



Unleashing the Hidden Productivity of Your Small Business

Unified Communications: A Key Component of Your Telework Program

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Introduction

For small businesses, the phenomenon that began as telecommuting and evolved into telework is now best described as distributed work, mobile work, or “just work”. The key distinction here is that telework is accomplished independent of location: from home, a hotel, a client’s office, the train, an airport, a car, or anywhere away from one’s primary place of employment. Many workers who fit in this category work from many locations and are frequently categorized as mobile workers.

In this paper, we’ll look at this ‘new way of working’, how and why it started, its development and evolution, where it is today, where it’s going, problems and issues that small businesses need to address, and why it’s being adopted by an ever growing number of employers, both small businesses and large enterprises, in both the private and public sectors. Our economy, global environment, and society in general, are in need of the benefits derived from telework, and yet its importance is still misunderstood within small businesses worldwide.

Herein we will be specifically looking at the needs of small businesses and how the development and implementation of a well thought out telework program will help increase profits, lower overhead, reduce real estate requirements and retain key employees. A small business will approach this differently from larger ones as most of the decisions will be made by one or two people rather than a committee formed by many department heads and numerous mid-level managers. The advantage to you is that once you make the decision to move ahead the time needed to implement can be short as will the time before you see realization of the benefits.

The means that enable and facilitate the ‘new ways of working’ are the advances in technologies that have made telework easier and more cost effective. In fact, many organizations that have carefully crafted and developed telework programs (either on their own or with the assistance of consultants) are willing to share their Policies, Practices, and Procedures (PP&P’s), the lack of which has been a major impediment to telework’s comprehensive integration and the necessary change management.



Technology is the mature enabler that, when coupled with supporting “Information Age” theories and practices, creates high-performance work environments for success in the evolving global economy.

The majority of small businesses that have telework programs still do so on an ad hoc basis, and neglect the critical necessity of incorporating the PD’s mentioned above into a formalized program specifying the how, when, and why of teleworking, and the responsibilities of all involved.

The terrorist attacks of September 11, 2001 changed the geo-political environment. Rising fuel prices, global warming trends, a recognition that reliance on foreign energy is not in the best interest of all, and the ever present threat of a pandemic such as the avian flu, further accelerates the need for newer Information Age best practices as the standards for the 21st Century. We now have an unprecedented opportunity to adopt new work technologies and practices, and to reach for higher levels of economic freedom, energy independence, and work/life balance, while realizing considerable cost savings through increased productivity, greater employee retention, reduced real estate requirements, enhanced responsiveness to customer and client needs, and improved employee loyalty and morale.

More organizations are examining this growing trend, and as time and technologies advance there are both more reasons and more opportunities to shift their thinking to “work is something we do, not a place we go”, while addressing the flexibility, benefits, and security these technologies can provide. This flexibility includes being accessible whenever and wherever work takes us.

This paper outlines and discusses the evolution of telework and the innovative technologies now available to level the playing fields of commerce for all those who wish to succeed. Solutions are available which address the ‘objections’ offered by those with little foresight or that have been floated by those who wish to keep their industrial age models intact.

Section 1: The Evolution of Distributed Work

1.1 Why it began

The term telework has been with us for many years. It wasn’t until the mid 1990s, via the Internet with broadband connectivity and with more affordable and more powerful personal computers, that telework started to enter the mainstream. As we transitioned into the 21st Century, broadband Internet access became more ubiquitous, computer prices dropped further, and the capabilities of personal computers grew exponentially. Other Internet enabled technologies, such as Voice over Internet Protocol (VoIP), fill the void for needed and necessary voice services. Previously, the emphasis had been strictly on data transmission relegating voice communications to antiquated telephone lines. Additionally, many new collaborative tools, including audio and video, became available that helped further bring together workers, clients, and customers.

1.2 Technology became increasingly more effective and efficient

Personal computers and multi-tasking better enabled strategic thinkers and key players to meet work deadlines, and especially enabled small businesses to effectively compete with larger ones. Graphic software improved dramatically and lessened the need for many functions performed in large corporate art departments. Spreadsheets, project planning programs, and other tools made it possible for individuals to accomplish work that previously required a large team. IP Telephony and converged voice & data communication systems enable the remote worker to appear to be in the office when calling or being called by a client or customer. Voice mail can be received as an email attachment, listened to and forwarded if necessary. Similarly, a fax can appear as an email attachment to be read and shared on a timely basis instead of sitting on a fax machine for days or weeks. Lastly, with the advent of SIP (Session Initiation Protocol), “presence” applications like instant messaging (IM) have become pervasive on the desktop and mobile devices. IM is an excellent tool to set managers at ease if they worry about visibility to their employees and their accessibility. It’s a significant step in removing one of the key reasons why small business owners/managers feel they cannot trust telework. The fact is, today all parties, in and out of the office, can stay connected and accessible with any device and from any location.

