The Portable Office:

Developing a Successful Strategy for Workforce Mobility

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A PLATINUM EQUITY COMPANY

Introduction, Strategy Components and Objectives

Telecommuters, teleworkers, remote workers, road warriors and home warriors are all labels that describe an increasingly mobile and distributed workforce. Technology has delivered the portable office, where distance, time and setting are no longer barriers to productivity in the workforce. However, the success of this new workforce hinges on an overall company strategy that leverages technology, is aligned with human resources policies, and addresses the need for organizational readiness. This paper reviews some of the critical factors for developing and implementing a successful telecommuting strategy.

Strategy Components

A successful strategy is based on several critical components that can be identified through a systematic process:

1. **Identify the Primary Business Drivers and Objectives**
   What are the motivating factors for establishing a telecommuting strategy? What are the expected results? When does the company wish to enable telecommuting?
2. **Define the Telecommuter Population**
   How many and what type of employees will be affected and how will they benefit? What are the potential drawbacks?
3. **Review and Assess Technology Options**
   Based on the objectives and the profile(s) of the expected telecommuting population, what are the technology options available? What are the comparison parameters between these different options?
4. **Identify Human Resources Impacts**
   What personnel policies will need to change? How will the Human Resources department address these changes? How will performance metrics be established?
5. **Identify Cost and Financial Impact**
   What is the one-time cost for a telecommuter? What additional reoccurring costs may be required? What is the ROI? How will these costs be distributed?

Once all of the areas above have been reviewed, and critical success components identified in each, a deployment plan can be developed that addresses these issues and adequately mitigates potential risks.

Telecommuting Business Drivers, Objectives

The first step in developing a comprehensive telecommuting strategy is to identify the company's business drivers and objectives for implementing the program. There are a number of diverse and compelling business drivers behind a telecommuting program:

- Highly mobile workforce
- Increased network requirements
- High number of remote offices
- Cost reduction efforts
- Remote/distributed customers
- Greater workplace flexibility
- Disaster recovery potential
- Office closures/consolidations

Since any one of the above business drivers could justify the need for developing a telecommuting strategy, each driver needs to define measurable objectives. For example:

Driver: **Highly mobile workforce**

Objectives:
- Provide transparent or seamless access to corporate network resources
- Allow easy, anywhere, anytime access to critical business applications
- Provide a reliable technology platform

The final step in this stage is to take the objectives and map them to specific user (telecommuter) requirements. To accomplish this, a detailed profile of the user community must first be developed and quantified.

Qualify and Quantify Telecommuter Population

One of the most important aspects of a successful telecommuting program is to spend adequate time identifying, defining and quantifying the projected user population. This will reveal the overall impact that the project will have on the company.

The percentage of a company's total potential telecommuting population drives the scope of the telecommuting project. For example, in a company with 4,500 employees of which approximately 75% of the workforce is identified as potential telecommuters, the significance and magnitude of a telecommuter undertaking would greatly challenge corporate resources. For a company just starting out, potential telecommuting costs could be a savings over the conventional brick-and-mortar office building.

The number of potential telecommuters must be qualified by creating workforce profiles. This can be done in a variety of ways, for example:

- **Home Workers —** Employees maintaining their primary offices at their homes. These workers will require a full duplication of an office environment.
- **Mobile Workers —** Employees who spend a significant amount of time on the road, in the field, or at customer sites, but may have an office in a corporate facility.
- **Occasional Remote Workers —** Employees who work in an office but need occasional after hours or weekend access to corporate resources from home.

Creating these workforce profiles simplifies corporate planning by identifying what positions or functions can be placed in each category. These profiles form the basis for establishing measurable goals and specific technology requirements. For example, if analysis of the potential telecommuters indicates that the majority are actually occasional users who need corporate resources for after hours or weekend work, then the scope of the project would be adjusted accordingly.

