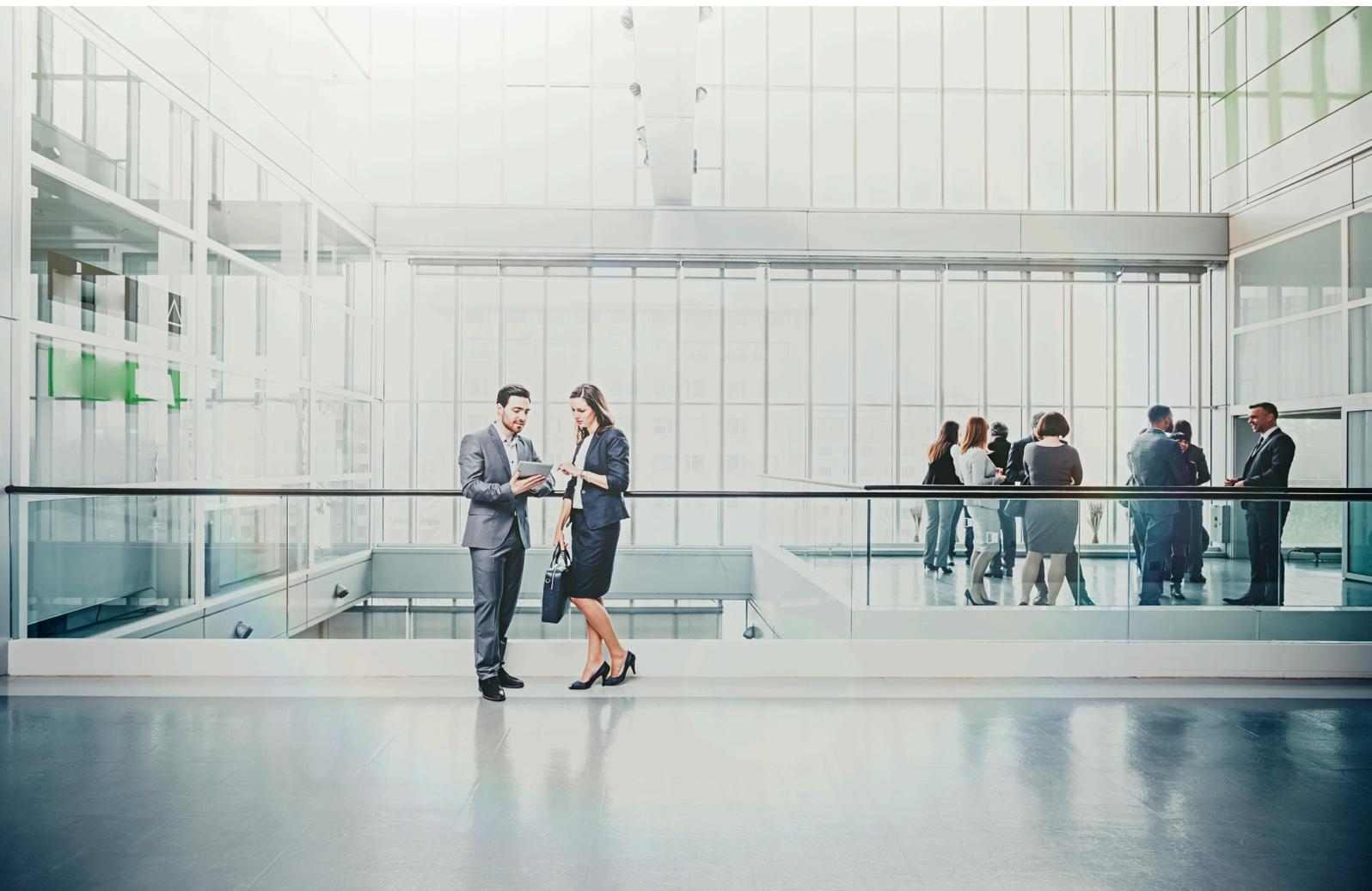


# Workforce mobility in a hyper-competitive world

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Empowering employees for disruptive innovation



