

CLOUD INDUSTRY FORUM

The hybrid working revolution

Building a better business
in a changed world



Introduction

Much of the working world has changed since the arrival of Covid-19. While many elements of pre-pandemic life have now returned, other aspects of the way we work have seemingly changed for good. Remote and hybrid working is the most prominent example of this, having gone from a “nice-to-have” in 2019 to a “must-have” by the end of 2020. Many technology firms have fared extremely well throughout this period, given the vast and sustained demand for their services.

With so many businesses embracing remote working on a permanent basis in some form or another, a crucial next step for leaders is to figure out how to evolve it from the makeshift solution of 2020 to something more dependable, secure and reliable in the long term. There are lots of things to consider in the pursuit of this goal, including how to adapt HR strategies, where and how to set up office locations, and ensuring any hybrid or remote working arrangements are compatible with regulations around compliance, employment law and cybersecurity.

Leaders also have to think about how office reopenings and remote working strategies need to be tailored to support the size of their business: SMEs, for example, are generally keener to return to offices as they can usually afford to be more nimble with their HR policies. Bigger companies, on the other hand, have to put a lot more processes in place to make hybrid working a success, which can be a hurdle for some.

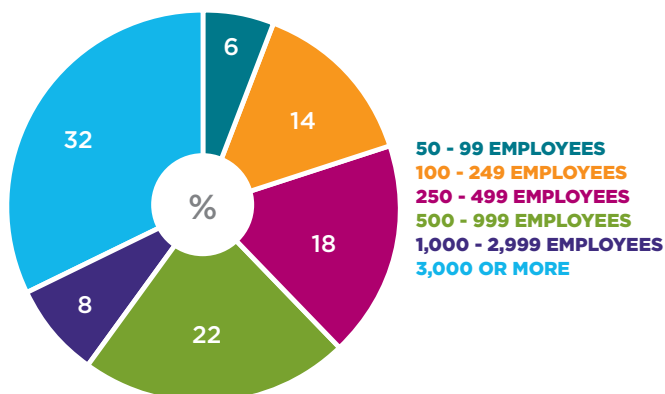
In this paper, we will explore the impact that remote working has had on different areas of the business since the onset of Covid, and what organisations need to do now to ensure the hybrid workplace remains successful in the months and years to come. Technology – such as cloud – was instrumental in keeping companies running early in the pandemic, and will remain integral in supporting and facilitating employee wellbeing, engagement and output in a changed working world.

CIF commissioned this research, in association with MHA, to understand how the impact that remote working has had on different areas of the business since the onset of Covid.

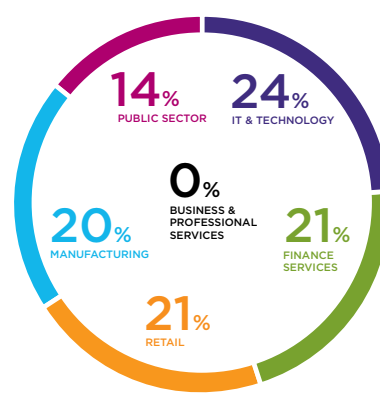
Methodology and definitions

For this report, Vanson Bourne conducted a major research project on behalf of the Cloud Industry Forum, designed to examine the effects of the Covid-19 pandemic on cloud and IT, and assess the challenges that lie ahead for organisational leaders to solve. The survey polled 250 senior IT and business decision-makers in large enterprises, small to medium-sized businesses (SMEs) and public sector organisations. All of those represented have UK operations.

How many employees does your organisation have globally?



Within which sector does your organisation operate?