Leveraging Technology

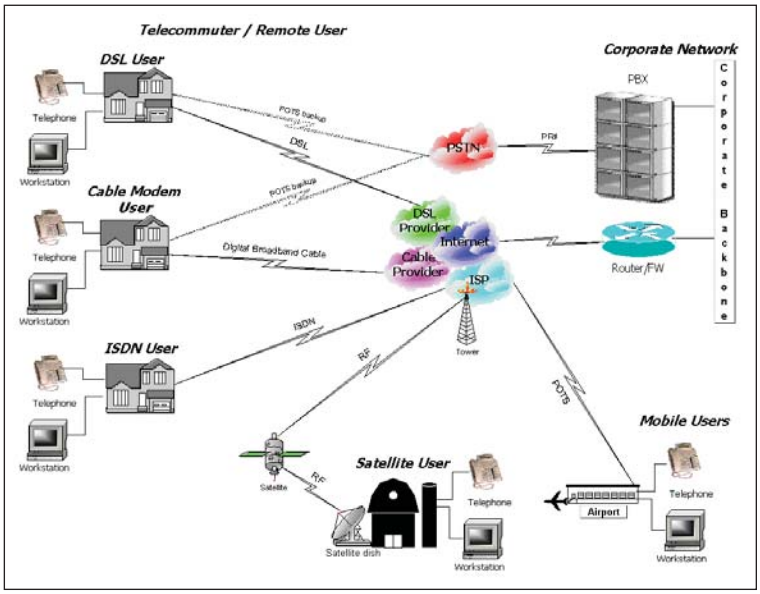
Over the last decade there has been a surge of technologies that have made telecommuting easier and more productive. Some of the technology trends that have made remote business applications accessible and, therefore, telecommuting possible, include:

- Availability of Web-enabled applications
- Multimedia convergence
- Broadband to the home (DSL, cable, satellite)
- Emergence and growth of VPN (virtual, logical connection to a corporate network)
- Emergence of data centers and centralized applications
- Decreases in bandwidth costs
- Availability of wireless access
- Next generation, Web-enabled video, voice and Web conferencing applications
- Enhanced network security

The availability of these technologies has made it possible for remote workers to be as productive (and in some cases more productive) in their remote settings than in an office environment by encouraging an aggressive utilization of emerging technologies such as collaborative applications (e.g., Web conferencing).

The technology components required for a telecommuting technology platform are primarily based on the voice and data services required by a telecommuter.

Telecommuting Connectivity Options or Scenarios:



The telecommuter profiles defined earlier help delineate user-based technology requirements and allow for corporate network capacity planning. For example:

Telecommuter Profile: Home Worker

Voice Services Requirements

- Dedicated home office number
- Call transfer capability
- Unified messaging (voice mail, e-mail)
- Call forwarding

Data Services Requirements

- High speed VPN access
- Remote dial-up capability
- VoIP capability

These requirements now can be mapped to a technology architecture with specific hardware and software requirement definitions.

Telecommuting as a Component of Disaster Recovery

Telecommuting has become an intrinsic component of every corporation's disaster recovery plan; a well-planned telecommuting architecture has many identical attributes. For example, a telecommuting architecture will include a large number of remote workers accessing a primary data center with a fully redundant secondary data center. This telecommuting architecture lends itself to a disaster-recovery planning scenario. Also, the overall risk is reduced because telecommuters are a geographically distributed, as opposed to the centralized office workforce environment.

Telecommuting can be used as a critical component of a disaster recovery and business continuity plan. However, a company needs a resilient architecture with all core network technology and architecture issues addressed. This is true whether or not a corporate telecommuting workforce exists.

Success Factors and Pitfalls

In defining technology options, several areas are easily overlooked; one of the more common areas is technical support. A telecommuter will have different technical support requirements. Timely support becomes critical in a complete hardware failure situation since telecommuters cannot simply move to or use another computer workstation. A detailed support escalation protocol is needed to address this type of situation to establish priority for these workers.

