

Collabera®

A Virtual Workforce Model for COVID-19 and Beyond

APRIL 20, 2020



Contents

- Executive Summary3
- The Places We Work4
- Workforce Best Practices5
 - Virtual Workforce Model6
 - Virtual Talent Pod7
 - Demand Management in the Virtual Workforce Model8
 - Table 1: Classical Demand and Capacity Model9
- Idea to Action: Applying the Virtual Workforce Model10
 - Table 2: Transition from Proximity to Virtualized and Distributed10
 - Table 3: Agile Example11
- The Broader View12
- Case in Point: A Fortune 100 Company and a Virtual Workforce Model14
- A Call to Action14

Executive Summary

The sudden outbreak of the COVID-19 pandemic has had a profound impact on our daily lives, families, friends, and businesses. This disruption to all aspects of our routines is unprecedented in our lifetimes.

But the necessity to shut down offices and social spaces creates a burning issue that needs an immediate response. This response will require us to first pivot to a new model, and then to embrace a “new normal.” The need for a Virtual Workforce Model is clear, particularly in this time of quarantine and social distance.

A combination of government mandate and social obligation is changing the way offices, and the workers in them, perform. Going forward, we will need to examine and change almost everything we’ve previously taken for granted.

The following article will discuss:

- The PLACES we work, regarding the accelerated mandates and social obligations to develop alternatives for office-based work.
- The WAY we work, with a **Virtual Workforce Model** that allows rapid assembly and reassembly of teams based on addressing immediate needs without the constraints of an office.
- WHAT we work on, as the nature of knowledge work itself changes in this virtualized model.
- DEMAND MANAGEMENT and a new model for handling dramatic shifts in the quantity and complexity of client demands.
- The TRANSITION period, and suggestions for using this time to prepare and train for the future and engage in planning and executing the upskill and reskill process.

We believe that your workforce is the heart of your business,
and your business is at the heart of what keeps society running.

Dedicating some attention to workforce issues during an emergency is part of issuing a well-rounded response. Nothing is more important than the health and safety of our community, and business recovery is part of what provides that health and safety.

The Places We Work

Most companies have a disaster recovery plan. However, these recovery plans are focused on lift-and-shift, where critical work teams form in new, unthreatened locations while longer-term projects are put on pause to focus solely on tactical needs during the crisis.¹

But what do we do when we must immediately disband larger teams and send them home? Or when our suppliers and key customers are also displaced or disrupted? No company entered 2020 with preparations to handle a large-scale, simultaneous, *global force majeure*^{2,3} event like the COVID-19 pandemic.

Work from home (WFH) has become one of the hottest topics of 2020, as the necessity for social distancing lead to the sudden dissolution of proximity-based workplaces and the rise of home offices. The core time and logistics issues involved in managing a WFH experience are already well-documented and won't be repeated here.^{4,5}

We believe that, in the broader view of the shift to a Virtual Workforce Model, the notion of in-person time with teams may change dramatically.

A few considerations:

1. If most work is proven to be doable from home during the COVID-19 crisis, are traditional, large office spaces needed at all? Can the commercial office space requirements shrink, or even be eliminated?
2. Could space be rented locally as needed for team meetings? Do you truly need in-person meetings, or is this a tradition worth questioning and discarding?
3. Be mindful of any legal or labor issues involved in expecting employees or contractors to work from home in ways not specified in their contract.

The camaraderie your employees feel now may dissipate as the months go by, so we encourage having a written policy on company expectations of time, equipment, incremental costs, and quality of home spaces.⁶
4. The expectations for working from home should be made clear. For example, for any given team, do you expect employees and contractors to be instantly available as if they were at their desks, or is it acceptable to give them more self-directed time to complete their tasks?

Your answer will depend on job function and work culture, but should be described from top-down and not left up to individuals who may form patterns that conflict with their teammates and clients.

Workforce Best Practices

The most important part of implementing workforce best practices is building a **Virtual Workforce Model**.

