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How Come Distributed Work is *Still* the Next Big Thing?

by Jim Ware and Charlie Grantham

This is the first article of a three-part series that will address the question in the title: how come Distributed Work isn't being embraced to the degree many of us have thought it would be by now? We fully intended to address the question and answer it in one thought piece that would be appropriate for this issue of the newsletter. However, as we began writing it became apparent that we were tackling a Very Big Issue – one that reminds us of the 1990's quandary about collaborative software: why should anyone use it, what gets in the way of widespread use, and what can be done to promote it?

We believe the same three questions have to be asked – and answered – regarding Distributed Work. What makes it compelling in the first place? Why isn't it being embraced more quickly and more widely? And what can or should be done to promote its adoption?

So we've split our thoughts about those questions into three digestible articles focusing on those three fundamental questions. Even this first one is longer than our usual newsletter piece, but we just can't say what needs to be said in any fewer words. Besides, this approach will give you, our readers, an opportunity to weigh in as we go, creating what we hope will be a meaningful dialogue and conversation that just might help us all understand where the future of work is really going.

Part One: The Business Case for Distributed Work

Okay senior business executives, here we go again: just what is it about distributed work that you don't get?

We've been studying and writing about distributed work and its impact for years (see, for example, Charles Grantham and Larry Nichols, [The Digital Workplace: Designing Groupware Platforms](#), Nostrand-Reinhold, 1993; Jim Ware, "[Understanding Distributed Work](#)," *Future of Work White Paper*, 2003; and "[Understanding the Hidden Economy](#)," *Future of Work Agenda*, October, 2005). And while there's a lot more remote and distributed workers today than there were even a few years ago, we continue to puzzle over why the adoption rate seems so slow.

There are, after all, plenty of economic and other benefits that have been well-documented over the years, not only by us but others who are even stronger advocates for telecommuting/distributed work/remote work (or whatever you want to call it) than we are.

So we've decided it's time to revisit the business case yet again. But this time we're going to go further and also discuss the sources of resistance to change and what the advocates of distributed work need to do to promote what seems to us to be incredibly obvious.

Now don't get us wrong: we're not saying that remote/distributed work is right for everybody, or for all jobs – and we actually believe that it's not right for *anyone* all the time.

So with those caveats, we're first going to discuss why distributed work is a good idea and identify the business case for embracing it. Then we're going to explore why even after forty years it hasn't become an overnight success. Finally, we'll talk about what distributed work advocates and believers can and should do to increase its rate of adoption in their organizations.

What's the Business Case?

This is the easy part. There are at least six solid reasons why just about all organizations should establish distributed work programs:

1. Reducing basic workforce support costs;
2. Increasing workforce productivity;
3. Attracting and retaining talent;
4. Increasing organizational agility;
5. Reducing the business risk of disruption from terrorism or a natural disaster
6. Reducing traffic congestion, air pollution, and environmental impact more generally

Let's consider each of these factors briefly.

Bottom-Line Economic Benefits

Our own research and a number of real-world company experiences confirm that an Alternative Workplace Strategy or program can reduce workforce support costs by 40% or more. The biggest and most obvious source of cost reduction is real estate and corporate facilities costs. Companies like Sun Microsystems, Cisco Systems, and IBM have been able to reduce their investments in real estate and facilities by up to 50%, driving costs down by \$50 million or more per year.

Sun Microsystems' iWork program was based largely on the discovery that over one-third of Sun's office-based employees did not "badge in" to their assigned office building on any given day. They were already working at home, traveling, or attending meetings in other Sun facilities. The obvious conclusion was that there was simply no need to Sun to maintain all those empty offices, and the iWork program was created to move thousands of Sun employees into shared workplaces, or "touchdown" facilities that many different people would use over the course of a day or a week.

But there are other, more subtle workforce support cost savings opportunities that go well beyond real estate and facilities. In almost every infrastructure area, from IT to HR to Administrative Support to Management Span of Control, remote/mobile workers operate more independently and need less support than do traditional office-based workers. In order to survive "in the field" distributed workers *have* to learn to work on their own, and to solve their support problems quickly and inexpensively.

True, there are usually some increased technology costs as remote workers go online, making greater use of laptops, cell phones, and PDA's, but in our experience these added technology investments are minuscule relative to the real estate and facilities cost savings. Historically, remote telecommunications access costs were excessive, but recently as high-

speed, reasonably-priced Internet access had become almost ubiquitous, added technology cost is no longer a significant issue.

Increasing Workforce Productivity

While the measurement of knowledge worker productivity is a difficult and complex subject, we are convinced from our own research and consulting work with individual organizations that distributed workers are clearly more productive than their office-bound colleagues. We have conducted numerous studies of the productivity differential at both the individual and the group level, and they have consistently shown gains 15% or more for distributed workers.

Just think of the time-wasters that remote workers can avoid: commuting (and the fatigue and stress that goes along with it); inefficient meetings; long lunches and coffee breaks with peers; and the distractions, interruptions, and disturbances that inevitably come from one's cubicle neighbors in traditional office settings.

We've tracked the time that distributed workers spend "on the job" and there is no question that they almost always give back to the company more than 50% of the time they save by not commuting. Moreover, they typically achieve their work goals and produce agreed-on results in fewer hours – and it's usually of higher quality too (as reported both by themselves and by their supervisors).

Distributed work really is a win-win for the company and the individual worker. It's truly a case of getting more done with less effort.

Attracting and Retaining Talent

Our original research on working patterns (conducted over five years ago) was driven by our conviction that knowledge workers today want – no, demand – extensive control over where and when they work. And distributed work – getting things done from wherever they are or want to be, gives them exactly the kind of control they are looking for.

