

Software suites have long been an option for integrated solutions. But now, companies in growing numbers are turning to cloud-based, highly integrated, best-in-class solutions that provide secure collaboration, flexibility, and cost effectiveness. And these solutions scale and upgrade seamlessly.

Unlocking Collaboration: Making Software Work Better Together

October 2020

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Introduction

The events of 2020 have had a dramatic and long-lasting impact on how we work, requiring companies to make an abrupt shift to support a largely remote workforce. Rapid adoption of a distributed workplace model has emerged as a result, breaking from the traditional in-office environment to enable secure work from any place and from any device. Given that many organizations will support largely distributed workforces for the long term, leaders are looking to technology to ensure employees remain as productive as or more productive than they would be within the confines of an office. In many cases, this means expediting digital transformation initiatives with modern cloud applications to replace legacy solutions.

IDC research shows that while IT spending may decrease, 79% of CEOs support moving more applications to the cloud to provide better business resiliency and minimize disruptions. This number has been on the increase in past months (IDC's *COVID-19 Impact on IT Spending Survey*, July 2020). The data suggests that CEOs recognize the ability to scale quickly and the ability maintain budget controls as key factors in selecting more cloud-based solutions.

While digital transformation plans were underway, the events of 2020 forced IT to execute years of rollouts in days or weeks — and then tweak the systems for performance. Agility, the ability to securely connect and work from anywhere, and the ability to maintain governance and compliance were key. The ability to collaborate from anywhere, not just internally but also externally with customers and partners, became a core business continuity requirement.

IDC research shows that 70% of enterprises regularly collaborate with partners and 48% of enterprises regularly collaborate with customers (B2B and B2C). As a result, organizations require proven technologies that maximize the benefits of collaboration and agility.

AT A GLANCE

KEY STATS

- » Companies enjoy a mean productivity increase of 37% when three or more applications are integrated.
- » Organizations with six or more integrated applications see a 75% increase in productivity.

WHAT'S IMPORTANT

Companies need to evolve their software to use integrated, best-in-class solutions to digitally transform.

KEY TAKEAWAYS

The acceptance and benefits of integrating best-in-class products have increased.

On top of new collaboration challenges, this evolving "next normal" has turned the traditional network-based security model on its head as employees now require seamless access to critical technology beyond the confines of the office. This means organizations today not only need to deploy tools that power collaboration but also need to consider an approach to security that enables employees and third parties to work from anywhere and from any device. It is now critical that administrative flexibility and ease of use associated with a "zero trust," or identity-based, approach to security be the new norm.

To address this new mandate, the market is trending away from single-contract, suite-based tools that are often "good enough" to more integrated, mature, best-in-class solutions with an emphasis on security, collaboration, and enhanced productivity.

Accelerating Change

As consumer technology has evolved, so have workplace expectations. In early 2020, 62% of business leaders said that among their biggest challenges in digital transformation is that "consumer expectations are way ahead of our company's ability to change" (*IDC Survey: Work Transformation Challenges, #US45398419, February 2020*). The average person is already highly connected using mobile devices and can easily download social, collaboration, and conferencing applications as needed. When tech-savvy consumers go to work, they reshape workforce technology trends with high employee experience expectations. Often, IT leadership will partner with these early adopters to leverage their experience with security and governance.

Over the past decade, collaboration applications have expanded into the enterprise, driven by ease of access and the need to increase team productivity. IDC research shows that 54.9% of these enterprise collaboration applications enter the workplace as an "unsanctioned external solution" (*IDC's Annual Collaboration Applications Survey, January 2020*). Often, they are then sanctioned by IT in response to their success.

Becoming Digital

When COVID-19 forced many people to work from home, the first steps for IT were to ensure business continuity and maintain human relationships. A focus was placed on enabling people to securely communicate, collaborate, and connect with one another while remote. As businesses continue on the path to the "next normal," these priorities remain fundamental to the new, evolving ways of working.

The increase in remote working has started to change the composition of new remote teams. Effective cross-functional teams replace the traditional siloed teams defined by an organizational chart. These new teams include digitally connected members from different departments and regions who are instrumental in decision making or providing informed input. Overall, collaborative members are active collaborators who regularly contribute and engage with content. Even prior to the pandemic, IDC research found that 88.5% of people in these groups were active collaborators rather than passive users (*IDC's Annual Collaboration Applications Survey, January 2020*).

