



Bringing it all together

Flexible Working

Can your company
compete without it?

Contents

Flexible working – can your company compete without it?	3
Flexible working – a global phenomenon	4
Flexible working study	4
Flexible working is taking off	4
Case study – BT demonstrates the power of flexible working	4
Benefits of flexible working	5
BT Workstyle project – impressive results	5
Better work–life balance	5
A powerful management tool	5
Greater productivity	6
Cost savings	6
Corporate social responsibility	6
Competitive advantage	6
Implementing flexible working	7
Bringing it all together	7
Choosing technologies	8
Voice is more critical than data	8
The user interface should be intuitive	8
Security cannot be a compromise	8
Optimal solutions are managed externally	9
Conclusions	10
Where to go from here	10
About the authors	11
References	11

Flexible working – can your company compete without it?

In the digital networked economy, companies compete to attract and motivate employees, improve productivity and quality of service, and reduce costs. True competitive advantage is conferred by the ability to anticipate and react quickly to change. By allowing employees, teams and even whole companies to organise their work around the achievement of objectives – rather than around physical locations, borders or boundaries – flexible working is transforming the way work is done and the results companies can achieve.

Flexible working should be seen as a philosophy of business organisation, rather than a technological issue, comprising every aspect of the company, from its headquarters and international facilities, office employees and remote employees, to its physical and intellectual assets, suppliers, partners, and of course, customers.

The benefits of flexible working are potentially wide-ranging, from increasing productivity to reducing real estate costs, and optimising the customer experience to improving staff motivation and retention.

This BT white paper examines the growing trend towards flexible working, and investigates how best to design, deploy and manage flexible working solutions.

Flexible working – a global phenomenon

Today, the internet represents a vital part of global trade, email is an indispensable business tool, and mobile phones are ubiquitous. But connectivity is no longer enough – communications technologies can now facilitate flexible working as a means of delivering sustainable competitive advantage, increasing productivity, improving the customer experience, retaining and motivating employees, and helping companies to attain their strategic objectives.

Case study – BT demonstrates the power of flexible working¹

BT has adapted the way it manages people and the way they work to stay competitive and responsive. The company has what is believed to be one of the largest flexible working projects in Europe – the BT Workstyle project.

Flexible working is available to almost everyone in BT, and BT now has over 70,000 flexible workers, from senior managers to contact centre staff.

“At BT, flexible working is business as usual. Already seven out of 10 people work flexibly and nearly 10% are home-based. It has saved the company millions in terms of increased productivity and cut costs. It has also motivated our people and released more potential.” Sir Christopher Bland, Chairman, BT Group

Remote access in the UK is offered via BT’s extensive broadband network, and, for workers on the move, access is provided via Wi-Fi, dial-up and other networks in over 150 countries.

In addition, BT has deployed tools that allow all employees to work more productively, wherever they are. For example, the company has implemented a system that allows multi-party meetings to take place via telephone, at the touch of a button.

“At BT, we are attempting nothing less than the complete transformation of the way in which the company runs, the way we communicate, and the way we work together. We are eliminating as much bureaucracy and unnecessary control as possible.”

Sir Christopher Bland, Chairman, BT Group

Flexible working study

BT recently completed a qualitative study of some of its largest Fortune 500 corporate customers across the USA and Europe to understand their evolving mobility and flexible working needs, the challenges they face, and the lessons they have learned. Some of the findings are discussed below.

Flexible working is taking off

Globally, flexible working is becoming increasingly widespread. Over half the companies in our survey have introduced flexible working practices, and all intend to deploy flexible working solutions in the future.