## Workforce mobility in a hyper-competitive world

Hyper-competition has become a key feature of an increasingly global and digital economy. Enterprises in almost every industry are being disrupted, with many experiencing a significant impact on their legacy business. This is the result of a permanent shift in consumer behavior and consumption patterns brought on by the onslaught of digital services and technology advancement that has enabled new business models. The competitive landscape has intensified on an unprecedented scale, with only the “fastest and smartest” thriving and the rest being sidelined or reduced to irrelevancy.

Enterprises and government departments in Australia are seeking to respond to this challenge. They are investing heavily in technologies and digitizing legacy platforms to accelerate innovation and capitalize on new opportunities. Empowering their increasingly mobile workforces with tools for flawless collaboration in a globalized economy has become a major strategic priority and is seen as a competitive advantage in several ways. This hyper-competitive world has reset the business agenda for enterprises and government departments; many are reassessing their priorities based on the significant new challenges that they are facing. Ovum believes that businesses that do not have significant focus on and investments in digitization of legacy systems, workforce mobility, and innovation will be disrupted by increased competition from those that have invested in these areas, as well as from start-ups.

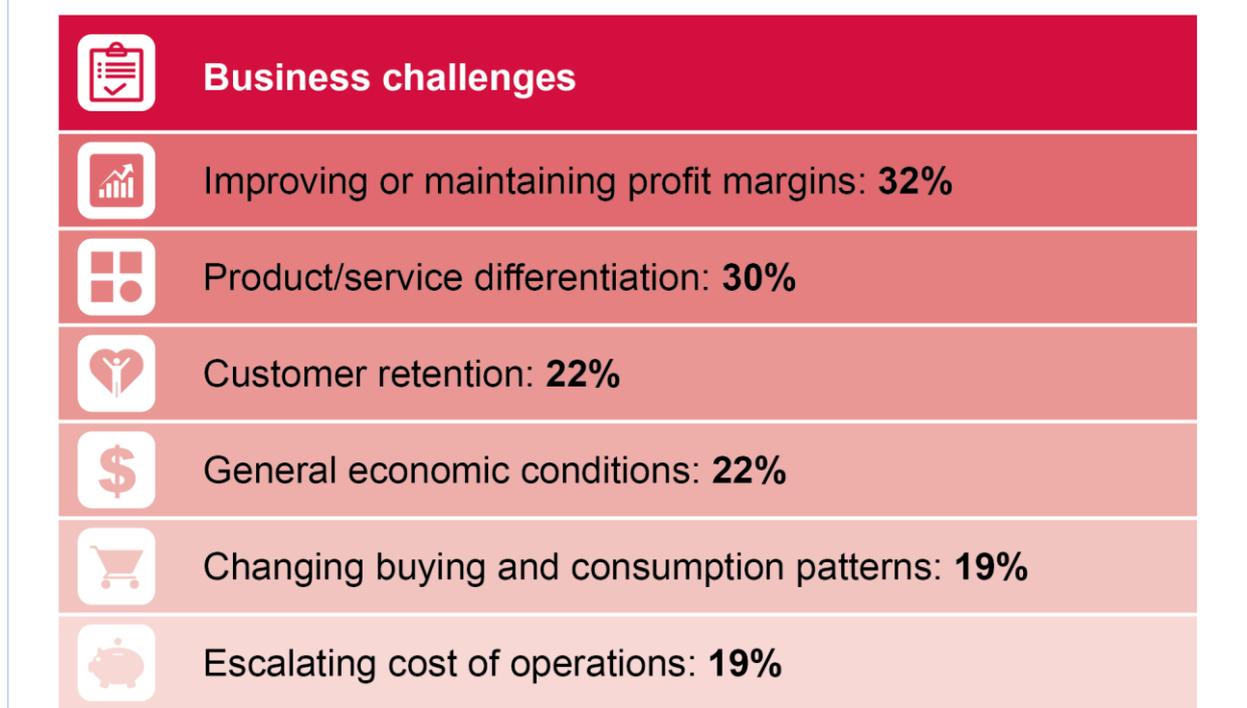
## Business challenges: margins, differentiation, and customer

