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Breaking Barriers 2020

How CIOs are Shaping the Future of Work

INTRODUCTION

Technological advancements, new employee preferences, and evolving work styles are driving a fundamental shift in the way we work.

At the heart of this shift is a growing diversity of views and expectations across the workforce. Employees are demanding consumer-like experiences in the office with greater flexibility for where and how they work.

Additionally, a new generation of tech-savvy employees that has never known a world without a smartphone – the app generation – will soon enter the workforce, expecting to work as they want, when they want, using the technologies of their choice.

These dynamics are converging to create an increasingly complex environment for IT leaders. They must balance the demands of younger generations with those of more experienced workers, while also navigating the challenges of operational responsibilities, budget pressures, and customer expectations.

Yet today's IT leaders see these challenges as a big opportunity to take the lead in shaping the future of work. They are poised to make radical changes and are already championing innovation and digital transformation.

But business leaders are standing in their way. Rather than allowing IT leaders to innovate, senior executives are confining IT to a cost-reduction function, with a focus on 'keeping the lights on'.

This report presents a vision of the future of work through the lens of today's forward-thinking IT leaders, drawing on global research from 900 IT leaders, 6,600 workers, and 3,300 teenagers (ages 15-18) from the app generation.

We explore the key areas of change in the world of work, from how we will communicate and collaborate, to how and where we will work, and the influence of new technologies. The report also examines how today's IT leaders are breaking free from the constraints of day-to-day operations, presenting insights from those who are already driving meaningful change around the globe.

Global research from 900 IT leaders, 6,600 workers, and 3,300 teenagers (ages15–18) from the app generation.

THE **WORKFORCE** OF THE **FUTURE**

Symbiotic teams are driving innovation

The workforce has never been so varied. Over the last 50 years, wave upon wave of new workers has entered employment, each one bringing its own set of expectations, generational tastes, and attitudes towards technology.

Today, businesses are on the cusp of welcoming another disruptive force into the workplace – the app generation. Having grown up never knowing a world without smartphones and on-tap internet access, the teenagers of the app generation will introduce an entirely new dynamic for IT departments with expectations to be permanently connected.

Workforce technology expectations

Business Leaders Baby Boomer (1946–1964)	**Current Workers** Gen X (1965–1980)	**Current Workers** Gen Y (1981–1999)	**Future Workers** App Gen (post-1999)
Letter	Fax	Email	Video
Memo	Email	SMS	Apps
Telephone	PC	Laptop	Tablet
Rolodex	Pen	Smartphone	Smartphone

TECHNOLOGY OF CHOICE

EMBRACING WORKFORCE **DIFFERENCES**

Workers and IT leaders alike are signalling an openness to generational diversity in the workplace instead of viewing these differences as an issue.

They believe the app generation represents a significant opportunity to rethink current working practices and drive greater innovation. Perhaps surprisingly, it is those workers age 35+ years who are most receptive to change.

of current workers believe that young people will help refresh approaches to technology

age
35+

the workers who are most receptive to young people entering the workforce

of IT leaders believe that younger employees help to drive innovation

Global IT leaders who perceive young people as a benefit to the workplace

THE **WORKPLACE** OF THE **FUTURE**

Super mobile, super connected

While flexible work arrangements are hardly new, much of the existing workforce still deems the ability to work flexibly to be a benefit rather than an expectation. The perception is poised to change, however, as employees consider flexible work a necessity versus an option. This mindset will only become more prevalent as workers in the app generation advance in their careers.

of app generation teens would like to work from home

of workers do not believe they need to be in an office to be productive

Working from home appeals to

of workers

Yet only

currently do so

> "Today's youth is the first generation to define itself by technology, rather than by pivotal political or economic events. Rather than wanting to explore and try things out by themselves, this 'app generation' is constantly pushing to find exactly what they want, when they want it. They want to know how "it" will be evaluated, what comes next, and where this leads them. It seems a proliferation of choice has led to a tendency for today's younger generation to stick with the best and safest option."

Howard Gardner and Katie Davis
Professors at Harvard University and The University of Washington respectively, and authors of "The App Generation: How Today's Youth Navigate Identity, Intimacy, and Imagination in a Digital World"

Flexible working preferences (by age)

Flexible working preferences (by region)

“Over the past few decades, we have seen a massive overhaul of the traditional work environment. In a time where work is mobile, global and the cloud is powering companies to do the unimaginable, the work environment has to change. Today’s office experience needs to be built to support people and productivity. This means we need flexible workspaces that facilitate team building, spark conversations, and allow ideas to evolve into market-changing innovations.”

Dan Newman, Principal Analyst and Founding Partner of Futurum Research

FUTURUM.

THE **DEATH** OF THE OFFICE?

While remote working will play a big role in defining the future of work, it's unlikely that the traditional office environment will disappear entirely.

Although employees are demanding flexible and remote work arrangements, 86 percent of employees say face-to-face interaction will always be important. Nearly three-quarters (71 percent) of the app generation also believe it's important to connect in person with coworkers.