The idea of a Virtual Workforce Model is to create a complete supply chain. From demand management, to team assembly, to the creative use of partners and vendors, a Virtual Workforce Model uses technology to enable distributed work.

The work itself can be completed using **Virtual Talent Pods** to execute the tasks that **Demand Management** is delivering to the Pods.

Pods bring people, their skills, the supporting resources they need (teammates, data, etc.), and any other required tools (laboratories, analytical insight, research resources) together to solve a problem. The Pod refers to a specific method of assembling the right resources and using lessons borrowed from highly successful software space implementation for use in other knowledge-intensive tasks.

The following examines the elements of this approach more closely.



Virtual Workforce Model

The premise of the Virtual Workforce Model is that the traditional approach of mapping a static job description with a static unit of work has been obsolete for years and needs to become much more flexible. The Virtual part of the Virtual Workforce Model supports:

<p>Location Independence</p>	<p>Work from home is the basis, but Location Independence is much more. It allows flexibility in choosing how to find needed talent. The intricate balance that optimizes supply, cost, job attractiveness, skill sets, and experience can be achieved with no preconceived notion of a mandatory physical location. Employees and contractors can choose to live in a particular area, or sourcing can be done using the best global source. The Virtual Workforce Model supports and encourages collaboration in either case.</p>
<p>Skills Independence</p>	<p>The traditional method of having a team access highly specialized skills is to either (a) acquire those skills but use them only on occasion, or (b) require someone to perform that skill when it's not part of their core set. In contrast, a Virtual Workforce Model encourages the on-demand assembly of Virtual Talent Pods to bring in the right skills for the task completion.</p>
<p>Team Upskilling</p>	<p>Team Upskilling is a way to lift a much larger set of employees, together, to a new understanding of how to work together and solve problems together. The Virtual Workforce Model should include training programs to elevate the company or business's necessary unit-wide skill sets, such as raising business intelligence.⁷ This goes well beyond the traditional emphasis on individual contributors and individual skills.</p>
<p>Platform Independence</p>	<p>In a traditional model, the computing resources ranging from desktop to supercomputer to other virtual reality resources would be kept locally by a traditional team. In a Virtual Workforce Model, the need for computing resources can be almost completely decoupled from a physical location. Consideration must be made for security access that requires cards, scans, dongles, or other items to be distributed to homes to comply with privacy promises or legal mandates such as HIPAA.</p>
<p>Team Collaboration</p>	<p>The traditional methods of forming a consensus and "thinking out loud" in a group environment need to be carried over and promoted in a new distributed workforce model. Whiteboarding, note-taking, agreement and disagreement signaling, and collaborative design must be supported and documented. As a benefit, a virtual team, by definition, leaves digitized artifacts behind. These can be archived for future analysis and reference.</p>

Virtual Talent Pod

The Virtual Workforce Model requires a means of producing work output. The Virtual Talent Pod is the answer. This idea, originally designed for software development, has relevance for all business processes.⁸ For example, Steelcase noted a 36% drop in average project length through adoption of agile techniques in their innovation center⁹ and BBVA Bank developed 3x as many features per cycle after switching to Agile in building new banking services.¹⁰

But first, some background: In 2001, a change took place in computer programming and a new approach called Agile^{11,12} was popularized. By 2019, an estimated 97% of all companies were using agile methods.¹³

What about this model is driving such rapid growth? Over the past few decades, software has moved from being driven by precise rules (such as accounting or payroll) toward software that provides experiences, interactions, and workflow that reacts quickly to changing consumer demands. However, software development life cycles (SDLC) failed to keep up with the demands for new flexibility.

In the same way, traditional business functions that were once routine and rule-driven, such as loan approval, have been largely automated, leaving the more complex tasks to the teams that remain for research, analysis, and decision-making. Business processes are ready for the Pod revolution that has already swept software development, and the Virtual Talent Pod is a way to achieve the additional benefit of flexibility.

