

A HARVARD BUSINESS REVIEW ANALYTIC SERVICES REPORT



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WHY TODAY'S DIGITAL TEAMS NEED A NEW CLASS OF COLLABORATION TOOLS AND SOLUTIONS

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Teamwork: In today's workplace, it's the new normal. Organizations of nearly all sizes and industries find that activating high-performance teams can deliver dramatic results. These teams, unlike those of the recent past, prominently include people from outside the organization, such as contractors, suppliers, and consultants, as well as colleagues in disparate locations who might be telecommuting or working flexible hours. These teams also find themselves responding to new business drivers such as speed to market, mobility, and globalization.

These teams also require a new way of working together. A new Harvard Business Review Analytic Services global study of more than 300 midsize to large enterprises finds that many executives believe current collaboration tools fall short on supporting the depth, pace, and style of teamwork now required to keep up with today's most important business imperatives.

As a result, executives believe that collaboration tools need to evolve so their organizations can stay ahead of the curve. Executives say tools that are easier to use, better optimized for connecting with mobile devices, and able to simplify collaboration by consolidating the myriad solutions now in place will enable them to perform at the level they need in order to succeed in today's hypercompetitive, global business environment. In short, they need a new class of collaboration tools to keep up with the way today's digital teams work.

NEW TEAM TYPES

One big reason why new types of collaboration tools are needed is simply that managers are spending more time than ever on collaboration. Robert Cross, a management professor at the University of Virginia, has studied network connections in literally hundreds of organizations, and he's found a 50 percent increase in what he calls "collaborative intensity" over the past 10 years. Specifically, Cross finds that managers and other knowledge workers today spend 90 to 95 percent of their work hours in meetings, on the phone, and responding to email. A decade ago, he adds, those same tasks filled only 60 to 65 percent of their time.

Also, the nature of work teams is changing, and rapidly. In the past, teams were driven from the top down, and they were composed mainly of employees who worked in physical proximity. Today, work teams are much flatter, and they consist of far-flung groups of employees, contractors, consultants, partners, and customers. Far from being fixed, these teams can form and re-form on the fly.

Companies want the best workers, no matter where they're located.

Zeus Kerravala, Founder, ZK Research

Priorities for these teams are changing, too. Survey respondents were asked to identify the elements of collaboration that have risen in importance over the past two years. Their two most common answers were effective team communication (cited by 72 percent) and fostering collaboration with a wide range of people inside and outside the organization (68 percent). More than half the respondents (56 percent) also cited the ability to find experts quickly and support for geographically dispersed teams. Taken together, these findings reinforce the notion that extramural team collaboration has become a new business mandate. [figure 1](#)

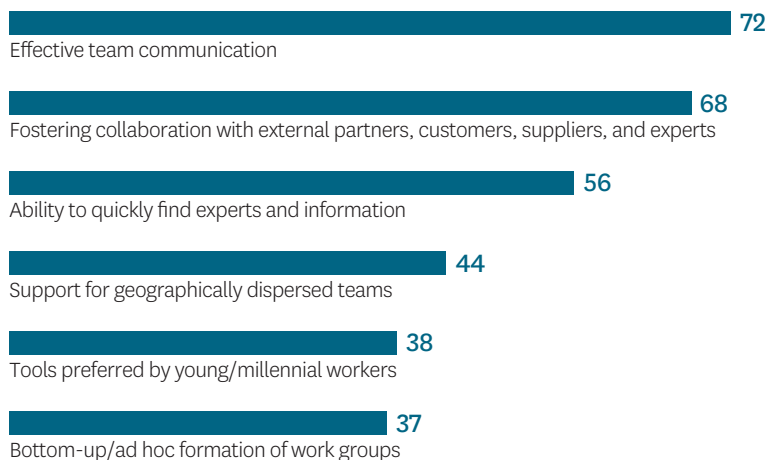
“Companies want the best workers, no matter where they're located,” says Zeus Kerravala, founder of IT analyst firm ZK Research. “It's important to have tools that make the remote worker feel as much a part of the organization as if he or she were in the office. Remote workers who *feel* remote also feel isolated from the company, and that drives down productivity.”

That's why the latest collaboration tools aim to erase the geographic and time zone barriers to effective teamwork. “The new class of collaboration tools allows you to easily see what everyone on the other side world has been doing for the past eight hours,” says Robin Gareiss, president of IT advisory firm Nemertes Research. “That helps you get up to speed.”

