

Future of Work - Services and Solutions

Workplace Strategy Transformation Services

A research report comparing provider strengths, challenges and competitive differentiators

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ZONES™

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Report Author: *Mrinal Rai*

U.S. clients are reassessing their future of work strategies.

After adapting to the changes brought upon by the pandemic in the last two years, enterprise clients in the U.S. are reassessing their strategies for transforming their workplaces. The Microsoft Future of Work study 2022 shows that many enterprises in the region are now embracing hybrid work models while maintaining the post-COVID norms.

Hybrid work model is now a reality; however, employees are witnessing both positive and negative effects of working away from their office premises. Although working from office can increase socializing and employee engagement, it has been observed through multiple

research studies that employees in the U.S., in general, prefer working from the location of their choice because it is more comfortable and increases self-productivity.

The preference to work from any location is also considered as one of the most important factors driving the “great resignation.” A large number of employees in the region have switched jobs starting in the middle of last year because they are seeking more flexibility and work-from-home options. In 2021, around 47 million employees in the U.S. resigned from their jobs. Some termed it as “great reshuffle.” The great resignation also resulted in massive skill shortage in the country. Hence, enterprises in the U.S. started offering flexible and collaborative working environments, along with a high focus on employee well-being, to attract and retain talent. These initiatives have led to flattening the unemployment and

Out of the pandemic frypan, into the fire – the great resignation!



Executive Summary

unfulfilled jobs curves, although they have still not reached their pre-June 2021 levels.

Apart from the above-mentioned factors, employees belonging to Gen Z (born in late '90s and early 2000s) are either about to enter or have already entered the workplace. There are more than 68 million Gen Zers in the U.S. This generation has grown to be tech savvy and has adapted to the virtual world and social media networking. Therefore, they did not face challenges in transitioning to a virtual and remote working model during the pandemic. They can effectively collaborate and connect with colleagues remotely because this was just like an extension to their existing social media life. However, they are striving to adjust to the restrictive nature of employment, particularly in the age of hybrid working. Also, they find it difficult to collaborate and work with employees belonging to the Gen X or Gen Y categories.

With entry of the Gen Z workforce, there is also an increasing focus on areas related to greater purpose of an organization or workplace other than making profits. This generation is quite expressive and sensitive to social issues and seeks employment in firms that provide equal representation and inclusivity. This generation is also seeking more purpose-driven, organization-wide initiatives such as sustainability, environmental, social, governance (ESG) initiatives and carbon footprint reduction. An organization exhibiting these characteristics can expect better employee retention compared to those that do not. Enterprises in the U.S. are also expected to focus more on sustainability and environmental concerns because of government initiatives such as the Paris agreement and the Biden administration's ambitious goal of carbon pollution-free power sector by 2035.

The increasing focus on employee retention, a tech-savvy workforce, sustainability, and remote and hybrid working has placed enterprise IT and workplace leaders at the center stage of transformation. Enterprise IT that was once only known for "resolving issues" is expected to play an important and key role in redefining the business and operating models of the U.S. enterprises as they tackle these challenges. Modern technologies have the potential to address many of the above-mentioned concerns, and enterprise IT and workplace leaders are exploring possibilities of leveraging them to achieve desired results.

ISG has observed decreasing demand for standalone, end-user computing or technology-only focused deals. Enterprises are increasingly including digital workplace initiatives within their overall business and digital transformation scopes. This has become

more apparent after the pandemic, as global organizations are reassessing and rethinking their business models. This does not indicate that traditional-technology-focused services are no longer pursued; . In fact, these services are now part of a broad transformation process with strong focus on employee experience and retention.

With the future of work initiatives in the U.S., we have observed the following trends:

- Enterprises are increasingly seeking assistance **in strategizing their workplace transformation plans.** Clients want to design the workplace technology experience that suites the changing employee or user persona, whether they work from office or from a remote location. In addition, clients want to design their strategy to enable and support the gig and contingent workforce.



Executive Summary

- ISG has also observed a **re-focus on traditional-technology-focused managed services outsourcing** to enable a remote and hybrid workforce. As employees are working from locations of their choice, enterprise IT and workplace leaders are strategically investing in end-user technologies that include measuring experience with device and application performance along with adoption of automation-enabled service desk support function. Continuous monitoring and device application performance analytics can also help keep track of carbon footprint.
- The frontline workers working in essential services sector require digital enablement for productivity improvement. With great resignation and increased need to attract talent for these services, clients in the U.S. are considering technology solutions

to **enhance the experience for frontline workers** and create a sense of belonging among them.