As employees started to work full-time away from their primary places of employment, it became obvious that office space needs could be reduced and employers could save significantly on real estate and associated overhead expenses. Office leasing and rental fees represent significant overhead for small businesses, costs that generally only increase over time. A well-designed teleworking program can not only delay the addition of more space, it can facilitate thousands of dollars in savings by reducing the amount of square footage required. Additionally, teleworking employees’ productivity increased due to fewer distractions, less travel/commuting fatigue and frustration, and their ability to focus on their accountable tasks. Employee retention increased as most were very pleased with their new working arrangements.

Added benefits for the employer, such as the ability to recruit and hire from a wider geographically-dispersed labor pool of better educated candidates, and reduced costs related to absenteeism are widely acknowledged. In fact, a study conducted by the American Management Association, organizations that implemented a telework program realized a 63% reduction in unscheduled absences.

1.3. Where are we today?

Today, the technology driving further change is known as Unified Communications (UC). UC brings in all forms of communications software, systems, and devices to make the user experience one that adapts seamlessly to an always changing work environment. As the technology matures, it promises to further close the gaps between locations, and bring additional methods and reasons to free up the global work force.

Unified Communications, coupled with several recent “real-life” reasons for telework, is creating a resurgence in acceptance and adoption of work from anywhere. Business Continuity Planning, concern for the environment – both the quality of air we breathe and global warming, and the alarming rise in gas prices – are all in the forefront. Providing opportunities for the disabled (including disabled war veterans), older workers who either want or need to remain in or reenter the workforce, and workers living in rural communities who are unable to endure or afford long commutes to find work, are additional examples of the many evolving facets of telework.

The number of telecommuters grew from an estimated four million in 1990 to eight million in 1995, to close to 24 million in 2000¹, fueled by improved technologies and an increasing awareness of the benefits of telework in both the public and private sectors. It is anticipated that by 2010 there will be as many as 100 million telecommuters in the US alone.²

Then came September 11, 2001, when the value of a distributed workforce took on a new dimension.

After the attacks, many organizations that had telework programs and never thought of them as anything else, found they had a significant element of a Business Continuity plan already in place. Several firms, whose primary offices were destroyed in the attacks, were back at work within 48 hours via their work at home employees, as well as those working from remote offices, hotels, client offices, etc.

These are the extremes – both naturally occurring events and man-made (bird flu and acts of terrorism, for example) – but there are also more frequent situations such as snow, ice storms, floods, severe traffic congestion, an ill employee, a sick child, or a service call at home by a repairman. Few calculate the cost when an employee misses a day’s work. What about two days? How about if the whole staff misses a day, a week, even longer? What about a sick employee coming into the office coughing and sneezing and infecting fellow employees? This is an all too frequently occurring practice known as “presenteeism”. Unlike absenteeism, presenteeism is the condition in which employees would be better off staying at home (e.g., absent), but feel obligated to go to work, even when they are sick. By going to the office, they 1) are less or counter-productive because of the illness or distraction; 2) they further stress their bodies and therefore take longer to get back to normal; and 3) if contagious, they can get others in the office sick, thereby costing the business more in expense and lost productivity.

The American Red Cross estimates that as many as 40% of small businesses that experience a disaster never reopen.³ The ‘new ways of working’ could be considered an insurance policy to ensure that small businesses can continue to operate, even if their employees are unable to get to their primary place of employment.

Interest in improving our environment and being “green” has increased tremendously. Organizations are beginning to realize that other groups that have made a “green” commitment are more anxious to do business with those

¹ TAC/AT&T Telework Studies

² United States Chamber of Commerce 2006 study

³ American Red Cross. “Business and Industry Guide: Preparing Your Business for the Unthinkable”.



that are like minded. Additionally, many prospective employees are looking for employment with businesses that think this way.

And we can't forget about rising gas prices. Gasoline that's in the \$4 to \$5 per gallon range, and rising public transportation costs, make a five-day-a-week commute an expensive reality. For every day a person's vehicle remains at home, 20% of that work week's gas consumption, cost, and environmentally harmful emissions are eliminated. Throw in reduced wear and tear on the vehicle, 'low mileage vehicle' insurance rates, parking expenses, lower food bills by not having to eat lunch in a restaurant, lower dry cleaning expenses, and needing fewer expensive work clothes, and there are a lot of after tax dollars that can be saved. The Telework Coalition (TelCoa) estimates that a full-time teleworker receives an \$8,400 indirect pay raise, regardless of his or her salary rate due to these reduced expenses.