Cloud computing

As the sophistication and scope of cloud computing has grown, its definition has evolved to cover many different things. It might be used to describe hosted IT services or outsourcing of any type, or it can be defined as something more specific, such as data storage or application management. However, for the purposes of this report, we have stuck with the tried-and-trusted definition of cloud put forward by the National Institute of Standards and Technology (NIST):

Cloud computing is a term that relates to the IT infrastructure and environment required to develop/host/run IT services and applications on demand, with consumption-based pricing, as a resilient service. Communicating over the internet and requiring little or no client end components, it provides resources and services to store data and run applications, from many devices, anytime, anywhere, as-a-service. The services can, in turn, be scaled up and down as needed to meet a customer's variable operational needs, ensuring maximum cost efficiency.

Summary of key findings

Remote working has been widely successful so far, but not without its challenges:

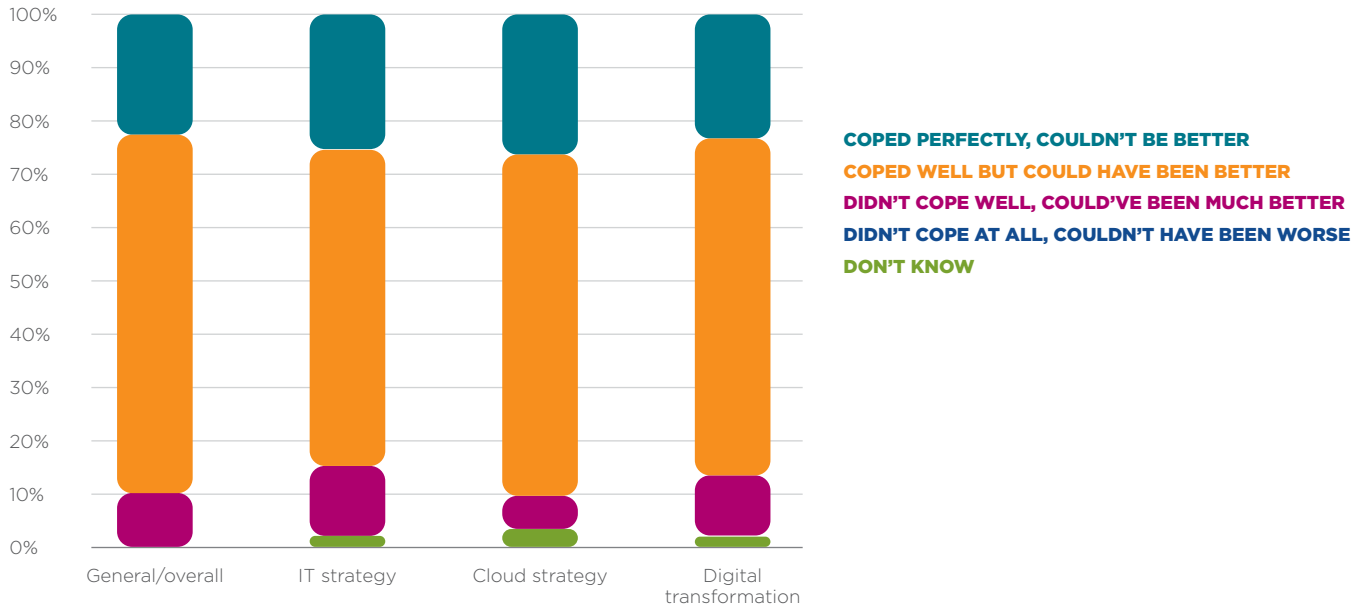
- 90% of organisations polled said they coped well with the impact of Covid-19
- On average, 62% of companies are now able to work remotely
- 41% have implemented new IT security measures to protect remote workers, but said their employees are still more vulnerable than when in the office
- 56% find it difficult to support other employees with IT issues when working remotely, while 45% said staff not having access to the right tools for home working is a challenge

Technology made the difference early in the crisis, and remains key to future remote and hybrid working success:

- 54% said cloud enabled a swift transition to home working during the pandemic, while 42% said it allowed the business to function as usual
- 79% said remote working remains part of their organisation's strategy post-pandemic
- 47% said remote working ranks among the company's most important IT projects, aligning closely with cloud on 49%