- **Employee well-being and empathy** has been the major focus areas since the pandemic. Organizations giving importance to these aspects observe high employee retention rates. In the hybrid and remote working model, tackling issues such as digital burnouts and maintaining work-life balance have proved to be a key approach to support employee well-being and showing empathy.
- As many firms have already reopened their offices and are insisting employees to work from office for few days in a week, there is an increased need to improve the office working environment. To achieve this, companies need to invest in

technology-enabled, **smart physical workspaces that enhance employee experience.**

- With the advent of latest technologies such as the metaverse, clients are focusing on expanding and exploring on the use of technologies such as virtual realities (VR) for training programs and onboarding.

These trends have expanded the scope of traditional digital workplace technologies as they interact with diverse business functions to provide enhanced employee experience. This is explained in Figure-1 below.

Enterprises in the U.S. are focusing on multiple factors simultaneously, such as enabling hybrid work model, attracting and retaining talent by enhancing employee experience and achieving sustainability goals.

Enterprises in the U.S. are focusing on multiple factors simultaneously, such as enabling hybrid work model, attracting and retaining talent by enhancing employee experience and achieving sustainability goals.



Figure 1: Expanding scope of digital workplace technologies and interaction with other business roles

Digital Workplace Technologies

Human Resources

Focus on enhancing experience of current workforce, retaining, and attracting talent

Facilities Management

Focus on enhancing experience of physical office premises, adapting to new working model and taking sustainability initiatives

Lines of Business/ Chief Digital officer

Focus on providing business-level differentiation by supporting frontline workers, improving business processes, enhancing collaboration and digital literacy and improving productivity

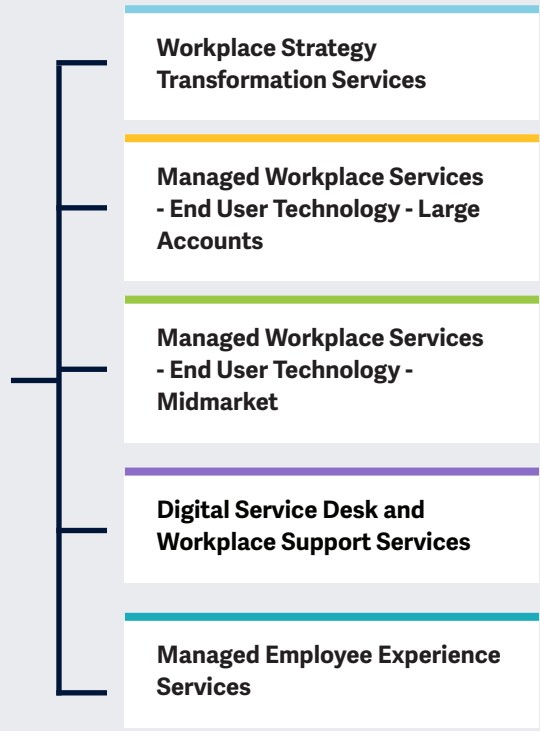
CXO

Focus on adopting corporate level sustainability initiatives, enhancing corporate communications, integrating diversity and inclusiveness, improving company brand image, events

Source: ISG, 2022



This study focuses on what ISG perceives as the most critical issues in the U.S. in 2022 for the **Future of Work.**



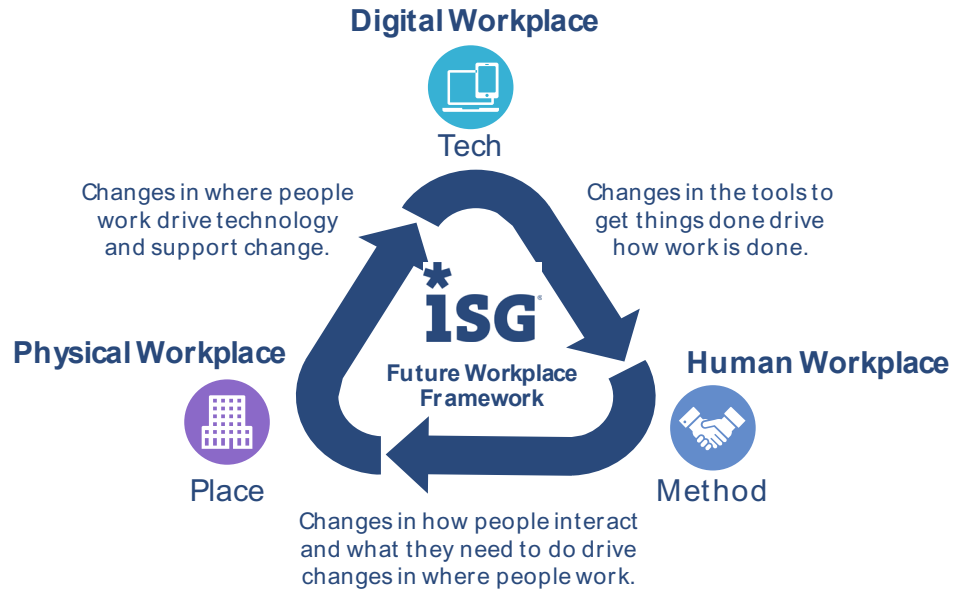
Simplified Illustration Source: ISG 2022