The key to making this all work is the combination of technologies and policies, processes, and procedures that enable the worker to choose what is best for his or her situation and have available options that will drive increased productivity. These options might be working from home when a traffic situation causes considerable delays and wasted time, or receiving a call on your mobile phone from a valued prospect and being able to close a deal. The list of benefits is virtually endless.

1.4. Where it's going

Where is this all headed? Concerns addressed by telework include all of the above, with growing emphasis on the graying workforce and aging of the baby boomers, many of whom will need to keep working, but are reluctant to continue the accompanying long commute. Gas prices will continue to rise and we must lessen our need of imported oil and dependence on foreign suppliers. Reducing global warming and air pollution need to be handled sooner, not later. Comprehensive telework programs can be initiated relatively quickly at a low cost. There are proven ROI models that company leaders and investors are now demanding. There is no reason to wait.

If you find any one of these reasons beneficial, that's all you should need to mainstream telework into your business's Policies, Practices, and Procedures. It is equally important to realize that you get all of the other benefits, which will have favorable implications for decades to come!

Section 2: Why Aren't We There Yet: The Traditional Excuses

So what are the concerns, reasons, or excuses for not having a telework program in place?

2.1. The most common excuse usually comes from upper management: How do I know they'll be working?

Most organizations manage by sight and subjective measurements and often only formally evaluate their employees on an annual basis. Through an

integrated overhaul of your policies, practices, and procedures, you can screen applicants, hire employees, and manage your staff to objective standards that assure optimal achievement of your goals and measurable employee performance. Productivity measured by time spent, not output, must be addressed, and should be addressed for not only teleworkers, but also office workers. Increased productivity of Work@Home workers compared to their office counterparts range from 'about the same' to as much as a 45% increase with 20% to 22% being the average.

2.2. The next most common area of concern comes from managers who wonder: How will I manage them if I can't see them?

Are these managers managing by counting hours or by measuring the actual productivity and results of their employees? One of the keys to a successful telework program is training – eTraining and eLearning in particular. This entails training teleworkers and their managers. How do they currently manage them when they're out of the office on travel or client visits? During a benchmarking study performed by TelCoa in 2006, a respondent from AT&T's telework program stated, "If a manager is incapable of managing a distributed workforce in the 21st Century, that person will not last as a manager." Additionally, Instant Messaging is an excellent way to know if someone is online, on the phone, in a meeting, etc. With a quick "ping" on IM, the manager can see what they're working on.

2.3. I am concerned about security.

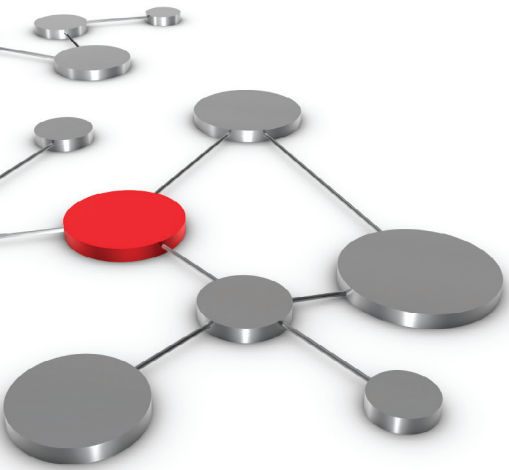
Today, information is very secure, to the point where many Federal agencies, including the Defense department, Internal Revenue Service, and Homeland Security, utilize telework. With thin clients, virtual private networks, and server based computing, remote access has proved itself to be secure. The most frequent security breaches are employees removing laptops, thumb drives, or other portable data storage devices from the workplace. Proper regulations and employee/employer agreements can virtually eliminate these occurrences.

2.4. How do I know they'll be available when I need them?

How do you know they are available now? Between meetings, travel, absences, vacations, transit disruptions, weather events, etc., how much time do your employees actually spend in the office? A properly planned Work@Home™ program will outline common hours when employees are to be available, meeting times, and other work parameters. In fact, many employees happily give more time to their employer than 'office bound' workers, in recognition of the time and money they avoid spending by being able to work from home.

2.5. How will they be able to receive calls from our customers and clients while working away from the office?

For years, remote access was considered data access. The questions were related to accessing files, folders, the corporate intranet, etc. The "voice" part of the equation was neglected. Even providers of sophisticated means of data



access hesitated to incorporate remote work strategies into their own business models because of concerns over receiving and making calls, regardless of the employee's location. Now, through various evolving technologies, especially Unified Communications, employees working independently of location – from home, office, client offices, hotels – are always available. Affordable solutions are available that can lower costs and deliver service improvements through feature rich calling, conferencing, calendar, and messaging capabilities.