FIGURE 1

WHAT TEAMS VALUE

Percentage indicating which aspects of collaboration have become more important over the past two years. [MULTIPLE REPLIES PERMITTED]



SOURCE HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MARCH 2016

SHARPER TOOLS STILL NEEDED

The need of digital teams for a new class of collaboration tools is supported by both industry experts and the survey's respondents, all of whom identified several areas where key capabilities are needed. The functions most desired by survey respondents include tools that are highly integrated with other business processes, better aligned with workstyles, and easier to set up and use. [figure 2](#)

Ease of use is paramount. If collaboration tools are too complicated for nontechnical workers to quickly set up and use, the tools will only gather dust. "Ease of use is first and foremost," says Mark Winston, senior IT manager at Medtronic, a provider of medical-technology services and solutions. "Our CEO wants to be able to join a video call from his tablet. We wouldn't have provided that type of capability a few years ago, because executives weren't expecting it. But now they are."

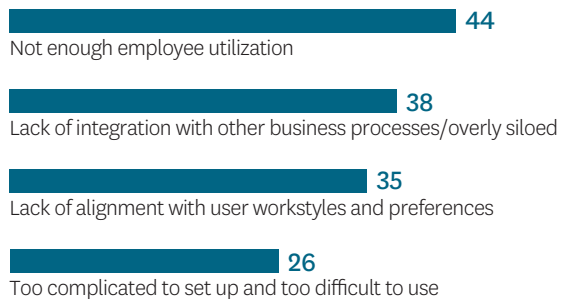
That can be a serious challenge for CIOs and other senior IT managers, according to researcher Kerravala. He says that until quite recently, most integrated enterprise voice and data communications systems worked better in theory than in practice. They lacked the kinds of collaboration features users truly needed, making the tools overly time-consuming and frustrating to set up and use.

The bar is even higher now, Kerravala adds, because workers expect their office tools to be as quick and easy to use as the apps on their mobile devices. But not all IT suppliers have taken note. "Many corporate-technology vendors will say their tools are more secure and built better on the back end, but they haven't considered the users first—that's the flaw in their strategy," Kerravala says. "Consequently, companies end up spending all this money on tools people don't use."

FIGURE 2

WHY TOOLS FAIL

Percentage indicating which of the following are the main reasons why collaboration tools fall short of enabling desired initiatives. [MULTIPLE REPLIES PERMITTED]



SOURCE HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MARCH 2016

HIGHLY EFFICIENT COLLABORATION

Ultimately, the goal of companies is not more collaboration, but greater collaboration efficiency. “You often hear companies say they want more collaboration, but if you ask individual executives whether they want another email or meeting, they look horrified,” says University of Virginia’s Cross. “In reality, people don’t want more collaboration. They want to decrease the amount of time spent on collaboration while doing it more effectively.”

Many high-value workers do this by selecting the collaboration tool that’s most efficient for the task at hand, Cross has found. “They’re very quick to switch,” he adds. “When they experience conflicts or disagreements, they move from email to the phone or face-to-face communication.”

This suggests that today’s users require more than a great variety of collaboration options. They also need those options to work together seamlessly. Indeed, more than half (54 percent) of the survey respondents say they’re looking for collaboration tools that are easy to use, and nearly as many (47 percent) want solutions that are mobile. A full third say they’re reducing the number of collaboration solutions they use. [figure 3](#)

Another option is integrating various tools. This lets managers escalate communications when taking on complicated issues. “If you’re texting with someone and become tired of typing, you want to be able to click and chat through the same tool,” says Winston of Medtronic. “Then you might need to add video, and then invite others to join in a web conference. That kind of flexibility helps us deliver greater speed to market, and greater speed to decision.”

PERVASIVE TOOLS: FRIEND OR FOE?

Still, many managers continue to select a collaboration tool based not on its efficiency, but simply on its familiarity. “There’s a disconnect between collaboration tools that are the most pervasive and tools that are the most effective,” says consultant Gareiss. “The problem is that many employees don’t realize how effective these tools can be. They haven’t experienced features like team chat.”