The following are the top themes from a recent Telstra/Ovum Asia-Pacific survey of enterprises in Australia:

- **Improving and maintaining profit margins.** This was rated the number-one business challenge by 32% of enterprises in Australia, which is a reflection of the new market dynamics. A highly competitive market is being disrupted, placing huge pressure on pricing and margins (see Figure 1).
- **Product and service differentiation.** Differentiation is increasingly critical and is driving enterprises to adopt a “rapid innovation” mantra, especially in a region where it has become a strategic focus for global MNCs as a source of future growth and investments.
- **The theme of customer centricity continues to gain traction.** This has risen sharply, reflecting the highly competitive environment. The ability to respond to customers better is drawing an increased share of technology investments to drive loyalty and personalize campaigns and outreach.

Speed has become the new competitive differentiator, whether in innovation, speed to market, or executing critical decisions. This requires a permanent organizational shift in the way employees work and, more importantly, collaborate. Enterprises and government departments understand that achieving relentless innovation that delivers that sustainable product and service differentiation will require mobile and global employees to operate and make intelligent decisions in almost real time.

Figure 1: Top Australian MNC business challenges 2016–17



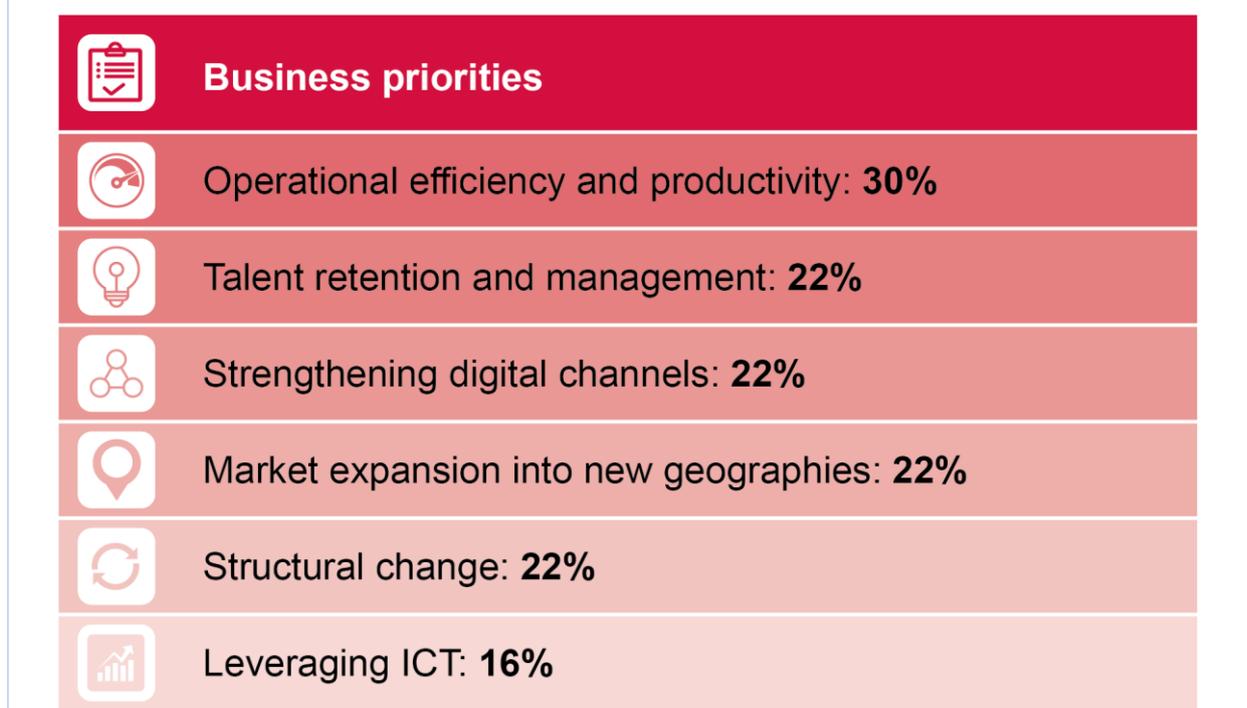
Source: Ovum/Telstra Asia-Pacific Market Study Survey, November 2015