2.6. Who needs to understand the organizational dynamics of the 'new ways of working'?

Many organizations, especially smaller ones, often do not comprehend that these 'new ways of working' are available, let alone have someone within the organization with a clear understanding of how the positive and progressive changes can create new sources of wealth for the organization and help take on the tasks of reorganizing to effectively deal with the ever changing nature of the global economy. Small businesses have an advantage in this area as there is less internal red tape to cut through and decisions can be made more easily and quickly, such as one to implement a telework program. If fortunate, they will have a leader who will visualize change, accept the challenge, and possess the willingness to see the program through to success and gain an advantage over his/her competitors.

Section 3: How Do We Get There?

3.1. What is it going to cost to set up a distributed work program?

Or, put another way: How much will we save by instituting a distributed work program?

There are many factors at play here, but in many cases the costs will be the same as outfitting an employee to work in the office. Frequent questions that arise are: Who will pay for a second phone line, which may not be needed when incorporating the recommended Unified Communications system. And who pays for the broadband Internet connection?

3.2. What's my ROI?

We estimate that \$20,000 per year can be added to the bottom-line per full-time teleworking employee, frequently even more when all factors (reduced real estate needs and related overhead expenses, increased productivity, increased employee retention, etc.) are incorporated into your model.⁴

In a round table seminar held by TelCoa five years ago, one company stated they could provide their Work@Home™ employees with a laptop computer, printer/scanner/fax, chair allowance, and pay for their broadband Internet connection and break even if the employee were able to avoid unscheduled and unplanned absences adding up to 3.5 days in their first year as a Work@Home™ employee. This number dropped to 1.5 days in the second and third years.

⁴ The Telework Coalition™, ongoing studies, 2004 - 2008 and p. 27 and pp. 178-183 "Determining Infrastructure Cost per Employee (ICE) "Home Workplace" ISBN: 1-57820-310-4

An insurance company of approximately 40 people headquartered in the Washington, DC metropolitan area did a comprehensive study on their telework program and came up with the following results:

- They relocated to new office space with about 8,000 square feet less space (down from 12,000 sq.ft. to 4,200 sq.ft.)
- 91% of teleworking employees showed an increase in productivity
- Almost 15,000 vehicle trips were eliminated in the first two years of the program
- Lost time (and money) due to absenteeism was reduced.
- Customers and clients viewed teleworking employees very favorably.
- 64% said they would turn down a 20% salary increase to continue teleworking
- 57% of teleworking employees reported improved job satisfaction/morale.
- 100% reported they were glad they decided to telework.
- 100% reported they knew to keep telework as a work option they had to continue to be as successful or more successful working from home as they were working from the office.
- Annualized corporate savings from all of the above are estimated to be \$400,000 for 20 full time teleworkers and several part time teleworkers.

One Work@Home organization in southern California quickly learned that their employees became better acquainted and collaborated more effectively with each other through instant messaging (IM), frequent emails, and access to others within the centralized organization. During the fall 2007 wildfires, nearly half of those teleworking were about to be evacuated. Amazingly, all them were invited by fellow workers, not in harm's way, to come to their residences instead of shelters. Not a single day's work was lost because of the wildfires. Those visiting the residences of their fellow employees brought their laptops and other work materials and connected to their host's broadband services, already provided by the company, and continued working unabated. This 'Continuity' enabled the company to maintain operations during a critical time. Rather than 'Disaster Recovery', as was previously touted in Industrial Age working models, this forward thinking company 'Avoided Disaster' with its Information Age modeling and foresight.

3.3. So, let me ask you:

As the owner or a key associate of a small business who has not yet embraced a distributed work strategy for growth, improved service delivery, and profitability, what are you waiting for? What will it take for you to realize all of the benefits available to you?

3.4. You should be incorporating telework if:

1. You are adding staff and need space for that growth.
2. Your cost for additional office space could be better utilized for other operating requirements.