Indeed, survey respondents report using a wide range of collaboration tools, some as simple as email and calendaring (cited by 93 percent). However, some of the most widely used tools slip down the list when ranked by their effectiveness. [figure 4](#)

FIGURE 3

EFFICIENCY MATTERS

Percentage indicating how their organization is trying to make collaboration more successful. [MULTIPLE REPLIES PERMITTED]



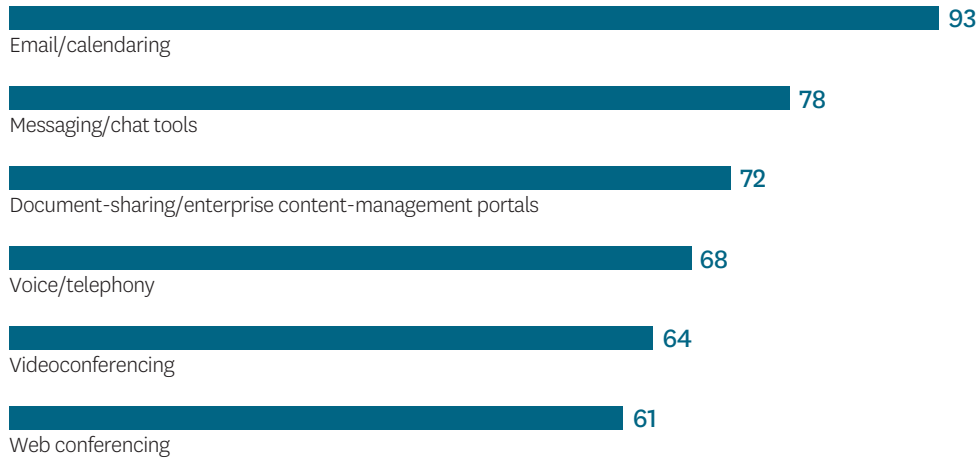
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FIGURE 4

FAMILIAR FRIENDS

Collaboration tools in use now.

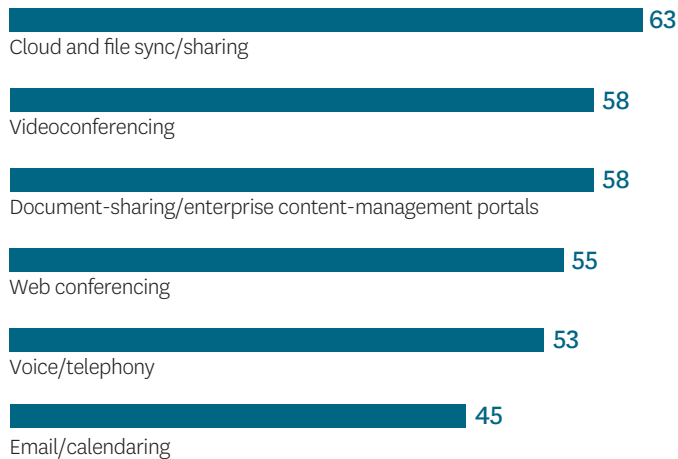
[MULTIPLE REPLIES PERMITTED]



BEST FRIENDS

Collaboration tools rated as very or extremely effective.

[MULTIPLE REPLIES PERMITTED]



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The focus has shifted. It used to be which technology you should use. Now it's how to integrate the technology into your business processes.

Robin Gareiss, President, Nemertes Research

Why are lower-value tools more widely used? Consultant Gareiss says people often get stuck in ways of doing things and see no reason to change. Also, moving to a new collaboration technology, even one that will ultimately boost productivity enormously, can involve a steep learning curve. People may also need to change deeply ingrained communication practices.

Often, Gareiss adds, it's only when managers actually see the new collaboration tools put into practice that they're moved to change. For example, a salesperson knows how frustrating it can be to find the right person—whether via multiple phone calls, emails, or meetings—to answer a potential customer's question. But give that salesperson a collaboration tool on a mobile phone that identifies coworkers who are immediately available and pulls them instantly into a video chat—a tool that rockets to the top of the list of tools when measuring effectiveness—and that salesperson is sold on the benefit of change. “Now they see how the tool solves a real problem,” she says.

That indicates a need for new tools, but it also indicates a need for better training, more promoting of the tools' benefits, and a rapid adoption curve by team members. “You need to communicate the value of the tools early and often,” says Winston of Medtronic. “You need to show people that it's better to join a web conference than to make an audio call, so you can more easily identify everyone on the meeting. That way, people see that using these tools is not a burden, but something that adds to their experience.”

ALIGNED WITH PROCESSES

For organizations looking to improve collaboration effectiveness, one sound way to start is by integrating and aligning next-generation tools with their own business imperatives and processes. Many managers see that achieving their top business imperatives—such as improving the customer experience or growing revenue—can dovetail with adopting collaboration technology. “The focus has shifted,” says IT adviser Gareiss. “It used to be which technology you should use. Now it's how to integrate the technology into your business processes.”