## Business priorities: operational excellence, talent, and digital channels

The digital world offers new challenges and opportunities. For many enterprises and government departments, business priorities evolve with these new opportunities. A digital economy lowers the barriers to entry in most markets and industries. This, coupled with fragmenting demographics, has disrupted the status quo. The following are some of the top business priorities for Australian enterprises.

- **Being more operationally efficient and productive.** This was cited by 30% of respondents to a survey conducted by Ovum and Telstra (see Figure 2). Staying nimble in a competitive world will allow businesses and government departments to move more quickly and therefore respond better to change. Operational excellence has long been a prevailing theme for many large organizations.
- **Talent management.** With the increased emphasis on innovation among enterprises in Australia, it has become a priority to attract and maintain talent in a region where the battle for talent has intensified.
- **Strengthening of digital channels.** Enterprises understand that their long-term survival and relevance rest on their ability to move swiftly into the digital age.

Figure 2: Australian enterprise and government priorities, 2016–17



Source: Ovum/Telstra Asia-Pacific Market Study Survey, November 2015

## Harnessing technology to drive workforce mobility

Over the past few years, enterprises and government departments have changed dramatically in response to globalization, hyper-competition, digital disruption, and mobility. These factors are fundamentally changing the way such organizations operate. In the context of these new realities, a mobile and agile workforce has become almost essential for the workplace of the future. Enterprises and government departments that put workforce mobility at the heart of their corporate strategy are far more agile and collaborative than others. This is one of the critical elements for delivering rapid innovation. It also fosters flexibility, strengthens diversity, and orients any enterprise toward a highly interconnected global world. Many factors can trigger enterprises to move swiftly toward the development of workforce mobility.

- **Technology is the biggest trigger.** The number-one factor driving this momentum is technology adoption; 44% of enterprises and government departments (i.e. proven adopters) in Australia that have adopted workforce mobility have stated this as their main trigger. A similarly high proportion, 49%, are moving toward workforce mobility (i.e. prime adopters) and cited technology adoption as a key factor. Technologies that support workforce mobility have been proliferating over the last few years, enabling enterprises to both implement and manage “an open and mobile workspace” effectively.
- **Employees want mobile flexibility.** Many employees are today demanding flexibility and the ability to work both remotely and virtually. Enterprises and government departments have realized that they gain a huge operation and strategic advantage from allowing this, for several reasons. They will be viewed as progressive by both current employees and prospective hires and they will find it is easier to retain

valuable employees. Workforce mobility enhances collaboration and dramatically improves productivity by allowing secure access to corporate tools for employees.

**Figure 3: Triggers for development of workforce mobility**

Trigger factors	Proven	Prime
Technology adoption	44%	49%
Employee demand	32%	37%
Management mandate or push	19%	12%
Disruption from current office	15%	11%
C-level mandate	11%	3. Desire to use own devices 19%

*Proven = Enterprises that have adopted FWOW practices*

*Prime = Enterprises that have started the journey or have several elements in place*

Source: Ovum/Telstra FWOW Australia Survey, February 2016

Technology plays a central role in providing seamless and secure access for employees regardless of location. Cloud was ranked as the top technology enabling workforce mobility by both proven and prime adopters because it supports employees having access to applications, content, and tools on multiple devices everywhere (see Figure 4). This allows them to work remotely in the same effective manner as if they were on their office premise. Collaboration tools were ranked second by both sets of enterprises. Other technologies that are viewed as important include video conferencing, virtual desktop infrastructure (VDI), application virtualization, and VPN services.