The new digital teams have expanded to include frontline workers. By excluding predominantly customer-facing workers, traditional teams were ignoring critical insights that impact the bottom line. These workers were already collaborating digitally, often using non-enterprise-ready applications such as WhatsApp, Line, and Messenger. It was necessary to provide them with enterprise-ready applications that had robust consumerlike features.

Organizations that were early adopters of collaborative applications found that teams develop organically around projects to create a series of work communities. Trust is built between participants through real-time collaboration, powered by flexible technology that supports a more agile way of working.

An Interesting Development

The sudden shift to remote work drove an urgent need for businesses to add new software quickly. However, many suite-style software solutions struggled to support this rate of change — they are often more complex and slower to scale. Many also lack the features and ease of use that employees have grown to expect from using best-in-class solutions. On this journey to the next normal, employee experience has become a touchstone — workers must be able to onboard with little or no training and get up to speed quickly.

Simply put, the new IT stack must be best of breed to meet the feature-rich and ease-of-use expectations of employees as well as enterprise-grade security, governance, and compliance requirements. Best-of-breed tools also integrate easily with other purpose-built applications as well as existing legacy solutions — providing new ways to make work easier and more productive while making the administration of these systems easier, more effective, and more secure. To this end, best-of-breed tools add new value to the workforce. Conversely, legacy tools without open APIs are at a disadvantage in this next normal and are at risk of being left behind.

The CIO's Ally: The Early Adopter

Individuals have been significantly ahead of many enterprises in their approach to technology adoption, creating their own IT stack to meet their needs at home, at school, and in their community. IDC research shows that 54.9% of all enterprise collaboration applications enter a business as an "unsanctioned external solution" (IDC's *Annual Collaboration Applications Survey*, January 2020). Employees seek the same experience and convenience at work that they have achieved at home. They prefer to use videoconferencing to meet face to face when texting does not provide fast enough results. They use collaboration applications, often starting with robust freemium versions. They leverage real-time chat and use a shared space to keep documents, avoiding the silos and delays of the legacy email inbox. The centralization of content, flexible modes of communication, seamless integrations between tools, and ability to gain visibility across the applications are better when integrated together. And that is the point.

Even before the pandemic, employees were bringing best-of-breed tools to work to improve their productivity and the productivity of their teams. Today's CIOs often use the experience of these early adopters as a jumping-off point in selecting improved communications, collaboration, and workflow technologies. Managing enterprise technology, especially with so many remote workers, at face value can seem labor intensive for IT teams. However, best-of-breed technologies that integrate with one another provide better employee experiences that drive higher adoption and utilization rates across tools — and ultimately deliver more value back to the business.

Innovation: "It Just Works"

When talking with CxOs, users, and senior management about deploying technology, IDC often hears "it just works." Rather than the traditional single-vendor suite, respondents are reflecting on the advantages of how best-of-breed tools often exceed their expectations and work seamlessly within a technology ecosystem to remove friction points from getting work done. This type of innovation is something we could use more of across the IT stack.

The improved employee experience provided by best-of-breed tools helps drive higher adoption and utilization rates, increasing the return organizations get out of their IT investments. This value, coupled with the impact of the coronavirus, has reprioritized IT purchasing dramatically. A global IDC study shows that despite an overall decrease in IT spending for 2020, spending in areas such as secure access would increase for 60% of the companies surveyed. Spending in additional areas such as videoconferencing, enterprise communities, and collaborative applications would also increase significantly. These technologies ranked above database management and task/process automation (IDC's *COVID-19 Impact on IT Spending Survey*, March 2020).