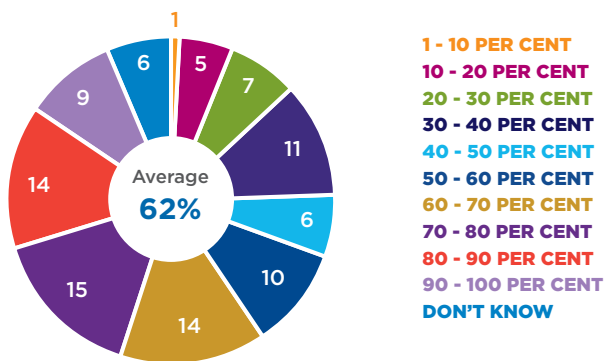
1 The impact of remote working

How do you feel your organisation has coped with the impact of Covid - 19?



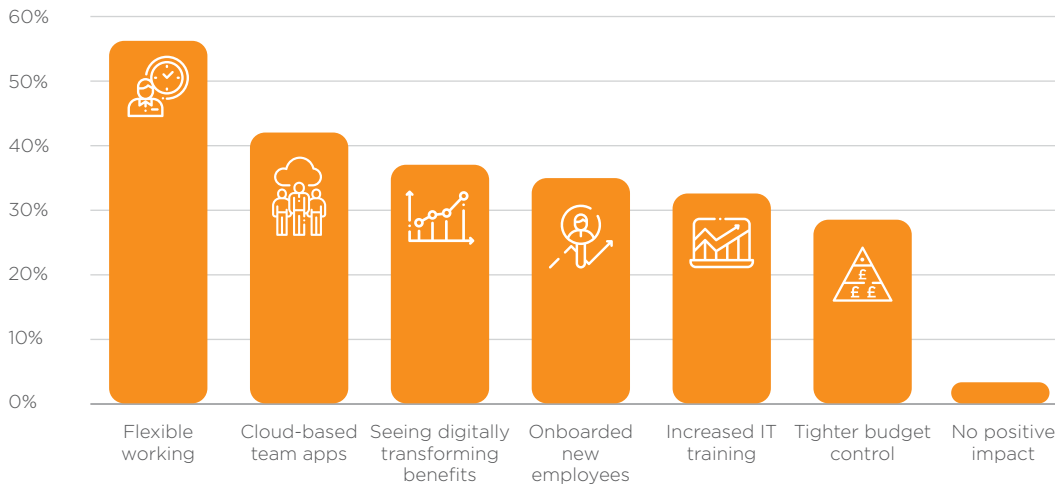
A good place to start is to examine how respondents felt they coped with Covid-19 generally. The overall picture is a positive one, with the overwhelming majority saying they handled the crisis well. However, 68% said that while they coped well, their response could have been better. This is an early indicator of how effective remote working has been so far: largely successful, but with room for improvement.

Approximately what percentage of your organisation is able to work remotely?