That point is supported by survey respondents. When asked to name their organizations' most important business imperatives, their list was topped by improving the customer experience, cited by more than a third (34 percent) of respondents. When asked whether the importance of various business imperatives had increased or decreased over the past two years, nearly three-quarters (71 percent) of respondents said greater operational efficiency had increased in importance. Nearly as many (68 percent) said improving product and service innovation had gotten more important, while about as many (67 percent) cited improvements to the customer experience as gaining importance.

Aligning collaboration tools with business processes is more than just a good idea. It can actually raise team productivity and deliver meaningful business results, as well as boost the utility of video conferencing and other high-value tools. For example, a manufacturer that Gareiss worked with had plant-floor workers who needed to speak with an engineer located in a different plant, when two assembly parts didn't fit together correctly. In the past, resolving the issue would have required the engineer to travel to the main plant, delaying work by two to three travel days. But because this company had implemented a video conferencing system, the engineer could instead view images of the ill-fitting pieces remotely, and then speak with the workers to resolve the issue almost immediately. "Now every time an engineering issue comes up, this video conferencing system shaves two to three days off the process," Gareiss says. "And when you develop a product, there are lots of engineering issues."

The manufacturer has gotten another benefit from the video conferencing system, too. It promotes its own use of the system when placing competitive bids for new projects. "If you're trying to get a big government project like a fighter jet," Gareiss says, "you make a huge impact by showing you're an agile collaborator."

The danger of poor collaboration is just as significant. Researcher Kerravala recently visited his local bank to open a business retirement account, only to be told that the appropriate agent worked at that branch location only on Tuesdays from 2 to 4 p.m. But because of his travel schedule, Kerravala could never connect with the bank agent, and ultimately he took his business elsewhere. "If they had sat me down in an empty office with a video terminal, I could have connected with the person right then," he says. "Without the technology, they never had a chance to get my business."

Even worse, Kerravala points out, bank managers didn't understand that their process was essentially broken. "If they realized video conferencing would allow that agent to speak to 12 people a day instead of four, they'd understand what they're missing," he says. "But to uncover those issues and opportunities, you have to be willing to always challenge the status quo and always think there's a better way. You have to constantly look at processes—and be willing to evolve them."

TOOLS FOR A COLLABORATIVE TEAM CULTURE

Fortunately, a growing number of managers understand both how important collaboration has become for today's teams and how collaboration technology can empower their teams to work effectively. They also understand that today's team members need the ability to collaborate from disparate locations as easily and effortlessly as if they were in the same room. "I worked with someone for five years, mostly over video, and when he came to town we weren't sure if we had ever met face-to-face because our relationship was so solid," says Winston of Medtronic.

Building a culture of collaboration—whether across an entire organization, between external organizations, or simply within an individual department—requires that people work seamlessly with others outside their organization. Shifting to this new culture includes empowering users with new collaboration technologies that are better attuned to the ways people work now, and easy enough to use for even the least technical of workers.

In many cases, this cultural shift is extending all the way to the top. "If you send our CEO an email," says Winston, "he won't respond as quickly as if you had used some of the newer collaboration technologies." That's the culture of collaboration.

METHODOLOGY AND PARTICIPANT PROFILE

The survey, conducted in March 2016, drew responses from 315 respondents from the *Harvard Business Review* audience of readers (including magazine and newsletters customers, and HBR.org users). To qualify, respondents needed to have at least one direct report whom they managed.

ORGANIZATION SIZE

Thirty-five percent of respondents were in organizations of 5,000 or more employees; 14 percent were in organizations of 1,000 to 4,999 employees; 15 percent were in organizations of 500 to 999 employees; and 36 percent were in organizations of 100 to 499 employees.

SENIORITY

Twenty-seven percent of respondents were from C-suite, board-level, and executive management; 20 percent were senior management; 28 percent were managers of non-IT departments or functions; 8 percent were consultants; and 17 percent were from other grades.

JOB FUNCTION

Seventeen percent of respondents worked in general management; 11 percent worked in sales, business development, or customer service; 8 percent worked in strategic planning; another 8 percent worked in IT; yet another 8 percent worked in operations, production, or manufacturing; 7 percent worked in HR or training; and another 7 percent worked in marketing, PR, or communications. All others worked in job functions that represented less than 7 percent of the respondent base.

INDUSTRY SECTOR

Eighteen percent of respondents were in manufacturing; 10 percent were in government or non-profits; 9 percent were in financial services; another 9 percent were in technology; 8 percent were in business or professional services; and another 8 percent were in healthcare. Other sectors were each represented by 7 percent or less of the respondent base.

REGION

Forty percent of respondents were located in North America; 27 percent were from Europe, the Middle East, and Africa; 22 percent were from Asia-Pacific; and 11 percent were from Central and South America.

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