In addition to a more robust technical support structure, the following technology management areas often are overlooked and should be reviewed as part of a deployment plan:

- Asset management
- Insurance and warranty issue
- Assessment of risk potential
- Policies and procedures
- Technical security

Telecommuter Selection Criteria

Perhaps the most critical management issue is the determination of the telecommuter selection criteria and the creation of telecommuter profiles. This selection is key in allowing managers to determine if a staff member should be designated as a telecommuter. The process for identifying the correct criteria should be undertaken in a task force environment with corporate representatives from all affected areas. Remember, there are individuals who will not thrive as telecommuters.

Compliance with Corporate Telecommuting Policies and Procedures

New procedures and policies will need to be identified and implemented to ensure that telecommuting employees are able to successfully adapt to the new technologies and workplace dynamics. Employee training for new telecommuting roles as well as "proper usage" guidelines for telecommuting and Internet usage need to be established, documented and communicated.

New corporate employee time management strategies and procedures also will need to be developed. Training will need to be provided to managers and employees for time management and new technology utilization. In addition, new technology implementation skills training should be offered. These technology skills are needed so that users can become self-sufficient in the use of office technology, whether it is a fax machine, printer, or computer dial-up modem.

Corporate Lifestyle and Culture

With the absence of workplace interactions, a company needs to develop new corporate communications vehicles for bi-directional "top-to-bottom" employee communications. Staff meetings, conference calls, teambuilding events and corporate e-mail communications will be invaluable and will help preserve the corporate identity.

A company also needs to ensure that workers are trained in the procedures of setting up a proper environment for working in a telecommuting location. Since workers will be changing from the traditional brick-and-mortar corporate presence into a virtual corporate presence, these skill sets will be crucial to an employee's survival in the new paradigm.

Organizational Readiness

A wide-reaching network infrastructure that includes telecommuting users may be a drastic change from a company's previous business model. Due to the increased scalability, flexibility, and growth required for the evolving network, employee management of the telecommuting population becomes a more difficult task. Face-to-face employee-to-manager interaction is restricted and may become infrequent. Management training should be adapted to emphasize a new management paradigm — by results, rather than "line of sight management." This approach helps overcome teleworking myths such as, "Out of sight, out of mind." Without workplace interactions, new techniques are necessary to keep employees actively involved with corporate events and activities.

Home Office Workspace

The deployment of a telecommuting strategy will require employees to identify a workspace either at home or other locale suitable as a work environment. The majority of proposed teleworkers will establish a home office in their private residence as the designated telecommuting location. Consideration must be given to the amount of living space available in the employees' home and the feasibility of each employee's home as a suitable working environment. The new telecommuting workforce will face challenges such as identifying a suitable workspace at home, distractions from family members, and other often overlooked restrictions such as unstable power. Careful consideration must be given to establishing a generic policy, guidelines, and procedures for telecommuters' home office workspace.

Employee Collaboration

Employee interaction and collaboration should be considered and technology applications for employee collaboration, such as online meetings or webinars, should be reviewed for deployment. As employees are restricted to remote participation, tools and applications such as PC cameras for desktop video, white boarding software, audio conferencing bridges, or video conferencing applications should be investigated to facilitate the requirements for efficient work interaction between employees.

Hoteling Facilities

Hoteling, or designating shared office space in an existing company location for use by employees on a drop-in basis, can be established at existing corporate office locations to provide telecommuting users with temporary workspace as needed. These hoteling facilities may require alternative access to the corporate data network and voice systems during network outages. There may be special office equipment functionality requirements. Temporary high-speed LAN access, as well as telephones with direct inward dial extensions, may need to be provisioned. Sufficient capacity should be factored in all systems and network models for full-time telecommuting employees as well as traveling employees. Deployed technologies can include wireless LAN and voice access administered by local personnel. This is especially effective to reduce real estate expenses by implementing this concept for highly mobile workers such as sales representatives and field technicians who are only in the office for limited periods of time.