Definition

As global enterprises look ahead after two turbulent years of the pandemic, it is certain that the old ways of working are not coming back, and future of work is hybrid. The hybrid future of work, as defined by ISG, is characterized by three kinds of workplaces (Figure 2): the digital workplace, which includes the underlying technology; the physical workplace, which defines the location or place of work and could be both in-office premises and remote; and the human workplace, which describes the methods, processes and cultural aspects.



Figure 1: ISG Future Workplace Framework



Source: ISG, 2022



This future of work will not consider technology in silos. As workplace technologies increasingly permeate the lines of business, clients are noting the correlation between customer experience (CX) and quantified employee experience (EX).

The ongoing talent crunch and the “great resignation,” as the wave of people leaving the workforce is being called, are compelling enterprises to provide empowering, engaging, and most importantly, empathic workplace environments to retain employees. At the same time, a work environment that is engaging, technologically advanced and tightly integrated with business requirements will help attract fresh talent. A modern work environment is now neither associated with a physical location (workplace), nor with a single digital entity (workspace); it is now omnipresent, integrated and connected with multiple

“spaces” that can be accessed from any location, anytime and over any network. Upcoming and latest technology developments such as the metaverse are influencing this trend in their own ways.

The modern outlook toward work and workplace will also drive and change enterprise expectations from service providers and software solution vendors. Starting at consulting, enterprises will need expert help in defining and strategizing their workplace transformation initiatives that relate to their EX initiatives with CX goals. A combination of remote and in-office workers can enhance the robust and uninterrupted use of technologies to ensure a seamless experience for end users, while ensuring high security. Clients will also be expecting more from their service desk and workplace support service providers including a high level of automation and analytics to ensure

employee satisfaction. Enterprises have now increasingly started to consider enhanced employee experience as a prime objective and an expectation from managed service providers and are including requirements for it in the form of measurable experience level agreements (XLAs).

From the software solution vendors’ perspective, there will be increasing focus on enabling an all-encompassing unified communication collaboration setup with special focus on employee engagement and productivity. Because devices still form the first entry point and core of employee workplace technology experience, software solutions that can manage a variety of devices uniformly and with the desired security level will also be on enterprises’ radars.





Sweet Spot - U.S. Workplace Strategy Transformation Services

Zones

Overview

Zones is a global IT solutions provider headquartered in Auburn, Washington. It has offices and technology solution centers in the U.S., Canada, Europe and India, among others, with strategic partners worldwide supporting multinational organizations. Zones' business practices focus on digital workplace, networking, cloud and data center, security, and managed professional and staffing services.

Key Provider Capabilities

Zones' broad portfolio covers service desk, Devicecare services, modern device management, Windows migration, IT refresh, and designing and implementing unified communication collaboration technology. Expertise in these areas strengthens Zones' capabilities in assisting clients to transform their workplace strategy by focusing on employee experience.

- **Professional services:** Zones offers workplace assessment, design, implementation, upgrade and transformation services as part of its professional services portfolio. Its consulting services assist clients in building PoCs and leveraging cloud, virtual desktops and cybersecurity

solutions to develop and scale digital workplace solutions for clients.

- **Technology adoption:** Its services assist clients in provisioning and deploying desktop images customized to user persona to assist in the smooth onboarding process. Zones supports incident resolution through user self-help. It tracks users' adoption of self-help channels and assists in measuring technology adoption to drive users' digital experience.
- **IT estate management:** Zones supports large enterprises in managing the entire IT estate by helping clients prioritize strategic investments. It offers complete visibility throughout the entire IT lifecycle services (such as design, plan, procurement, staging

and configuration, IMAC and ITAD) and manages device refresh and transition to new IT assets.