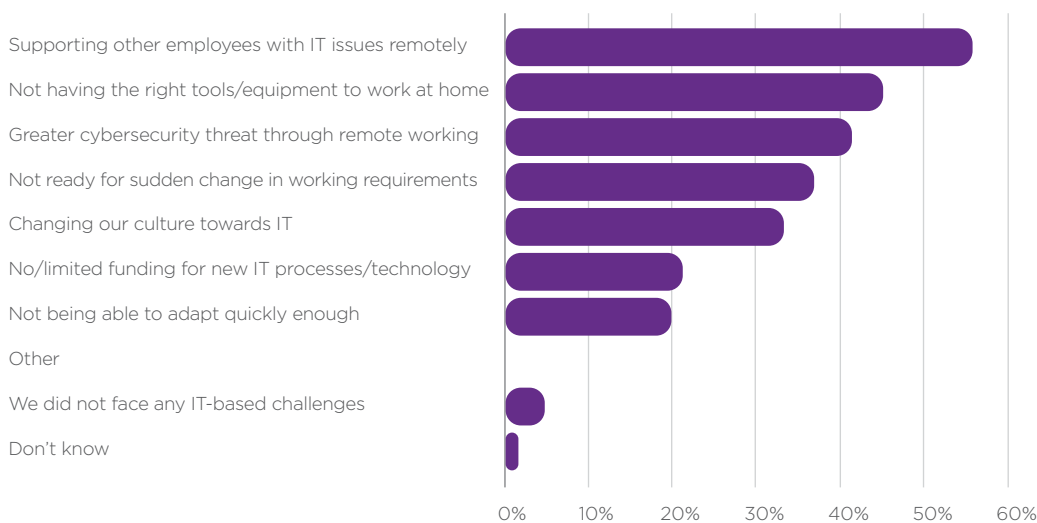
On average, 62% of respondents' organisations are now able to work remotely. This shows how much progress has been made since the days of purely office-based working. However, for a future hybrid working strategy to be truly successful, it would be good to see this percentage rise even higher.

How has Covid - 19 positively impacted your organisation's employees?



When considering the silver linings to the Covid cloud, a stronger emphasis on flexible working stands head and shoulders above the other advantages, cited by 56% of respondents. Increased use of cloud-based collaboration apps such as Zoom or Teams is in second place on 41%, further highlighting how remote working has benefited many. Interestingly, 32% have successfully onboarded new employees without face-to-face interaction.

What IT-based challenges did your organisation face in response to Covid-19?



On the flip side, businesses faced a range of IT challenges when forced to switch to remote working arrangements. Most frequently cited are difficulties supporting home-based employees with IT issues (mentioned by 56%), followed by staff lacking the equipment to work from home effectively (45%). Increased threats to cybersecurity are also a key concern (41%).

Have you implemented any new IT security measures for your organisation's employees who were asked to work remotely?



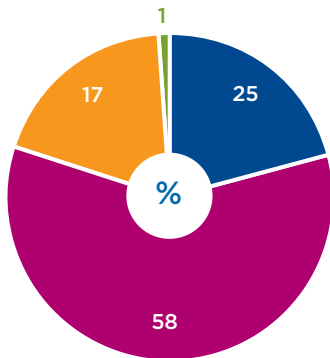
The above chart presents another mixed bag as far as effective remote working is concerned. A large majority have introduced new IT security measures to help better protect employees, and 40% of decision-makers polled said these interventions have made home working as secure as the office. However, a slightly higher proportion (41%) claimed that these new measures fail to match the secure experience of the office, revealing a gap that needs to be closed if remote and hybrid working are to be viable in the long run.

SUMMARY

Businesses did an admirable job of switching rapidly to remote working at the start of the pandemic, and have continued to handle the situation well since home and hybrid working took on a greater sense of permanence. However, there is still plenty more work to do to improve the situation. This means thinking more deeply not just about the technology needed to facilitate hybrid working, but also building a more coherent strategy for managing remote employees. This should cover areas such as HR, as well as adapting office spaces so that they cater better to the needs of dispersed workforces.

2 How tech made the difference

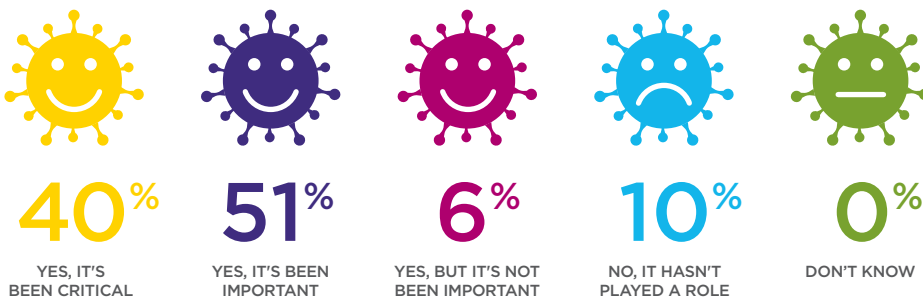
Has the way your organisation's IT function works changed due to the Covid - 19 pandemic?