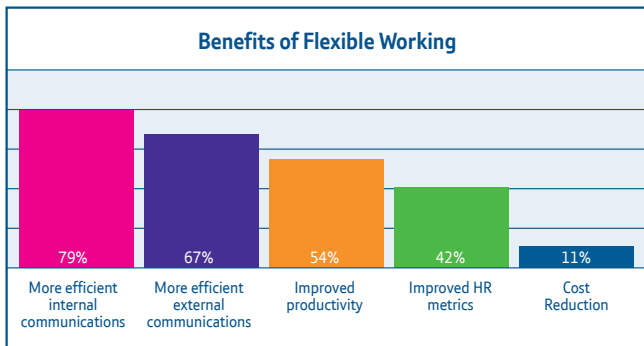
More generally, a rapidly growing number of employees are becoming more mobile. Remote working is forecast to become substantially more commonplace. By 2010, it is estimated there may be over 50 million employees in Europe alone who spend at least part of their week working remotely.

In a speech in May 2006, Sir Christopher Bland, chairman of BT Group, warned that western companies will be at the mercy of tiger economies, such as China and India, unless they adopt better working practices.

Benefits of flexible working

Flexible working both meets the needs of employees and improves companies' capacity to serve customers – to optimise communications, reduce response times, improve service and support, and contribute to the overall customer experience – and, in doing so, it secures competitive advantage. See figure 1 below.

Figure 1 – Benefits of flexible working



Source - BT Flexible Working Research, March 2006.

BT Workstyle project – impressive results

Across all BT's flexible working solutions, the results have been impressive:

- greater productivity: for example, home working call centre operators handle up to 20% more calls than their office-based colleagues
- improved employee satisfaction, motivation and retention: for example:
 - BT home workers take 63% less sick leave than their office-based counterparts
 - the retention rate following maternity leave is 99%
 - the absentee rate among flexible workers is down 63% and is now 20% below the UK average
- cost savings: for example:
 - over €725 million a year through reduced office estate
 - €104 million a year through reduction in accommodation costs associated with home working
 - €7.4.million a year in recruitment and induction costs through improved retention following maternity leave.

Better work–life balance

Employees are keen to pursue flexible working options, which allow a more comfortable balance between work and leisure.

Not only are employees likely to feel more positive and motivated, but concrete metrics such as absenteeism and retention also tend to improve dramatically.

“People worry that flexible working solutions and policies may mean that work starts to intrude into every waking minute of every day of the week. My experience has been the opposite – flexible working has allowed me to more actively control the balance between my work and home life. The technology allows me to choose.” Electronics company, Europe

A powerful management tool

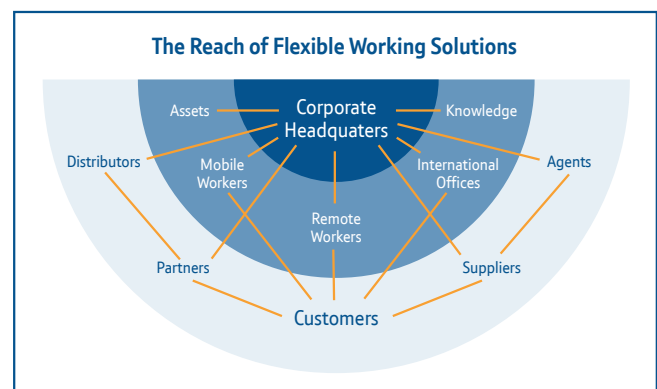
Flexible working has become an integral tool in the management of international businesses and the attainment of sustainable competitive advantage.

Respondents to our survey regarded flexible working as a means of integrating all employees (remote, mobile or otherwise), assets, knowledge and workflows.

Other benefits include the ability to more rapidly and inexpensively move people around the organisation, the capacity to create and co-ordinate project teams and other temporary organisational structures, and the enhanced control afforded to senior management – facilitated by more ubiquitous, rapid communications.

Furthermore, respondents viewed flexible working as a practice that extends beyond the boundaries of the company itself, to suppliers, agents, distributors, partners and customers, as illustrated in Figure 2 below.

Figure 2 – The reach of flexible working solutions



Source - BT Flexible Working Research, March 2006.

Greater productivity

Flexible working appears to enable improved productivity in a number of ways.