**Figure 4: Top technologies in enabling workspace mobility**

Proven	Prime
Cloud technologies 53%	Cloud technologies 66%
Collaboration tools 44%	Collaboration tools 37%
Desktop virtualization 31%	Apps virtualization 30%
Virtual private networks 31%	Desktop virtualization 24%
Telepresence 26%	Telepresence 24%

*Proven = Enterprises that have adopted FWOW practices*

*Prime = Enterprises that have started the journey or have several elements in place*

Source: Ovum/Telstra Asia-Pacific FWOW Survey, February 2016

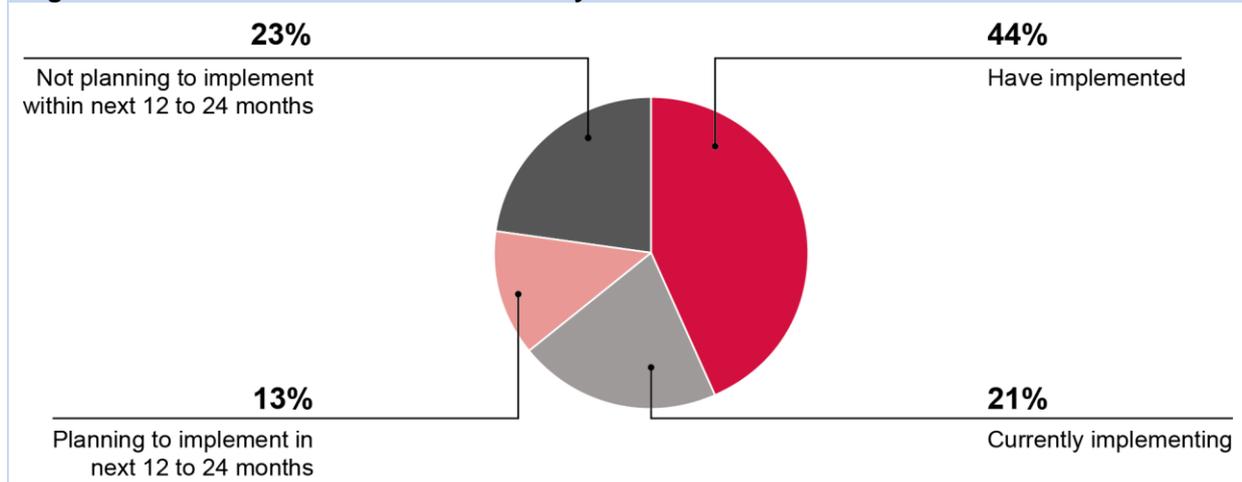
## State of the union: workforce mobility benefits evolve

Mobile and virtual working have been embraced by both employees and employers, driven by the demands of flexible work–life arrangements and the arrival of technologies that have enabled secure workforce mobility.

- As Figure 5 shows, in Australia today approximately 44% of enterprises and government departments have implemented some form of virtual or mobile work practices with a further 21% currently implementing it.
- Only 23% of Australian enterprises and government departments have no plans to do so over the next 12–24 months, signaling that more than three-quarters of these organizations will implement various facets of workforce mobility over that period.

Ovum believes that Australian enterprises and government departments are ahead of the curve in the Asia-Pacific region in adopting workforce mobility practices that will have a significant impact on the way they work and operate.