YES, WE HAD TO COMPLETELY CHANGE OUR STRATEGY
YES, WE HAD TO MAKE SLIGHT CHANGES TO OUR STRATEGY
NO, IT HAS REMAINED THE SAME
DON'T KNOW

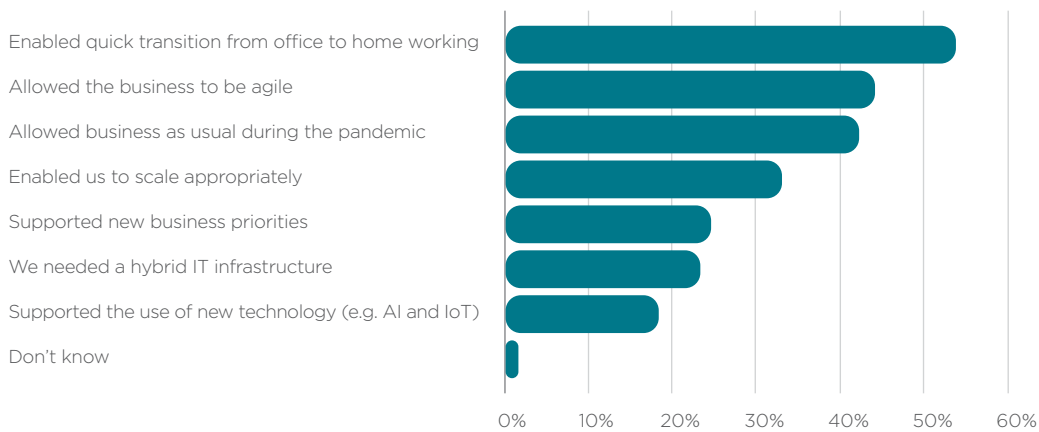
The above chart encapsulates the upheaval that Covid-19 brought to the way businesses manage IT. 83% had to change their IT strategy in some way, with a quarter having to overhaul it completely. Those that were fully prepared and needed to make no alterations were few and far between.

Has cloud played a role in your organisation's response to Covid - 19?



Fortunately, technology has shown it is up to the task when it comes to meeting the remote working challenge, with cloud a standout performer in this respect. Nine in ten respondents (91%) said it played an important role in the company's response to the pandemic, with 40% describing its role as critical.

How has the use of cloud helped your organisation during the Covid - 19 pandemic?



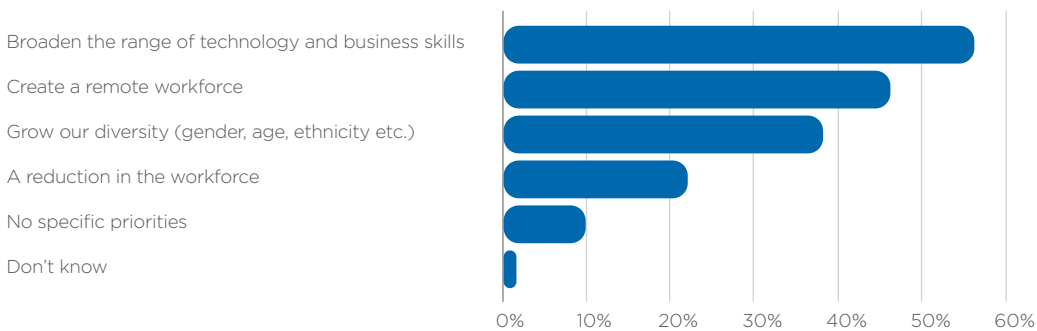
Cloud's attributes are numerous, with the most widely cited being how it helped businesses to transition rapidly from office to home working early in the pandemic (54%). Also crucial is how it enabled the organisation to be agile (mentioned by 44% of respondents) and allowed for business as usual to be maintained (42%). These qualities will remain integral to future remote and hybrid working arrangements, so continuing to engage with cloud services is important.