The improved communications – both voice and data – associated with flexible working were suggested by several respondents in our study to translate directly into improved productivity.

Many respondents stated that flexible working enables employees to be productive at all times: when commuting, at work, travelling to meetings and also during weekends. Recent research suggests that equipping employees with mobile email devices can recover more than 50 minutes of unproductive time each day.²

“If you equip people with mobile working solutions, they will use them. More to the point, they will use them in their own time as well as during work time – so we end up getting more from our people.” IT security company, Europe

Flexible working allows all employees – fixed and mobile – to work effectively together, regardless of borders or boundaries. Teams across many disciplines can be pulled together quickly to solve particular problems.

Reduced response times were also detailed as a benefit of flexible working solutions. Many respondents stated that employees were able to respond to customer enquiries more rapidly and efficiently and escalate issues more quickly.

Moreover, many respondents stated that flexible working solutions allow employees to spend more time on customer premises, where – it is argued – they can be most productive and generate greatest revenues.

Cost savings

During the BT Workstyle project, by 2006, BT’s office estate had reduced by nearly 40%³ saving BT over €725 million a year. Within that figure, BT’s 11,600 home workers save the company €104 million a year in accommodation costs.

“By relocating BT’s Netherlands headquarters, office space was reduced by over 60%, saving an estimated €1 million a year.”

Rakesh Mahajan, Global Director of Mobility, BT Global Services

Teleconferencing has eliminated the annual need for over 300,000 face-to-face meetings, leading to savings of over €38.6 million a year.

There are also follow-on effects from enabling employees to have a better work-life balance. At BT, the retention rate following maternity leave is 99%, compared with a UK average of 47%. Estimates suggest that recruiting and inducting a replacement costs €14,800, so BT is saving an additional €7.4 million a year.

Corporate social responsibility

As a result of the BT Workstyle project, BT avoids the purchase of approximately 12 million litres of fuel per year, resulting in 54,000 tonnes less CO2 being generated in the UK. Flexible working has helped BT minimise the environmental impact of its operations globally – since 1996, BT has reduced CO2 emissions by 60% and aims to continue this reduction.

In addition, BT can reach out to people for whom the traditional nine-to-five day has been a barrier – for geographical or other reasons – tapping skills in neglected or under-utilised communities.

“BT has always taken its responsibility to society seriously and, as an original signatory to the UN Global Compact, we are willing to be measured on our commitment. Indeed, BT has been rated No. 1 in our sector in the Dow Jones Global Sustainability Index for the last six years”. Sir Christopher Bland, Chairman, BT Group.⁴

In a recent survey, BT found over 60% of its employees felt more proud to work for the company as a result of its approach to corporate social responsibility.

Competitive advantage

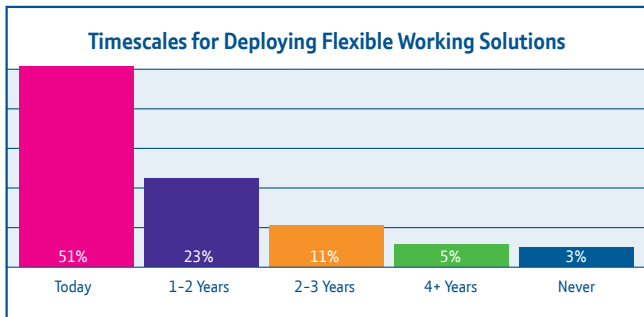
Flexible working has the potential to deliver wide-ranging benefits. It is therefore becoming not only a source of optimising company performance on many levels, but also an increasingly important means of remaining competitive.

In our study, many respondents (63%) stated that the decision to deploy flexible working was motivated, at least in part, by the desire to keep ahead of the competition. Flexible working is key to keeping pace with competitors.

Implementing flexible working

Not surprisingly, BT's research suggests that companies are moving to implement flexible working solutions sooner rather than later. The majority of the companies surveyed suggested that they were either already implementing flexible working solutions, or planned to within the next 12 months (see Figure 3).