Percentage of workers that say face-to-face interaction will always be important for work

However, today's open-concept workspaces are facing some backlash with studies reporting noisier environments, lack of privacy, and health issues. The future of work requires that offices be designed around employees, with workspaces that bring together teams, spark conversation, and create the best ideas.

of workers believe they would be more productive from home

of workers would enjoy work more if they were allowed to work remotely

> "Many people worry that distributed work might make company culture hard to preserve, but for us the reverse is true. We see being able to connect with people from multiple locations as an advantage. We're now able to bring 'the office experience' to remote people – not only is it easy to quickly jump into a one-on-one meeting, we're also seeing popular lunchtime talks being broadcast over video conferencing, and all-hands meetings can be (and frequently are) run from anywhere."

Andy Yates, ThoughtWorks

ThoughtWorks®

THE **DESK** OF THE **FUTURE**

Different generations have varying opinions about which technologies are 'essential' for getting work done.

Essential office tech

App Gen | 16–24 | 25–34 | 35–44 | 45–54 | 55+

These insights paint a picture of how the traditional desk or workspace will evolve as the desk phone and desktop computer give way to the smartphone as the most critical business tool.

Yesterday's desk

- Desktop computer
- Calendar/diary
- Desk phone
- Stapler
- In-tray
- Memos
- Rolodex
- Dictaphone
- Note pad and pens
- Floppy disk
- Calculator

Today's desk

- Desktop computer
- Webcam
- Desk phone
- Sticky notes
- USB stick
- Speaker phone
- Laptop
- Mobile phone charger

Tomorrow's desk

- Headset
- Smartphone
- Laptop
- Charging pad

TECHNOLOGY OF THE FUTURE

Simplification, collaboration, and consumer-like experiences

Tomorrow's workforce will demand technologies that fit with the way they want to work, interact, and collaborate. At the heart of this trend is an expectation set by consumer devices, with many office workers seeking the same usability, accessibility, and seamless integration at work that they experience as consumers.

Three-quarters of the app generation also want to be able to use the latest technology at work, increasing pressure on IT leaders to introduce and deploy technologies with consumer-like experiences.

75%

of the app generation want to be able to use the latest technology at work

Satisfaction with the technology provided at work

Percentage of employees who use personal devices for work

The research also points to a common trait among the app generation. They will turn to personal technology if their work devices aren't on par with what they are used to using:

IT IN FOCUS: COLLABORATION AND COMMUNICATION

As demand for mobile and flexible work arrangements grows, communication and collaboration will become a key focal point for IT leaders. Already, 78 percent of IT leaders believe collaboration tools will be a necessity given the rise of remote working and distributed workforces and 59 percent of IT leaders are treating the adoption of new communications platforms as a top priority. These leaders, however, must balance finding the right new enterprise tools to power productivity, with weeding out redundant communications and collaboration tools used throughout the business.

> "We believe that IT is more than a provider of services. IT is the core of the company. We're focusing on reinvesting and rebuilding our technology stack to make Exide a better company to work for and an easier company to do business with. We're not only looking at technologies that make employees more collaborative, reduce our time on airplanes, bring our different teams together, and improve our efficiency at work overall, but do it in a way that creates consumer-like experiences."

Sean Burke, Chief Information and Digital Officer, Exide

EXIDE

LITTLE APPS, **BIG PROBLEMS**

IT leaders are battling a productivity threat in the form of application sprawl: workers navigating between tools and devices to share, connect, and communicate.

Average number of tools provided by IT departments around the world

4
voice conferencing apps

4
video calling apps

4
instant messaging apps

IT leaders are also concerned about the complexity and management of their existing communication systems. This highlights a clear need to reduce application sprawl and simplify IT, both for the business and for the individual worker.

Many IT leaders think their communications infrastructure represents a cause for concern

- Cost of maintaining and managing on-premises systems
- The complexity of the business communications approach
- The time it takes to manage and maintain communications systems

THE **CIO** OF THE **FUTURE**

Unleashing IT from the constraints of business leaders

Considering current and future workplace dynamics, IT leaders have a significant job on their hands. Whether it's meeting evolving employee expectations, deploying new technologies, or adapting to flexible work environments, IT departments are in the eye of the innovation storm.

While IT leaders are poised to make radical changes, the research indicates senior business executives are holding them back by placing too much emphasis on day-to-day operations and reducing costs.

Yet a significant number – 77 percent – of IT leaders believe their departments have the ability to drive success for their business. In fact, they are already looking to the future and shaping their teams, technologies, and strategies to meet challenges head on.

HERE'S **HOW**...

1. DRIVE **INNOVATION**

The clear majority of IT leaders believe innovating is critical to their roles and feel confident they have the capabilities to drive success for their company. However, this appetite to drive change isn't reflected in the amount of time IT leaders are able to spend on innovation planning.

of IT leaders believe that the IT department's ability to innovate is critical to business success

of IT leaders believe that IT departments have the ability to drive success for a business

Yet only

of global IT leaders are spending adequate time on innovation

IT LEADERS WANT TO BE **INNOVATIVE**, BUT THEY AREN'T SPENDING ADEQUATE TIME ON NEW IDEAS

> Businesses today need to react rapidly to changing situations, environments and demands from customers and their employees. We are creating an agile IT team that is flexible and empowered to make decisions and act on them quickly.