**Figure 5: Current state of workforce mobility in Australia**

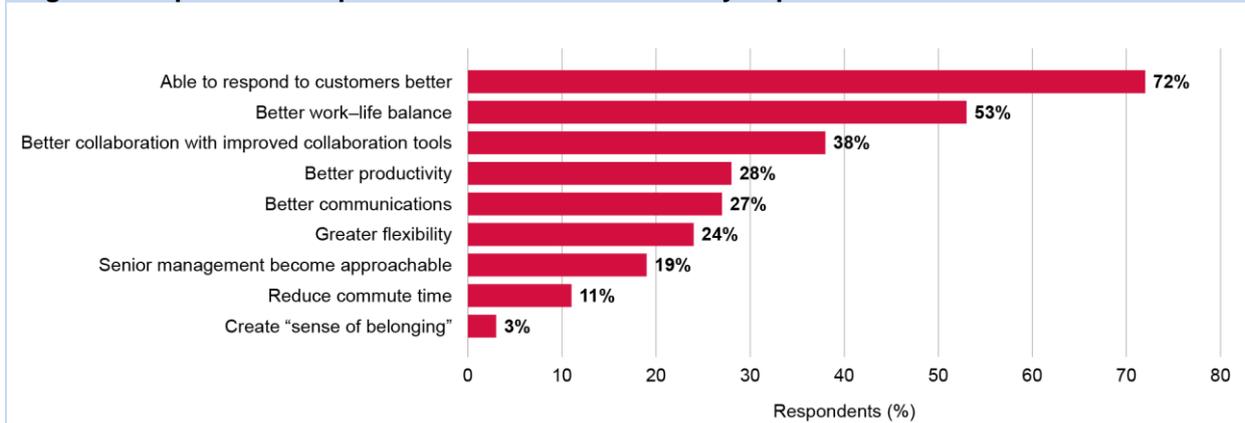


Source: Ovum/Telstra Asia-Pacific FWOV Survey, February 2016

With workforce mobility expected to be implemented by the majority of enterprises and government departments, expectations of the benefits for employees are also evolving. The following are some of the top benefits organizations expect to derive from investments in workforce mobility implementation.

- **Ability to respond to customers better.** This factor has risen significantly in response to increased competition in the region. Customer centricity is the number-one priority for workforce mobility initiatives; enterprises and government departments want to improve customer engagement and personalization to improve wallet share. (See Figure 6 for more details.)
- **Better work–life balance.** Several benefits can be attached to this. Most important is that enterprises and government departments believe that their employees will be more productive if they have a better work–life balance. Existing and potential employees are also attracted by it, which in turn enhances talent acquisition and retention.
- **Better collaboration and communication.** In an increasingly globalized economy, better collaboration and communication can only accelerate innovation and lead to faster time to market for new products and services. This continues to be one of the top priorities of most enterprises and government departments in Australia and should remain one of the core objectives of any workforce mobility initiative.

**Figure 6: Top benefits expected from workforce mobility implementation**



Source: Ovum/Telstra Asia-Pacific FWOV Survey, February 2016

Respondents were asked to rank the factors on a scale of 1–10, with 10 being extremely important. The chart indicates the total percentage of enterprises that gave scores of 9 or 10 for each category.