Figure 3 – Timescale for deploying flexible working solutions

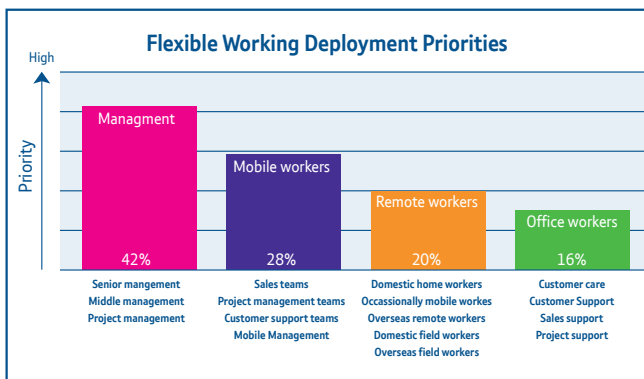


Source – BT Flexible Working Research, March 2006.

Across almost all the companies interviewed, the need for flexible working was recognised by management and employees alike.

The majority of respondents asserted that flexible working is no longer the preserve of senior management and purely mobile employees, but is relevant to all employees, regardless of status and location, as illustrated in Figure 4 below.

Figure 4 – Flexible working deployment priorities



Source – BT Flexible Working Research, March 2006.

Interestingly, the companies that cited the best results from flexible working highlighted four approaches to design and deployment that they felt contributed directly to their success:

- flexible working solutions must be designed and deployed for competitive advantage
- security cannot be a compromise
- simplicity is key to success
- optimal solutions are managed externally.

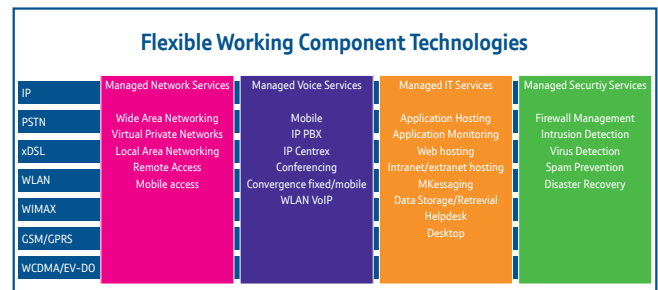
Bringing it all together

Flexible working should transcend the organisation – from remote and mobile employees through to desk-bound employees across all the company. And flexible working solutions must be designed and deployed with the specific aim of helping the company to manifest sustainable competitive advantage.

Delivering flexible working solutions is about bringing together the communications and IT infrastructure of the company into a unified, secure and simple solution that allows all employees, wherever they are, to work together effectively.

Companies' technical definitions of flexible working solutions are increasingly complex and multidimensional. Just a few years ago, solutions centred on remote access and mobility; today companies see flexible working solutions as tightly integrated elements of enterprise IT and networking, as demonstrated in Figure 5.

Figure 5 – Flexible working component technologies



Source – BT Flexible Working Research, March 2006.

To optimise the benefits of flexible working, technology must take a back seat. Our research suggests that the best implementations of flexible working solutions start with a clear understanding of the needs of the company, its employees and its customers. Information and communications technology plays a supporting rather than a defining role – delivering intelligent solutions that allow companies to organise work optimally, pursue their strategic objectives, and serve their customers efficiently and profitably.

“Deploying a flexible working solution didn’t change our company’s objectives. It just added another set of tools to help us achieve those objectives. So at the start of the process, we focused on what we needed to improve, not what solutions or technologies were available.” Telecoms equipment vendor, USA

Choosing technologies

A detailed understanding of all enterprise telecommunications technologies is needed to successfully deliver integrated, easy-to-use, secure and future-proof flexible working solutions.

For many companies, the growing list of new network, platform and protocol options is overwhelming. Knowing which technologies to invest in, integrating them seamlessly, and managing the transition from one to the other are becoming increasingly complex issues, particularly on an international basis.