SUMMARY

The pandemic was the ultimate acid test for many new and established technologies, and most of these will remain a fixture in the hybrid working world. The next step is to ensure that future IT strategies are robust enough to handle a blend of home and office working. This means continuing to increase cloud capabilities, and adopting other technologies to increase efficiency and collaboration, and gain a better understanding of employee wellbeing. Leaders should also scrutinise any new technology closely to ensure it is implemented in a way that ensures full compliance with industry regulations.

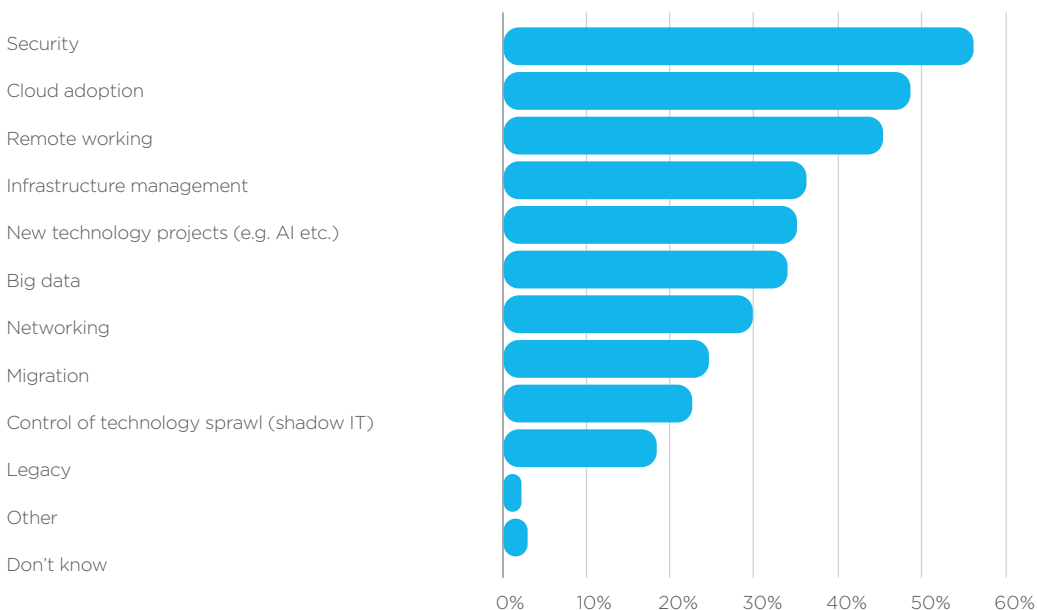
3 Making hybrid working a long-term success

What are your organisation's future IT hiring priorities?



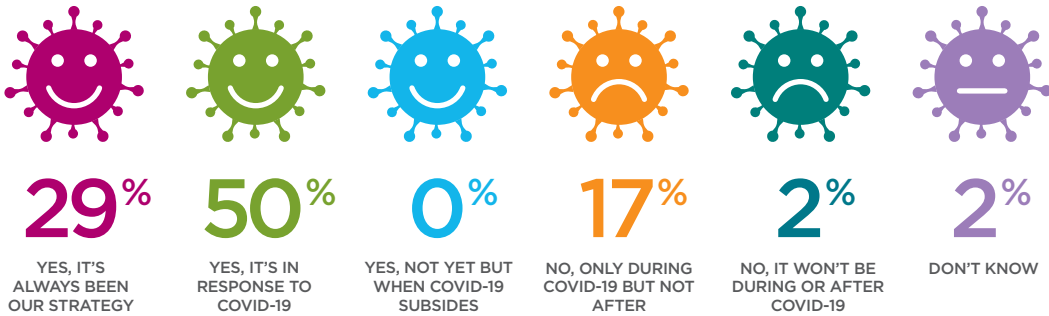
As we discussed earlier in this paper, remote working was an effective means of keeping businesses running during the most intense phases of the pandemic, but it was by no means perfect. The good news is that decision-makers are making plans to shore things up for the future. Creating a remote workforce is high on the list when it comes to IT hiring priorities (cited by 46% of respondents), behind the wider, all-encompassing goal of broadening the range of technology and business skills (56%).