Office Replication

Deployment of a telecommuting program should take into consideration alternatives for common office functions such as mail, photocopying, and office supplies. Corporate accounts can be established to facilitate these home office requirements. These accounts can be with package carriers, copy vendors and office supply retailers.

Cost Considerations

The costs associated with a telecommuting program can be significant; however, they are highly controllable with adequate planning, the definition of employee selection criteria (as highlighted in the previous section), and a deployment plan.

Cost components may include:

- Initial and recurring costs for hardware
- Installation and recurring circuit charges
- Incremental management and support costs
- Potential costs for hoteling facilities
- Associated daily office supplies and other requirements

Costs can vary greatly depending on the type of existing technology platforms and their age, as well as the number of users and their telecommuting profiles. A per-user measurement should be utilized to determine the average cost of the implementation, both for start-up and ongoing maintenance. For example, in a sample company study of 5,000 employees, the up-front initial cost per telecommuter is approximately $2,850 and the average yearly recurring cost is $2,100 per telecommuter. By using a per-telecommuter metric, average costs remain constant for a population of 1,000 or more employees. The following table highlights the variance in potential costs using a variety of factors to define a high and low:

Costs	High	Low	Average
Initial	$3,500	$500	$2,850
Recurring	$4,400	$300	$2,100

It is evident the variance can be considerable and is largely dependent on the existing technology platforms, their age and functionality.

Expense Management

As the number of telecommuters and the associated incurred costs increase, procedures should be implemented to properly manage the total cost of telecommuting operations.

These expense management procedures can include:

- Corporate oversight and contracting for carrier services and other price-negotiable products
- Limitations to duration of voice and/or VPN usage
- Monthly allowances or stipends for each telecommuter for reimbursement of carrier expenses, office supply costs, and other associated telecommuting costs. The allowances can be tied directly to company payroll so that reimbursement can be triggered by the employee's employment status.

Tax Considerations and Benefits

Due to constantly expanding legislation for reimbursing companies and employees for telecommuting, the beneficial tax implications can be substantial and must be carefully reviewed. These financial benefits extend to both the individual and the company. For example, a telecommuter may deduct certain home expenses (such as utilities) if their home is their primary workplace and their company does not provide a dedicated facility for their use. From a corporate perspective, initiatives sponsored by the U.S. Department of Transportation and the U.S. Environmental Protection Agency provide financial incentives for companies to promote telecommuting. Tax implications and their financial impact can clearly influence the final cost basis for a telecommuting strategy.[1]

1 Department of the Treasury, Internal Revenue Service Publication Number 587, "Business Use of Your Home," November 2001.

Summary

A successful telecommuting approach is based on several strategic components. These components include technology, human resources, and organizational readiness. As has been highlighted throughout this discussion, many of these components are interrelated and need to be reviewed simultaneously and defined in a well-documented plan. Circumventing the planning and strategic framework may save time in the inception of a telecommuting program; however, the chances of successfully implementing a telecommuting program on time and on budget will greatly decrease.

Inculcating changes to long-established work patterns of a company and its employees require extensive planning, preparation, validation, and cooperation. These changes cannot be instituted overnight, but must be given careful consideration as to the viability of the initiative. By following the recommendations set forth in this discussion, companies can follow a path to a successful and beneficial telecommuting program.

About NextiraOne

Headquartered in Houston, TX and Paris, France, NextiraOne is a leading provider of network solutions and services. With experience in making voice, data and converged communication networks work together, NextiraOne has proven itself as a world-class, independent service provider — offering best-in-class technologies from leading partners, such as Nortel Networks, Cisco Systems, and Alcatel. Credentials like these demonstrate NextiraOne's leadership, knowledge and resources and validate the company's ability to support any communications infrastructure. With industry-leading expertise, NextiraOne provides complete LifeCycle℠ services — from planning and design through implementation, support and management — for all types of communication infrastructures as well as consultation and solutions development. NextiraOne is owned by Platinum Equity (www.peh.com), a global organization specializing in the acquisition and strategic management of mission-critical companies.

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