- **Focus on co-innovation:** Zones offers a virtual innovation center with on-demand client access to Zones' lab to test upcoming technology updates from technology partners. Clients can leverage Zones' Innovation Center Platform to replicate their production problems and conduct experiments to find possible solutions. It plays a crucial role in the co-development of solutions with OEMs and the creation of customized solutions for customers.

Benefits Delivered

- **Strategically design workplace technology environment by leveraging its experience in managing the entire IT estate**
- **Plan and implement employee experience-centric services, enhancing digital technology adoption**
- **Early access to key vendor solution updates and assessment of their impact on the business and technology environment**



Zones

Sweet Spot

- Zones is a preferred service provider for large enterprise clients wanting to provision and deploy technology estate curated to the user persona of their employees.
- Most clients seeking designing and consulting services for unified communications collaboration, device management, virtual desktop infrastructure (VDI), Windows migration and productivity solutions can consider Zones' professional services.
- Moreover, clients that want to comprehend the impact of the latest technological upgrades on their existing environment consider Zones.
- Zones' workplace strategy transformation services are appropriate for clients that want to deploy large-scale IT estate with the aim of remote management, real-time visibility and provision of devicecare services.

Future roadmap

Zones offers device management services for the public sector, retail and healthcare, reinforcing its capabilities with a broad industry reach. It focuses on strengthening its partnerships with OEMs and third-party vendors. Furthermore, the company plans to improve its industry vertical focus and enhance its desktop-as-a-service capability. It also intends to increasingly focus on cloud-based virtual desktop capabilities. It has an offshore delivery center in India and plans to expand its managed services in Europe and the rest of APAC. It also plans to leverage metaverse to augment its managed services for supporting workplace collaboration, training and events.





Appendix

The ISG Provider Lens™ 2022 – Future of Work - Services and Solutions 2022 analyzes the relevant service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

Lead Author:

Mrinal Rai

Editors:

Sajina B. and Grant Gross

Research Analyst:

Sonam Chawla

Data Analyst:

Anirban Chaudhary

Consultant Advisor:

Jim Kane

Project Manager:

Ridam Bhattacharjee

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of September 2022, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

The study was divided into the following steps:

1. Definition of Future of Work - Services and Solutions 2022 market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers and vendors on capabilities and use cases
4. Leverage ISG's internal databases, advisor knowledge and experience
5. Use of Star of Excellence CX-Data
6. Detailed analysis, evaluation of services and service documentation based on the facts and figures received from providers and other sources.
7. Use of the following key evaluation criteria:
 - * Strategy and vision
 - * Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * Technology advancements



Author & Editor Biographies

Author



Mrinal Rai
Principal Analyst and Senior Manager

Mrinal Rai is the principal analyst and senior research manager at ISG and responsible for creating research reports for digital workplace, enterprise collaboration, M&A impacts and other emerging technologies initiatives. He is also the official ISG spokesperson for media relations in India. He also leads ISG's voice of customer study program, Star of Excellence. His areas of expertise is digital workplace services, modern unified communication and collaboration, both from a technology and business point of view. He is the U.S. lead quadrant and global

archetype analyst for digital workplace and social collaboration in the ISG Provider Lens™ (IPL) program. He covers key areas around the workplace and end-user computing domain such as modernizing workplace, enterprise mobility, BYOD, VDI, managed workplace services, service desk and modernizing IT architecture, enterprise social software, content collaboration and team collaboration. He has been with ISG for last 10 years and has more than 15 years of industry experience.

Research Analyst



Sonam Chawla
Senior Research Analyst

Sonam Chawla is a senior analyst at ISG where she co-authors and supports Provider Lens™ studies on Microsoft Partner Ecosystem, Future of Work – Services and Solutions and Cybersecurity Solutions and Services. Sonam comes with five years of experience in the market research industry and is skilled in secondary research, report writing and company profiling. Her areas of expertise include digital workplace, enterprise collaboration, employee experience services, and conversational AI.

She supports lead analysts in the research process and authors Enterprise Context and the Global Summary reports, highlighting regional as well as global market trends and insights. In addition, she also handles custom engagement requests from providers and advisors. Prior to this role she has worked as research analyst, where she was responsible for authoring syndicated research reports as well as consulting on research projects.





IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a partner and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



*ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens research, please visit this [webpage](#).

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