Mobile technologies represented a major concern for our respondents. The growing array of network and device technologies was seen as increasingly difficult to comprehend.

Additionally, respondents cited anxieties relating to the availability of common mobile standards. Though the mobile voice network technology base is well established and essentially global, the picture for mobile data is different, with conflicting standards emerging across different regions.

Respondents found it difficult to understand precisely what each individual technology delivers. Companies were often faced with competing approaches from fixed, mobile and fixed-wireless operators and equipment vendors, most of whom were intent on selling single-technology solutions – their own!

The companies in our survey wanted robust, salient, long-lasting solutions, as opposed to the latest, most heavily promoted technologies.

Future-proofing was important to respondents – particularly for companies that had chosen to design and implement their own flexible solutions (as opposed to using a third party supplier).

Voice is more critical than data

Overall, voice remains the most important means of communication for the companies in our survey, and is seen as the most valuable medium for communicating with customers.

Deploying practical and economical voice systems is seen as increasingly important. 55% of respondents are operating or actively implementing IP telephony (IPT) on internal networks. Hence the question of how to create a seamless, integrated, secure and future-proof voice solution – that delivers the cost-saving potential of IPT alongside the flexibility and ubiquity of mobile, and is capable of transcending office-based and flexible employees – is high on respondents' lists of priorities.

The user interface should be intuitive

The best flexible working solutions focus time and effort on ensuring that technological complexity does not get in the way of productive work, irrespective of the level of technology literacy of the user.

Because of the increasing complexity of technology in general and communications and IT devices in particular, many companies surveyed wanted solutions with a carefully engineered, intuitive user interface. Employees can then leverage the full power of flexible working solutions with minimal training.

Security cannot be a compromise

All the companies interviewed stated that security was the greatest source of concern relating to the deployment of flexible working solutions. With an increase of company data now being stored on portable devices, the security and integrity of sensitive company information is a growing concern.

Security concerns fell into two main categories:

- network intrusion and infection
- data theft and loss.

Not surprisingly, network intrusion and infection was highest on the list of specific threats. 78% of respondents felt that these risks were considerably higher with flexible solutions than within the internal (fixed) office network.

With hacking and malicious code (such as viruses, worms and trojans) on the rise, the need for robust security is paramount. The fact that flexible working solutions connect to internal networks increases the perceived risk of security and data integrity breaches.

Interestingly, 18% of respondents highlighted the risk of data loss, and suggested that this risk was exclusive to flexible working solutions. Many cited incidents in which devices such as laptops and smart phones were left on trains, in taxis or in hotels, or were stolen. The ability to remotely 'kill' lost devices, and the data contained within them, was therefore considered especially important.

The responses to our survey show that flexible working solutions transcend multiple access technologies, all of which have different security risks. Companies are keen to migrate towards those technologies that are considered the most secure. Increasingly, companies view flexible working solutions as an integral part of the IT and communications estate, required to meet the same rigorous security standards.

“Security is the bottom line for us. Flexible working is enormously important – but the security and integrity of our data is even more important. We can’t afford to take any risks – so we’ve deployed flexible working solutions with an obsessive focus on security and encryption.” Financial Services Company, Europe

Overall, therefore, respondents stated that they expect the suppliers of flexible working solutions to be able to provide managed security services that are comparable with existing, fixed solutions, and cover the following:

- firewall management/intrusion detection
- virus detection (and protection)
- spam prevention
- disaster recovery
- remote device deactivation.

“By far the majority of companies are telling us that security is non-negotiable. Either a flexible working solution has robust security systems, or it doesn’t get deployed.”

Rakesh Mahajan, Global Director of Mobility, BT Global Services

Optimal solutions are managed externally

The delivery of flexible working solutions has the potential to distract management and employees from delivering corporate strategic objectives. Increasingly, therefore, companies turn to specialist organisations to deliver flexible working solutions that are part of a broader suite of networked IT solutions, spanning fixed and wireless, IP and PSTN, security and managed services.