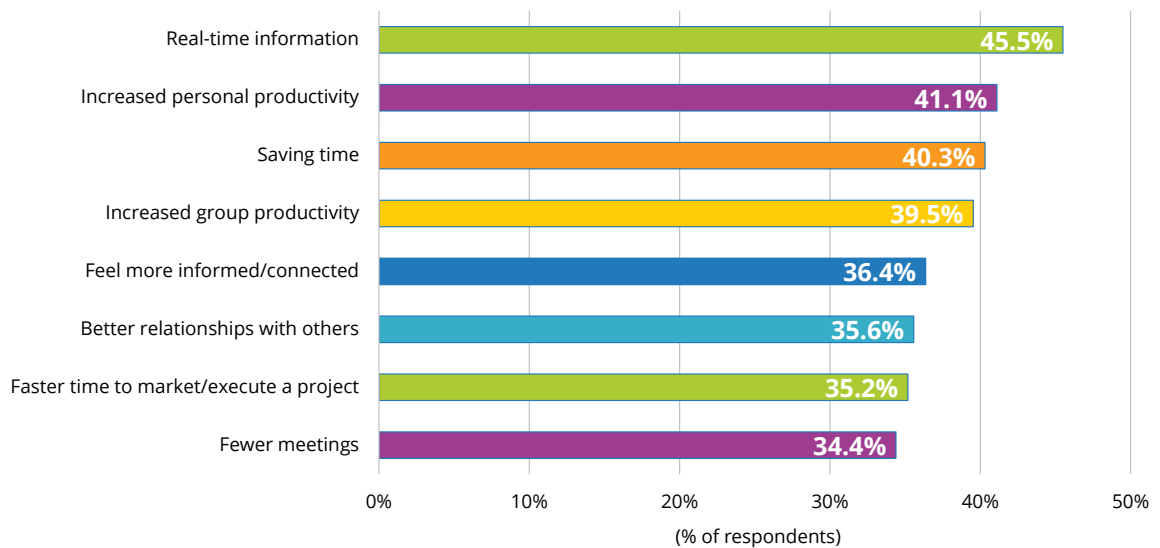
Benefits

IDC research identified that collaboration leaders recognize a myriad of benefits when people are connected using open APIs and flexible technologies. The research shows that best-of-breed solutions used as part of an integrated IT stack are instrumental in business success.

When IDC asked collaborative applications leaders about the benefits of being connected in real time, the top results were less time wasted looking for information and increased productivity for the worker and the team (see Figure 1).

FIGURE 1: **Top Benefits of Collaboration**

Q What are your top 5 benefits in using a team collaboration application?



n = 253

Note: Multiple responses were allowed.

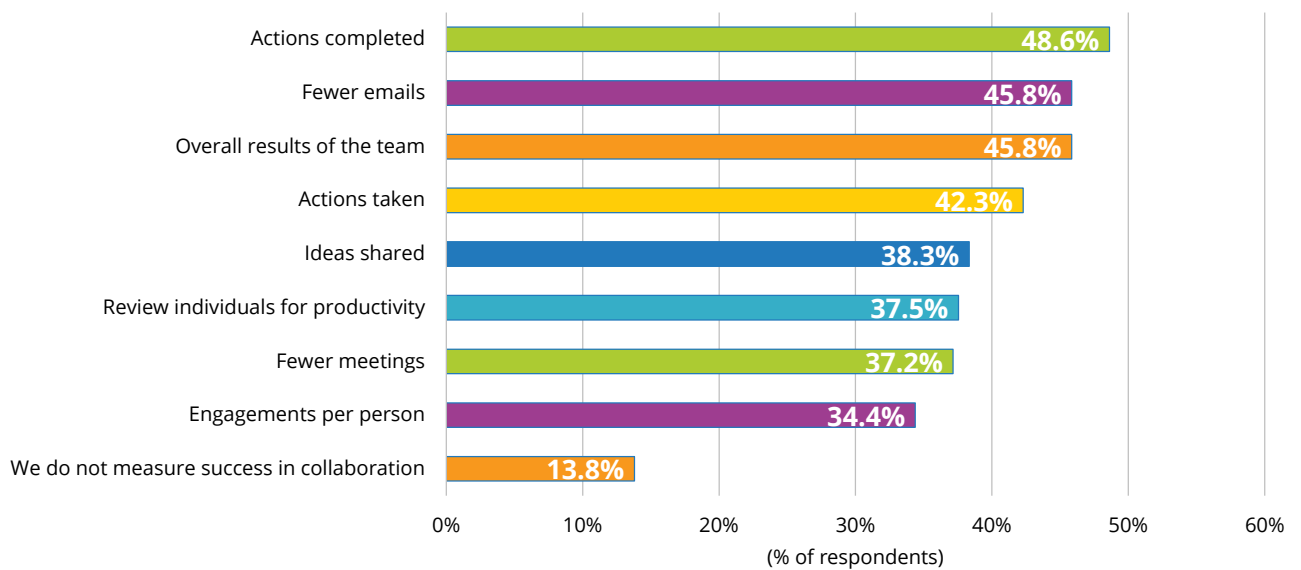
Source: IDC's Annual Collaboration Applications Survey, January 2020

As for other top benefits of collaboration, the survey interestingly found that roughly one in three respondents feel more informed and connected at work and that they are developing better relationships with others. "Feeling" is not an answer we often see in the top tier of survey results, but feeling more connected and building better work relationships have become more crucial in remote work environments. They also have a direct and positive impact on production.