Heather Jenson, Director of Internal IT, Trustpilot

TRUSTPILOT

2. MOVE TO THE **CLOUD**

When it comes to the cloud, the future is in sight. Two-thirds of IT leaders already have a formal cloud strategy implemented across all or part of the business, and 80 percent of companies have an internal champion driving cloud migration.

By the end of 2017, 97 percent of organizations anticipate having a formal cloud strategy in place, and 92 percent will have an internal champion driving it.

Embracing the cloud is the first step toward staying ahead of the curve. However, IT departments will drive real innovation and competitive advantage when they define how they make the move, what they choose to strategically migrate, and whether they can successfully use savings from cloud initiatives to fund innovation.

of businesses will have assigned an internal "cloud champion" by the end of 2017

IT leaders with a formal cloud strategy/initiative

Across the full organization

Across part of the organization

> Moving to the cloud has been a game changer for Kronos, our customers, and our employees. We've adopted an '…as a Service' model to help simplify as much as we can. For example, our SaaS product offerings make implementations easier and faster for our customers. UCaaS simplifies collaboration by providing a single application for voice, video, content sharing, conference calls, conference rooms, scrum stations, and more, while also making acquisitions and physical moves much easier overall. Our ITaaS organizational structure aligns our IT services directly with business functions. Its high touch characteristic makes sure we're always there to support the iterative nature (think multiple updates every year) of SaaS applications and processes. Our business is moving fast, and our embracement of cloud and '…as a Service' across the business ensures we are positioned well to go even faster.

John McGregor, CIO, Kronos KRONOS®

3. FOCUS ON REVENUE GENERATION, NOT COST REDUCTION

Ninety-one percent of IT leaders indicate they are under pressure from senior business executives to reduce expenditure. The majority are expected to save an average of 12 percent in the next five years, and 44 percent are being measured on their ability to cut costs. IT leaders, however, don't want to be minimized to a cost-reduction function. Instead, 47 percent want board-level executives to measure the IT function on its ability to innovate. Forty percent want to be measured on the revenue they are generating rather than the costs they can eliminate.

of IT leaders say their organizations focus too much on reducing costs in the IT department

of IT leaders believe that the IT department is not being measured in the right way

IT leaders are under pressure to reduce costs

4. CREATE **CONSUMER EXPERIENCES**

As the workforce becomes more generationally diverse, IT leaders must think of end users as technology consumers rather than employees. This requires investing in technology that offers consumer-like experiences and ensuring that core tenets – simplicity and usability – carry through across those investments.

IT leaders see the imminent arrival of the app generation as a positive driver for this kind of change, as these teenagers – who have never known a world without smartphones and instant internet – reset expectations.

of IT leaders believe that the success of new technology depends on user satisfaction

5. REDUCE **COMPLEXITY**

IT complexity is a significant time drain on resources, with departments currently spending 83 percent of their time managing IT and communications platforms and resolving issues.

Yet the majority of IT leaders see numerous opportunities to unleash their teams from the constraints of day-to-day operations, with many already initiating changes. For example, 67 percent are actively looking to reduce application sprawl.

By simplifying IT infrastructures, reducing the number of applications, and providing workers with easy-to-use, single-app alternatives, leaders can dramatically transition IT from an operational function to a driver of innovation and fresh approaches.

amount of time IT departments spend managing IT and communications platforms and resolving user issues

of IT leaders want to reduce the number of applications

> At National Geographic, we focus on simplifying our IT infrastructure to deliver greater value to our business. We embrace new technologies to support our efforts to ensure a healthier, more sustainable future for generations to come. Moving to the cloud is a big driver for us. As we make progress, we're focusing on strategic initiatives. To succeed, we must guarantee a high-value IT experience for our employees and deliver on projects that address the speed of change in our business.

Dan Backer, VP, Information Technology at National Geographic

NATIONAL GEOGRAPHIC

CONCLUSION

The way we work is changing. Technological advancements, an increasingly varied workforce, and new employee demands are triggering fundamental shifts in the working world.

And IT leaders are poised to lead the way.

Rather than seeing the complexities of today's working world as a barrier, today's IT leaders see a fantastic opportunity to transform their teams, technologies, and strategies to shape the future of work.

They understand the expectations of today's employees and the need to deliver consumer-like experiences that drive productivity. They are already simplifying IT and communications infrastructures, and they welcome the imminent arrival of the app generation to usher in fresh perspectives.

IT leaders are ready to make radical changes. To succeed, it's incumbent upon them to broaden senior leaderships' understanding of the critical role technology innovation can play in creating a competitive edge.

Instead of being restricted to a cost-cutting function, IT leaders want to be recognized for their ability to drive business value. They see numerous opportunities to free their teams from daily administrative constraints, but this can only happen if business leaders stop holding back the future of work.

About Fuze

Fuze is a global, cloud-based unified communications platform. Designed for the way people work, Fuze powers business conversations and insights across the modern enterprise. With a single unified voice, video, and messaging application, people can now communicate anytime, anywhere, across any device.

Learn more about Fuze: www.fuze.com

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