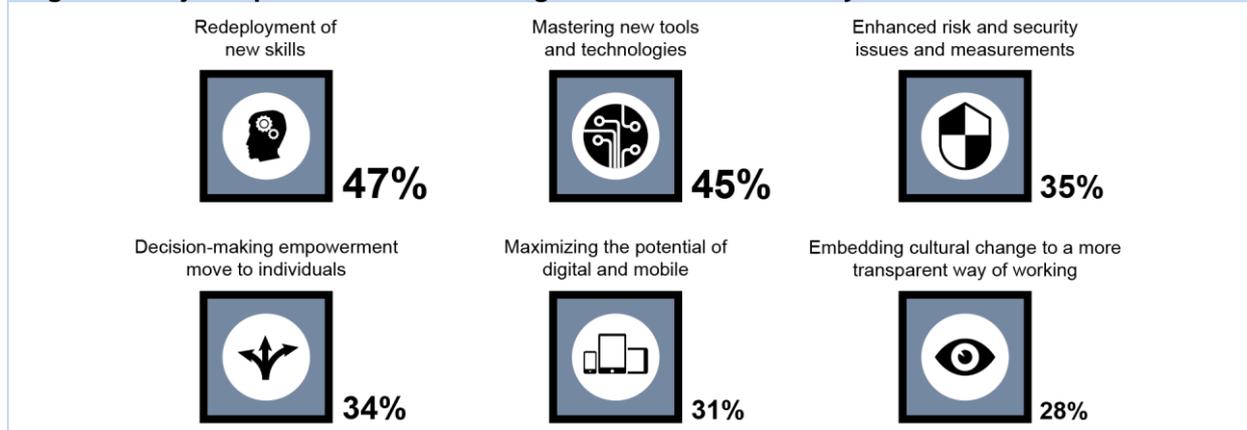
## Challenges and best practices: skills, change management, and training for a multi-generational workforce

Workforce mobility transformation takes time and there is no one-size-fits-all approach – ultimately it will be a continuous journey for enterprises and governments. The process can be daunting, especially for organizations that have a multi-generational workforce, with some employees resisting change. The following are among the challenges that those enterprises and government departments that have already adopted workforce mobility have faced.

- **Deployment of new skills.** With technology front and center for most workforce mobility deployments, redefining skill sets becomes critical; this is an overwhelming challenge. A whole breadth of new technologies across cloud, collaboration, security, and virtualization are being considered and implemented. Many enterprises and government departments struggle to keep up-to-date because their existing workforces do not have capabilities with and experience of these technologies. Almost 47% of enterprises and government departments in Australia have stated that redeployment of skills is their biggest challenge.
- **Mastering new tools and technologies.** Most enterprises and government departments have a multi-generational workforce and not every employee will be a quick adopter of new technologies; some might even be resistant to change. Internal training and strong management support are critical to ensuring success. This factor was ranked a close second, cited by 45% of respondents.
- **Enhancing risk and security measures.** Workforce mobility creates new security challenges and risks as more end points are connected to corporate networks. This exposure brings new challenges for enterprises and government departments because they need to protect their corporate networks with robust security.

Continued large investments are needed to counter evolving threat dynamics and employee education is also mandatory.

**Figure 7: Major implications and challenges of workforce mobility**

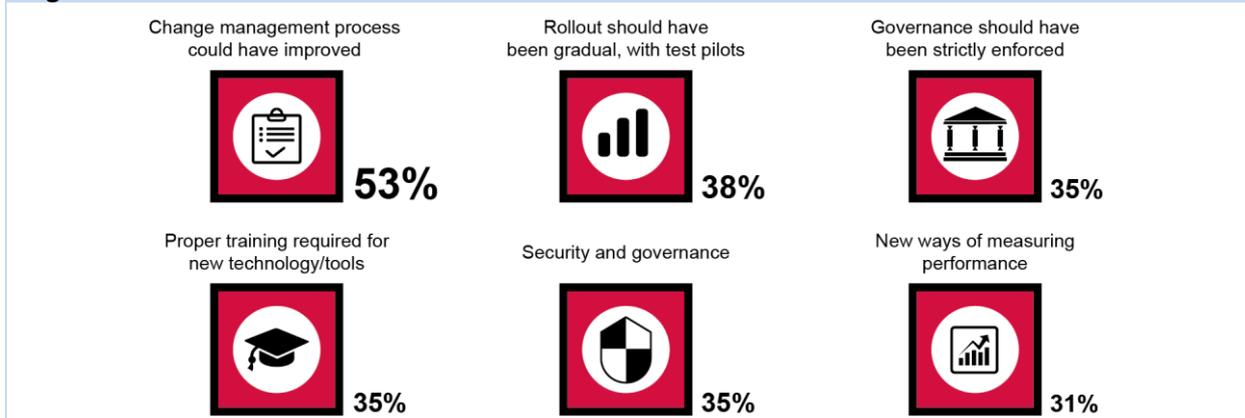


Source: Ovum/Telstra Asia-Pacific FWOV Survey, February 2016

There is definitely no one-size-fits-all approach to implementing workforce mobility. However, organizations that have already implemented workforce mobility have highlighted certain common themes and lessons learnt.