And those knowledge workers – what Richard Florida dubbed "the Creative Class" – are increasingly in the driver's seat. There is no question that the United States (and most other advanced economies) will be experiencing a severe workforce shortage over the next decade, driven largely by the impending retirement of millions of Baby Boomers with far fewer workers in the following generations. Combine that with the increasing criticality of knowledge and innovation as sources of competitive advantage, and you've got a recipe for a "sellers' market" when it comes to labor. (see, for example, "[Closing the Talent Gap](#)," *Future of Work Agenda*, January, 2005; and "[The Coming Talent Shortage: It's Here, and Will Get Much Worse](#)," *Future of Work* weblog, March 26, 2005).

Not only that, but that scarce talent is also choosing where to live before worrying about who to work for. (see "[In Our Humble Opinion: Reality Bites](#)," *Future of Work Agenda*, July, 2006; "[Attracting the Young, College-Educated to Cities](#)," CEOs for Cities, June, 2006).

That's one more very compelling reason to embrace distributed work – it may be that the only way to get that scarce talent working for you is by hiring "location-independent"

employees who have chosen to live in smaller communities far removed from your corporate facilities. As we've said over and over, it's a whole lot less expensive to let the work "go" to the workers than it is to require the workers to come to the work.

Increasing Organizational Agility

This is an easy one. With a large number of remote/distributed workers your business is inherently more flexible and agile (see "[The Agile Workplace](#)," Gartner Group and MIT, July 2001; "[Enabling Work in a Networked World: Must-Have Intelligence on the Emerging Global Workplace](#)," CRE2010, CoreNet Global). Your fixed costs of real estate and facilities are minimized. And your business can grow (or shrink) quickly and relatively inexpensively since finding (or disposing of) office space is less likely to be a time-consuming and constraining factor.

With a distributed workforce you are also far more able to respond to local business opportunities, get someone to a client site anywhere in the country more quickly, and better able to tap into local pockets of unique talent (it's no accident that western Michigan and South Carolina are centers of furniture design talent, New York City is awash with financial experts, Silicon Valley is the place to go for software innovation, and Los Angeles is filled with acting talent, producers, directors, and digital film experts).

Reducing Business Risk

This one is obvious too. We all know that one of the primary design objectives of the original Internet was to create a redundant network with no mission-critical "center." If some portion of the Internet is down because of hardware or software crashes, the rest of the Net picks up the slack by rerouting messages and data. Similarly, a distributed business model is far less susceptible to disruption from any kind of disaster, whether it's terrorism, a hurricane, a snowstorm, an earthquake, or an old-fashioned power outage. With your workforce operating over a wide geographic region and not needing to come into a central facility to be productive, business continuity is a given, not a challenge.

Minimizing Environmental Impact

This too is an obvious benefit to having your workforce operating in a distributed fashion. The arithmetic here is simple: if every company in a major metropolitan area encouraged (or actually required) its entire workforce to work from home or a in neighborhood satellite facility just one day a week instead of commuting to the central office, the number of cars on the road, and their energy consumption, will drop by 20%. Just think what we could do for energy independence in the United States if we could shift to distributed work models (see "[What Will a World of \\$5 Gas Be Like?](#)" *Future of Work Agenda*, April, 2005).

Pulling It All Together

So the case for distributed work isn't only compelling – it's overwhelming. In fact, we are reminded of something Alvin and Heidi Toffler said way back in the 1970's in their landmark book *Future Shock*: one of the most unproductive things we do in the entire economy is move millions of bodies into central business districts every morning and then back home again every evening.

In the Industrial Era, given the technologies of that time, there was no choice. Factory workers had to be in the factory to work. Not only that, but all the points on the assembly line had to operate in sync; the activities were tightly interconnected, and highly dependent on each other.

Now, of course, that is no longer true. While a percentage of knowledge work still needs to be done in real time, and in face-to-face settings, certainly much of it can be done asynchronously, and remotely as well. And collaborative technologies are getting better all the time at simulating face-to-face interaction. While there is still no substitute for “being there,” things like [Hewlett-Packard's Halo videoconferencing systems](#) are beginning quite literally to compete with air travel. And in the current geo-political climate the video system is just likely to win out.

Okay, distributed work is a good thing – economically, socially, environmentally, and for reducing business risk while increasing workplace attractiveness. But it still hasn't taken off like we think it should (and even HP's own CIO, Randy Mott, is currently pulling his IT professional staff back from distributed work and requiring them to commute into HP offices every day of the work week).

In Part Two we're going to take a hard look at why so many companies and their senior executives resist Distributed Work. It's not a pretty picture, but that resistance is a reality that those of us who believe in the value of distributed work have to understand if we ever expect to move beyond ideas and business plans that gather dust on CEOs' bookshelves.

Please direct your comments and questions to comments@thefutureofwork.net. We'd love to publish your reactions and suggestions.

About the Work Design Collaborative and *Future of Work Agenda*

Future of Work is a global network of resources – practitioners, thought leaders, researchers, and senior consultants – who are committed to building and implementing physical, social, and technology-based work environments that are cost-effective, socially and environmentally responsible, and personally satisfying.

We are focused on defining the future of work and helping our members and clients achieve new levels of workforce and workplace productivity. *Future of Work* produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. The Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community.

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Direct inquiries to either Charles Grantham at +1 928.771.9138, or charlie@thefutureofwork.net, or James Ware at +1 510.558.1434, or jim@thefutureofwork.net