When we asked companies how they are measuring collaboration, the data suggests that many metrics come not directly from a single collaboration application but from the integration of numerous applications that may include traditional, single-vendor suites along with a range of best-of-breed solutions. The integrated data provides a new and more accurate federated metrics schema that identifies a range of previously "invisible" data points. IDC expects integrated data to grow in importance in the near future. For example, actions completed and taken come not from a single application but from the applications where the work is being done. When those platforms are integrated into a "collaborative stack," these metrics can be aggregated and correlated, enabling this new class of metrics to be realized (see Figure 2).

FIGURE 2: **Top 5 Collaboration Metrics**

Q Select the top 5 metrics you use to determine if collaboration is successful.



n = 253

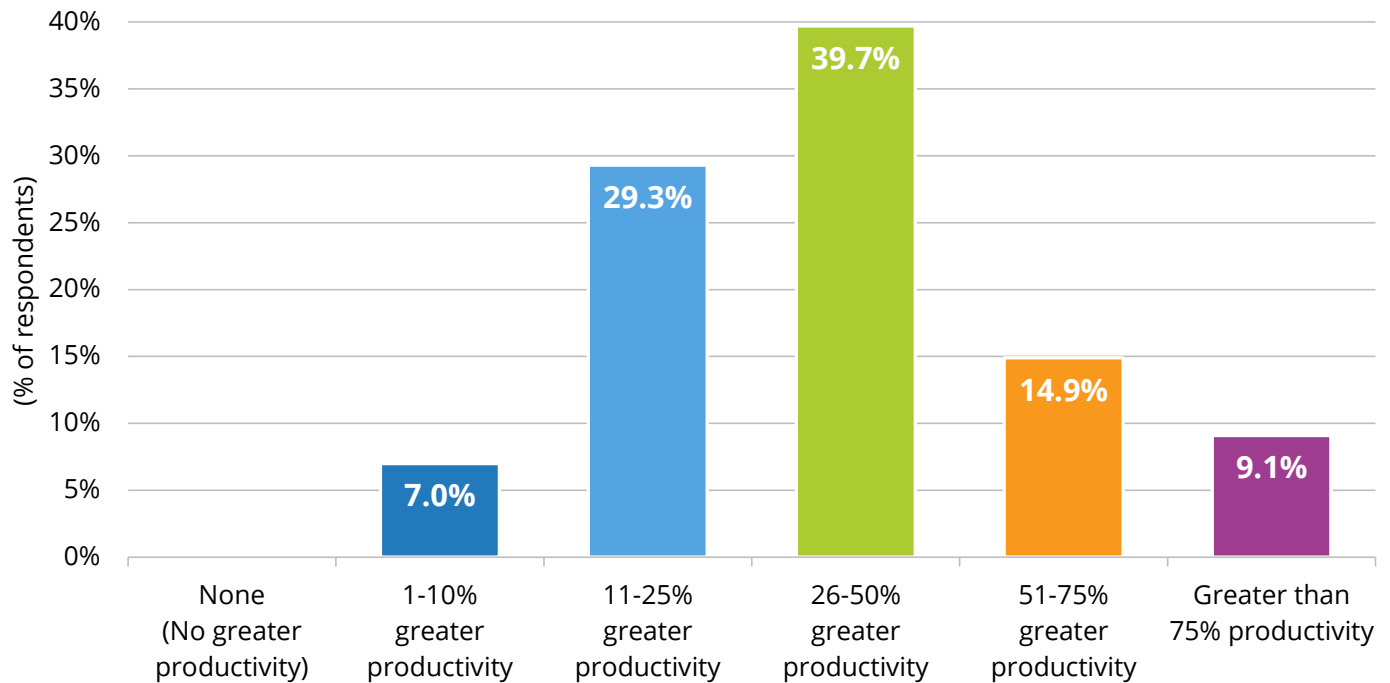
Note: Multiple responses were allowed.

Source: IDC's Annual Collaboration Applications Survey, January 2020

Figure 3 shows that companies enjoy a mean productivity increase of 37% when three or more applications are integrated as part of a collaborative stack (integrated application numbers are not shown). Organizations with six or more integrated applications see a 75% increase in productivity, which is virtually cloning your best employees by removing barriers to success. Also noted in the higher productivity rates are multiple internal training methods including formal hands-on training, group-level mentoring and modeling, and self-paced training.