3. You are under increasing pressure to reduce costs - facility and overhead expenses are chief among the expenses to minimize.
4. Some departments or functions already perform a significant portion of their jobs away from the office.
5. Your real estate lease(s) are up for renewal within the next nine to eighteen months and you are looking at options.
6. Dispersal of employees would reduce the organization's risk of exposures in case of emergencies, natural disasters, or other events such as weather problems, pandemic or other health related issues, acts of terror, and other adverse occurrences.
7. You want to embrace 'Greening the Environment'
8. Hiring new, qualified employees from your local employment pool is becoming more difficult.
9. You are seeking a greater advantage over your competition when bidding on new business and retaining established accounts.
10. You want to boost employee morale (e.g., by allowing them to work one day a week or more from home)

Section 4

The Downsides

You'd think that with all of the advantages to employers, employees, and society in general that everyone would be lining up to get their telework programs started. Currently, that's not the case. As discussed, resistance can come from the very top of an organization, as well as managers. Sometimes it's from the employees themselves. Delaying the implementation of the necessary technologies is a problem, too.

Employers ask how they can be assured that their employees are working. Managers usually have several issues. They like the power they think they have by being able to look out over those they supervise. They feel this power will be minimized if their staff isn't there all of the time. Most importantly, the vast majority of them need training in how to manage remotely.

There are uncertainties and reluctance by many employees themselves. An employee may cringe at the idea of not going to the traditional workplace each day and seeing his friends and co-workers. For some the idea is objectionable, even for just one day a week. Using the previous case study as an example, however, it is obvious that once implemented, the majority of those teleworking will prefer it to commuting to the office every day.

Fortunately, the only downside that may have any validity is that full time teleworkers occasionally feel isolated. Much of this can effectively be addressed through an ongoing internal communications plan that keeps every employee (both

teleworker and non-teleworker) fully informed, engaged, and empowered. Web-based video collaboration also is a great tool to reduce the feelings of isolation.

Section 5

International Concerns

The concept of working from home was thought of as revolutionary everywhere it has been adopted. Skepticism and culture change are the primary causes of hesitancy or downright refusal to even try this “new way of working”.

All global businesses, regardless of size, need to realize that driving money to the bottom line is important in every country. In the Far East, as in the U.S. and other parts of the world, maximizing profits is a primary concern.

Additionally, there are the other elements of the ‘work from home platform’ that need to be addressed. The air quality in countries like Japan, China, and India is getting worse than it is in the United States and it is acknowledged that getting cars off the road is one of the quickest, least expensive, and easiest ways to address congestion, smog, and increases in respiratory disease. The overnight hours workers in these countries put in when supporting overseas customers has a drastic effect on their personal lives. Working from home or nearer to home can have a far-reaching positive effect on this growing disconnect of family and cultural values.

Include the problems of congestion in the urban areas, the probability of a pandemic (don’t forget SARS), and opportunities to provide continuing earning opportunities for the aging populations and the disabled (the United Nations has a group actively involved in addressing this) in all areas, and this becomes more of a no brainer. We are all evolving from the industrial revolution to the information age, are living in a globally based economy, and need to come to that realization sooner, not later.

Section 6

Conclusions

We have discussed the evolution of telework and several of the innovative technologies now available to level the playing fields of commerce for all those who wish to succeed. Many may be surprised to find their future circumstances compromised by their own lack of foresight and willingness to embrace the ‘new ways of working’. Be aware that a large portion of the solution is here today and the competition has taken notice.

It’s the need of every business, especially small- and medium-size businesses (SMBs), to be adaptable, to compete more effectively in the global economy and be assured that business can continue when the unexpected happens.

About Avaya

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world. For more information please visit www.avaya.com.

Today we have affordable and easy to use digital telecommunications. With the advent of Unified Communications, even more is possible. Unified Communications can be the backbone of an economic renaissance to provide opportunities to employees regardless of their location. For employers, especially SMBs, it enables them to successfully compete in evolving global markets and be assured that business continues when the unexpected happens.

What does all of this mean? It means that employers should understand telework offers business solutions to business problems. The benefits to employees, while important, are secondary. Even the benefits to our environment through reduced miles driven, reduced demand for oil and oil products, as important as they are for all of us, translate into a wise business decision.

As we emphasized earlier, anything can happen to prevent or delay employees from making it into the office. Weather-related concerns, personal issues, or other natural or man-made events are common enough to justify some sort of insurance policy. If you do not subscribe to telecommuting yet, you should at the very least enable all the employees in your business to have the capacity to work from home (or any other location for that matter) when they absolutely need to do so. Being ready for the unexpected also allows you to take it a step further, providing the opportunity to start or extend a robust telework program when you are finally convinced that it can make a difference to your overall business performance.

The hindrance is no longer technology, but rather a lack of willingness on the part of many institutions and individuals to adopt and use the latest innovative technologies. The greatest obstacle to overcome is the resistance to change. There are “no excuses” any more.

Learn More

For more information on how Avaya can help your small business with Teleworking Solutions visit www.avaya.com/usa/portfolios/Small-Midsize-Business/