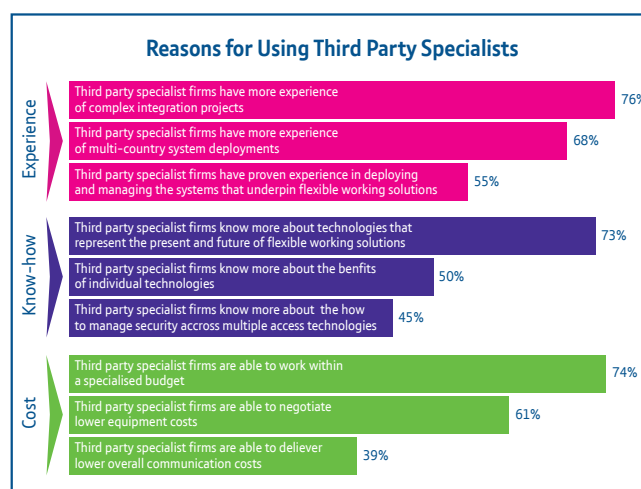
“Our flexible [working] solutions are very different in each of our major regions. In the US we use mostly DSL for data access and mobile for voice. In Asia, we still have to use dial-up for data. In Europe, we’ve got a growing number of people who just use mobile – GPRS for data and GSM for voice. Managing all of this is becoming too complex and time consuming for us. We’re in business to sell services to our customers, not to make all of this stuff work.”

Financial services company, Europe

The companies in our survey wanted to be closely involved in the decision-making and control of flexible working solutions, but did not necessarily want to be involved in their deployment and management.

Many reasons were cited for turning to a specialist organisation for the deployment of flexible working solutions. As illustrated in Figure 6 below, the reasons broadly fall into three categories: experience, know-how and cost.

Figure 6 – Reasons for using third party specialists



Source – BT Flexible Working Research, March 2006.

Most respondents stated that their preference was to work with a systems integrator who can manage relationships with service providers, hardware manufacturers and others to lessen the integration burden on the company, deliver complete solutions rapidly, and contain expenditure.

Conclusions

Flexible working is fast becoming a management philosophy that underpins 21st-century business: a means of generating and sustaining competitive advantage, improving productivity, optimising the customer experience, allowing greater flexibility for employees of all types, and integrating and streamlining work processes right across the organisation.

Flexible working is something that no company can afford to be without.

Where to go from here

BT is one of the world's leading proponents of flexible working solutions, both as a vendor and a user.

“By taking a holistic approach across IT, property and HR – and using robust and scalable processes – we delivered some impressive benefits. We also know that our approach is portable, because right now we are helping other organisations to do precisely the same thing.” David Dunbar, Head of BT Workstyle, BT Global Services

BT Workstyle project

For further information about the BT Workstyle project, see http://www.btglobalservices.com/business/global/en/docs/case_studies/BT_Practitioner_Flexible_Working_Case_Study_EN.pdf

To discuss how BT can help to design, deploy and manage flexible working solutions that help for your company, please contact:

Rakesh Mahajan, Global Director of Mobility, BT Global Services
rakesh.mahajan@bt.com

About the authors

Rakesh Mahajan leads BT's mobility business for the global corporate market. His role, is to deliver leading-edge mobility solutions to some of the largest and most dynamic corporations in the world. Responsible for marketing, strategy, and product/service development, Rakesh is charged with ensuring that BT delivers differentiated, innovative and customer-centric mobility solutions that are capable of helping corporations to be efficient, cost-effective and flexible. His expertise in mobility, flexible working and enterprise solutions is a result of over 10 years spent working for major fixed and mobile telecoms operators and leading consulting firms across Europe, Asia Pac and the United States.

Nick Foggin is a strategist with twelve years' experience gained in the fields of telecommunications, media and technology. Nick is now an independent consultant, based in Valencia, Spain. He serves clients in telecommunications, the media, professional services, private equity and government.

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