Which of the below are your organisation's most important IT projects?



Remote working also ranks highly in the list of most important IT projects, mentioned by 47%. It sits behind cloud adoption (49%) and security (57%), both of which play a major role in any remote or hybrid working strategy.

Is remote working a part of your organisation's strategy moving forwards?



Further, remote working is now firmly enscenced as part of the organisation's IT strategy, with 79% saying it is a key part of their plans. Half of respondents have adopted this approach as a direct consequence of the pandemic, which underlines how it was a catalyst for positive change for many businesses.

SUMMARY

Necessity is the mother of invention, and the pandemic and subsequent switch to remote working arrangements is the perfect example of this. When faced with adversity, organisations came up with solutions to keep the business operating. Now that initial period of turmoil and uncertainty is over, leaders are putting plans in place to evolve further, refine the technologies they are using, and make their companies more resilient in the long run. It is vital that IT leaders work closely with their counterparts in other areas of the business – such as HR – to ensure that future remote and hybrid working strategies are built with employee wellbeing at heart.

Conclusion

While there are few major positives to take from the pandemic, one thing that has become clear is that employees do not have to be at the office every hour of every day of every week to be effective in their roles. Offices have reopened, but most look different to how they did before, and mixing the traditional place of work with the home environment is now completely normal.

Once we accept that hybrid working is here to stay, we can start making meaningful plans to improve it even more. Going remote has taught leaders to be more employee-centric in how they run their businesses, so making hybrid a pleasant, rewarding experience for workers should be a priority. This means giving employees the flexibility to work their own way while creating office spaces that make people want to come in and collaborate with their colleagues in person.

Any strategy needs to be underpinned by the technology that can make the above a reality. This paper has shown that there is still some work to be done to make hybrid as good as it can possibly be, so the onus should be firmly on plugging the gaps and addressing the issues that were put on the backburner during the early chaos of the pandemic. Cloud is one technology that can make a huge difference in many areas, including improving the employee experience, enhancing collaboration, and ensuring the organisation is fully compliant with regulations.

There are quite a few boxes to tick in this pursuit of a hybrid working nirvana, but with the right vision and commitment to ongoing evolution from all senior leaders, there is every chance businesses will be successful in the future.

CLOUD INDUSTRY FORUM

About

MHA is a network of dynamic independent accountancy firms operating across the UK with a global footprint via our membership of Baker Tilly International.

The technology sector has long been a core focus for MHA, and its team of technology accountants and advisers have a deep understanding of the sector, with innovation, adaptability and business confidence all playing a key role in its phenomenal growth to date.

Our vast experience of working with tech and digital businesses has given us a unique insight into the challenges they face today. Meanwhile, our close links with sector organisations TechUK and the Cloud Industry Forum help us to anticipate the future issues that might impact on our clients. In addition, our membership of Baker Tilly International gives us access to specialist accounting and consultancy services for tech businesses in more than 130 countries. With our global links to tech clients, we can support international scalability, allowing us to continue as partners to our clients as they expand.

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The Cloud Industry Forum (CIF) was established in direct response to the evolving supply models for the delivery of software and IT services. Our aim is to provide clarity and advice for end users when assessing and selecting Cloud Service Providers based upon the clear, consistent and relevant provision of key information about the organisation/s, their capabilities and operational commitments.



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