FIGURE 3: **Productivity Increases from Integrated Applications**

Q How much greater productivity, on average, do software integrations generate?



n = 253

Note: Multiple responses were allowed.

Source: IDC's Annual Collaboration Applications Survey, January 2020

How Enterprises Develop Superpowers

IDC research has identified significant differences between companies that have experienced highly impactful results — beyond those discussed in this document — and companies that have experienced positive results. Every company surveyed found that collaborative applications improved productivity and time savings. Some, however, seemed to have superpowers and took working together to another level. Superpowered companies had two things in common:

- » **Integrated applications**, where data can be transferred across solutions based on permissions to remove barriers and get work done securely. Whether conferencing, communication, and specific line-of-business solutions are creating streamlined workflows, making it easier to administer access and security, or connecting work management, they provide a "single pane of glass" for the worker. This integrated view connects all the tools and removes friction for users to get more done.

- » **A culture of collaboration** that helps drive more uniform success. Collaborative teams are more effective not only when users feel tightly connected to others but also when multiple training methods in collaboration are readily available. Top effective methods frequently cited include hands-on training with peer modeling and mentoring behavior in collaborative groups. The more the work environment community is treated like a real-life community, including peer-supported guardrails, the better the overall results.

Considerations

For years, purchasing from a single vendor was the safe thing to do. Adding vendors from many companies became synonymous with red tape. However, as noted previously, companies were not evolving their digital abilities at the pace at which employees were bringing best-in-class technologies into the workplace. Software that was "good enough" before often did not fit the employee needs. The abrupt shift to remote work has brought the urgency of digital transformation to the forefront, and settling for "good enough" has become painful when employees need the best tools — few of which come in a bundled suite.

IDC research shows that purchasing habits are changing. The number of companies that purchase collaboration technologies because of existing contracts is declining, and the number of companies that purchase these technologies as on-premises solutions is declining too. Just two years ago, most vendors were selected because of a preexisting contract. That selection criterion fell 7% in one year. Now 45.5% of companies select collaboration tools as part of an existing contract. Still, our research shows that the vast majority of companies continue to use integrated best-in-class products to extend their abilities (IDC's *Annual Collaboration Applications Survey*, January 2020).

As we enter the next normal, the traditional vendor suite is only one part of a complete technology solution. These systems are often rigid, at times lacking the ease of use that makes for a good employee experience. They often are not flexible enough to meet the fast-evolving needs of the enterprise today. IDC data suggests that these are factors in users or line-of-business users bringing new, often unauthorized applications to the business.

The ability to remain highly agile is critical to success. Rich APIs available today enable powerful security abilities that also enable faster, easier, and more robust administration. Better security is key to our new, highly fluid, and evolving reality. Over the next few years, additional intelligence, Internet of Things devices, and acceleration to Wi-Fi 6, 5G, and edge devices will make automation and flexibility more critical to the rapid deployment of features. Feature velocity in these best-of-breed products has already accelerated. Vendors are deploying features more rapidly, as customers require them, rather than as part of a traditional release.

Key Trends

So much has changed in such a short amount of time. The pandemic has dictated the pace of rapid, enterprisewide digital transformation and is accelerating the adoption of these technologies. Employee adoption of collaboration applications alone jumped by five years — in just the first six months of 2020. That is to say that by July 2020, people had adopted and used collaboration applications at a rate that would have otherwise been expected by 2025. The need to connect securely from anywhere to meet and get work done drove these new behaviors.

Employee behaviors and expectations have changed, and there will not be a return to the old normal. We are creating our new, evolving next normal, and companies that take the lead on this path will be at an advantage.

Work Environments Have Changed — and Will Continue to Rapidly Evolve

Connected workers expect to be able to work effectively and across devices. This is where purpose-built applications, created on more modern platforms, deliver. Today, enterprises must support flexible device work as a matter of their own survival. As the work environment evolves, so will the composition of teams, expanding to include more "gig" workers and contractors as well as employees from other regions because the office itself, by default, will support remote work. As such, users are gravitating to technologies that are not constrained by the walls of a physical location. They are increasingly turning to best-of-breed tools that offer robust features and flexibility and, more importantly, enable them to perform their jobs more easily.

Security Is Challenged

With more people working remotely, the need for security has been amplified. IDC research shows that 45.3% of companies will be increasing their spending on security in 2020 — even when cuts are being made to the IT budget (IDC's *COVID-19 Impact on IT Spending Survey*, June 2020). The number of global companies increasing spend is steadily growing as we get closer to establishing the next normal.

