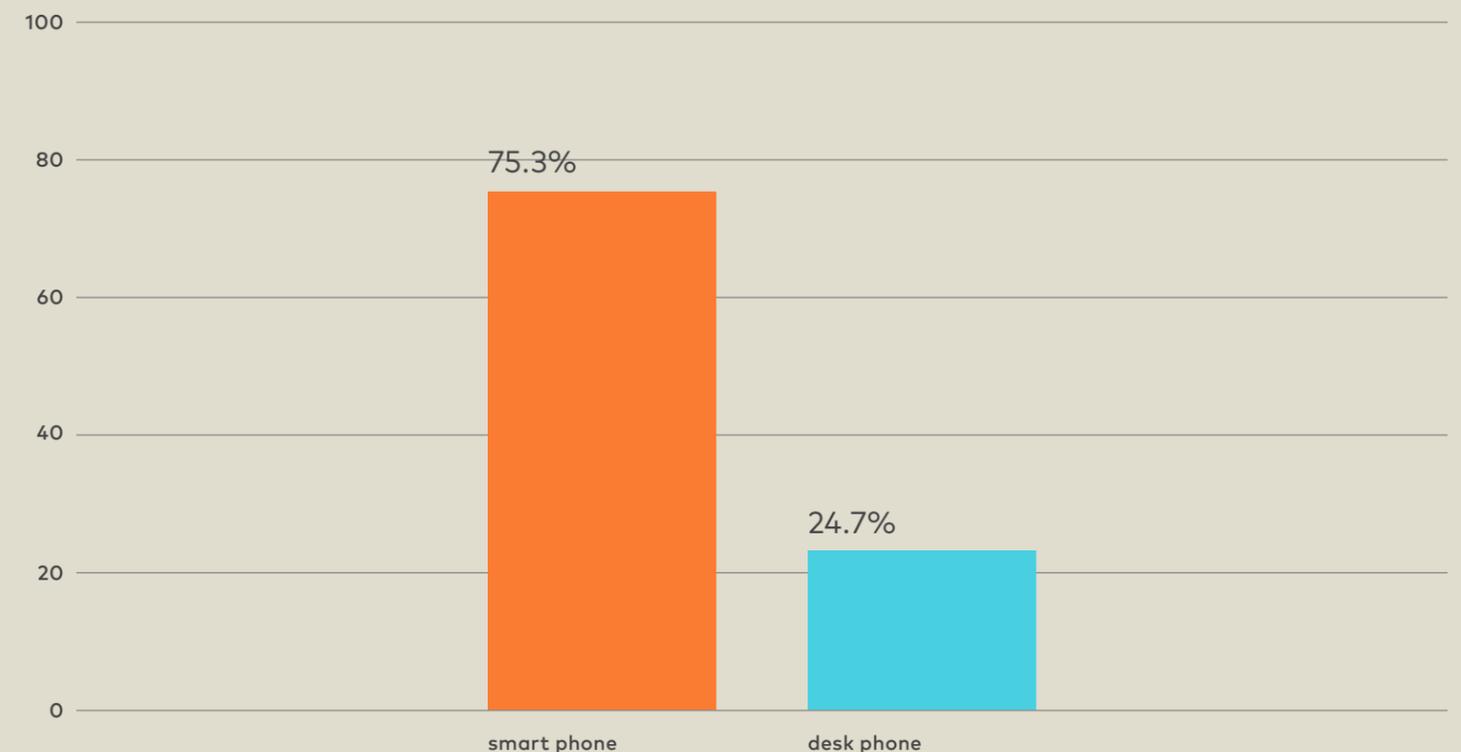
Obviously this carries a notable risk to the company in that IT will not know or have access to how and how effectively employees communicate with, customers, partners and coworkers. At the same time, CIOs would never let employees use their personal email for business. So, why would you allow workers to use their personal mobile phone for business? The reason is the current UC strategy is not working.

¹⁵<http://hello.dialpad.com/era-anywhere-worker-ebook.html>

Imagine if they had formal access to solution that's mobile but much more integrated, intuitive, and secure within the enterprise. Pure-cloud communication gives IT and CIOs an option that works for everyone.

FIGURE 7

Which communication device would you prefer for business calls?



YES,
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CONCLUSION

Though we live in an increasingly post-PC era, CIOs still emphasize support for aging analog and pre-mobile solutions, systems, and processes in favor of seemingly more pressing investments.

Yes, the world is becoming more mobile.
Yes, people want to work remotely.
Yes, people want to use apps that enable them to be more mobile and productive.
And yes, people really don't use their desk phones (or desks) the way they used to.

All of this adds up to a new call for CIOs to evaluate where they can make more focused and precise investments that carry significant impact and ROI (and a happier workplace). People want to work differently whether IT enables this or not. Unfortunately, IT at large, doesn't work the way people actually work, leaving Anywhere Workers to get the job done on their own terms, and devices, before eventually jumping ship.

The next big thing in digital and business transformation is designing a more relevant and productive employee experience to empower the Anywhere Worker today and over the next several years. IT must focus on not only technology but also human (employee) behavior, expectations, and preferences. By focusing on the human aspect of technology, CIOs will learn to empathize with Anywhere Workers and those who desire to become them.

Doing so will help CIOs assess employee sentiment and intent, reassess priorities, and lead change to achieve a more productive, connected, and innovative workforce. Compassion and empathy take center stage to proactively cut the cord and build a more productive, happier, and innovative way to work.



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