- **Improvement in change management.** For many enterprises and government departments workforce mobility can represent a big leap forward or into the dark. It is almost impossible to fully envision how existing employees will react or gauge the repercussions of its implementation. For many organizations it represents a major cultural overhaul of existing work and organizational practices and must be handled sensitively, with an emphasis on education, the provision of detailed information regarding changes, and governance.
- **Rollout should be gradual.** If not handled well, enterprise- and government department-wide implementation could lead to many unanticipated challenges, especially with regard to security risks. Workforce mobility technologies that are not well implemented could even hinder collaboration rather than support it. Piloting workforce mobility in several business units rather than taking a “big bang” approach is the preferred option for the majority of organizations.
- **Security and governance.** Corporate information and intellectual property remain the lifeblood for most enterprises and any form of breach can be extremely detrimental. Security and governance frameworks must always be tight and strictly enforced for workforce mobility to be successful over the long term.

**Figure 8: Lessons learnt**



Source: Ovum/Telstra Asia-Pacific FWOV Survey, February 2016

## Conclusion: the building blocks of workforce mobility

Workforce mobility has arrived and is growing rapidly in Australia. This is the natural evolution of several forces, including globalization, employee demand, and technologies that allow mobility to be a natural state of affairs. The momentum behind workforce mobility will only strengthen and it will require thoughtful and strategic management if organizations are to realize its full potential. The benefits for enterprises and government departments are far reaching and include lower real estate costs, the ability to attract and retain talent, and an environment for better collaboration that inspires the workforce to be cutting edge and innovative. However, there are pitfalls if workforce mobility is not executed well. The following are some of the building blocks of a successful workforce mobility strategy.

- **Identify clear objectives and goals at the beginning.** It is always difficult to measure or work toward success if there are no specific goals and objectives at the beginning. If collaboration or better customer service are the top priorities, identify the employees who are closely linked to these objectives and work through how workforce mobility can enhance them. What concrete metrics can be used to measure output and improvements? Not every employee or job function will fit neatly into the early ambitions of workforce mobility and thus should not be part of this exercise.
- **Understand the technologies that support workforce mobility.** Technology is the key building block of workspace mobility and the biggest trigger for enterprises to accelerate their journey. The task to select the right technologies and service providers should not be underestimated – a large part of the success of any program will depend on the technology framework that has been put in place. This process should not be rushed without proper due diligence. It is critical to work with players that have a strong track record in this area and are industry leaders.
- **IT capabilities need to be refreshed and upskilled.** One of the biggest challenges enterprises and government departments face is deploying new skills as they start their workforce mobility journey. It is critical that organizations understand that they

will have to refresh skill sets or engage with an external provider. Either way, they must be prepared to tackle this issue early.

- **Governance and security without risk.** For many enterprises and governments, workforce mobility represents a “great leap in the dark.” Employees with multiple devices will now have access to corporate networks outside the traditional office setting. This represents a risk to security and to underlying productivity given that, without a proper governance framework, employees might face challenges in collaborating better across functions. Employees also need to be educated about the security risk and reminded to be vigilant.
- **The multi-generational workforce is a complex one.** One of the reasons why workforce mobility is complex is that almost all enterprises and governments have a multi-generational workforce. It is wrong to assume that every employee will openly embrace workforce mobility. Some segments will struggle or oppose it if they do not completely understand the benefits and are not trained to use the new tools that they have been empowered with. Change management is one of the critical foundation blocks of this process and should not be rushed. A multifaceted approach should take account of the various generations of employees.

## Appendix

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