Organizations are shifting away from a network-based security approach, which assumed employees were primarily working from an office. They are moving to a zero trust-based security approach, which leverages a user's identity, rather than location, to make access decisions. Because this approach does not rely on location, it helps enhance security posture and can be leveraged to drastically improve the end-user experience of mobile and remote workers.

A best-of-breed approach is critical when organizations are making decisions about security tools. Best-of-breed security tools are often more innovative, integrated, and purpose built than legacy security suites. This means they are constantly able to adapt to the evolving threats and work environments modern organizations will continue to face.

Team Structures Are Shifting

Work teams are no longer what the organizational chart dictates; rather, work teams expand more dynamically and organically to augment the core team with other stakeholders, departments, and regions. The silos are breaking.

Some teams now include partners and customers, connected by new means of engagement, with continuous feedback cycles that help create greater loyalty. Given that growth for many companies is partner driven, the ability to connect using an open architecture is key to communications and collaboration. This is enabled with integrations of best-of-breed tools.

Customers Expect More — a Lot More

As mentioned previously, 62% of business leaders said that one of their biggest challenges in digital transformation is that "consumer expectations are way ahead of our company's ability to change" (*IDC Survey: Work Transformation Challenges*, February 2020). Customer experience is about more than being easy to do business with: It is about building trust at every touch point.

Customers — B2B or B2C — now demand easy, omni-channel digital experiences. Most customers are used to engaging with companies in a one-click ecommerce experience. When these connected consumers go to work, they expect their employee experience to be like their customer experience. If they feel that the technologies they need to be productive are not being provided to them, they become fair game in the war for talent.

The War for Talent

According to IDC research, 76% of team collaboration leaders said that good collaboration applications help them hire talent, and 80% said the same applications help them retain talent (IDC's *Annual Collaboration Applications Survey*, January 2020). There is a real risk that top talent, especially with the ability to work remotely, may be more likely to seek jobs that offer, among other things, a collaborative stack that creates better employee engagement, productivity, and job satisfaction.

From Capex to Opex with Bonus Features

The move from capital expenses (capex) to operational expenses (opex) has been a sustaining driver of cloud-based applications. Scaling up and down quickly and cost effectively is best done in the cloud, which offers better collaboration. Upgrading on-premises solutions is no longer an option. Machine learning (ML) and artificial intelligence (AI) continue to augment workers with new insights that enhance productivity. ML and AI cannot be offered with the same robust features through legacy systems. This will continue to make the case for both the cloud and highly integrated, best-in-class solutions that share data in a way that consistently improves the competitiveness of the enterprise.

The Impact on IT

There has never been a more critical time for IT to shift from cost center to business enabler. However, it is not easy. Supporting this new world of work requires the following:

- » Deploying tools that enable collaboration anytime, anywhere, from any device
- » Selecting tools that are nimble enough to meet evolving needs and new use cases, yet simple and intuitive enough for anyone to use without extensive training, and that deliver significant benefits
- » Ensuring technology enables employee productivity instead of hindering it
- » Adapting new methods of securing distributed workforces that both enhance security posture and improve user experience (Selecting a modern identity and access management vendor enables IT departments to better respond to repetitive or manual tasks that come along with managing and securing access to multiple systems. For example, automating provisioning and password resets not only frees up IT to focus on more strategic initiatives but also enhances security and the end-user experience.)

Conclusion

Work environments and the way we work continue to change at a rapid pace, accelerating digital transformation initiatives so companies can survive and thrive. The rise of the best-in-class secure collaboration stack products enables shifting software from cost centers to business enablers. Today's work must facilitate secure collaboration, enhance user security, provide immediate access to information and content, and be available from any place on any device.

The answers will come not from a single vendor but from customized IT stacks built on open architectures and integrated with open APIs. Open APIs are essential in the next normal, enabling enterprises to secure their data and unlock new opportunities for their employees to collaborate while reducing overhead costs.

The adoption of best-of-breed technologies has been building over the years, and we have now passed the inflection point where cloud-based open tools are the standard to evolve the workplace, build inclusive teams, meet rising customer demands, and win the war for talent — without draining the budget.

About the Analyst



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Wayne Kurtzman is responsible for IDC's Social, Communities, and Collaboration practice. An experienced technologist, practitioner, and adjunct educator, Wayne is frequently quoted in media sources. A member of the IDC Future of Work and Future of Customer and Consumer teams, he volunteers to grow collaboration and critical thinking student programs globally.

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