A Pod is a small agile team that completes a specific part of a process. For example, if a product launch requires a team to manage public messaging, investor relations, capacity planning, and installation, these resources would serve as a Pod. During and after the COVID-19 crisis, these agile Pods can and should be virtualized. Specialized platforms for documenting team discussion and decision will be needed.

The principles of Agile can work top-down and bottom-up, in harmony, and apply to all companies that want to be more flexible and responsive.

- Top down, Agile explains how to divide corporate Themes into Initiatives, which are then subdivided into Epics. This daily work is finally expressed as Stories.¹⁴ Rugby fans may also recognize the use of the noun “scrum” to refer to the agile team and “sprint” to refer to the small work units.
- Bottom up, Agile allows teams to execute their tasks with close cooperation, local problem solving, frequent feedback, and flow of research and testing results back up the chain.
- In a non-programming environment, these principles apply to many office tasks. The lessons learned from this can be creatively applied.
- The most efficient Pod is one that doesn't need to be formed in the first place. Look to partners to solve larger classes of problems and offer them incentives to manage larger units of work, allowing your own Pods to focus on value-adding and differentiated tasks.

Demand Management in the Virtual Workforce Model

So far, we've discussed the Workforce Model itself, the use of Pods as a means of assembling teams, and some thoughts on legal and infrastructure questions about the transition to a distributed workforce.

But what of the actual work itself? The quantity of work that will be performed by a team on behalf of its company, or by a company on behalf of its customers, will be difficult to predict. Our usual habits of seeking subtle changes in demand and shifts in competitive market share will not be sufficient to guide our behaviors as businesses recover from and adapt to the aftermath of COVID-19. The "new normal" will be that there is no "normal" for quite some time.

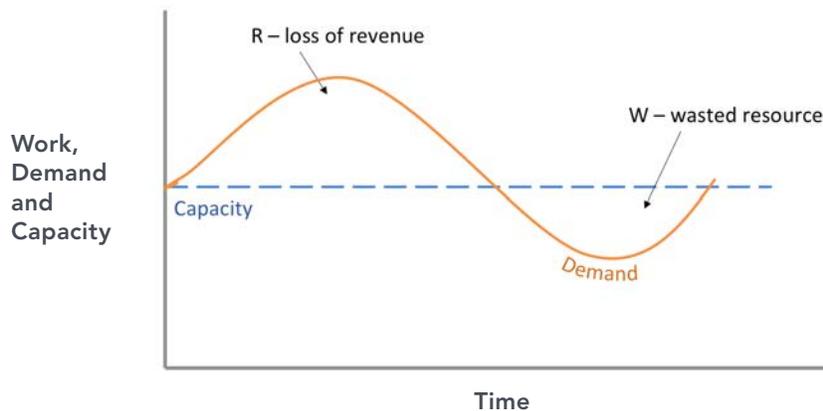
The company that embraces the Virtual Workforce Model, and the use of Pods, will be in a great position to manage uncertainty in demand. Teams can be sized from shared resources, vendors who specialize in workforce augmentation can be engaged, and physical location flexibility can be embraced to find the best locations for the duration of a given program. Our recommendation is to use the Virtual Workforce Model to obtain a flexibility that will set you apart from competitors and take advantage of a B2B ecosystem that is eager to support your project and task requirements.

In a post-COVID-19 world, we anticipate that demand will be very difficult to predict, and go through multiple fluctuations.

The basic statistics behind demand management and capacity optimization are well known, but are based on situations where demand is largely predictable and constant except at the margins. This is not relevant today; in a post-COVID-19 world, we anticipate that demand will be very difficult to predict, and go through multiple fluctuations, exacerbating what is known as the bullwhip effect¹⁵ in ways we can't yet predict.

We propose a new model, based on a rethinking of the Capacity part of the diagram. This classic model identifies the tradeoff between R =lost revenue due to undercapacity, and W =wasted resources due to underutilized capacity,¹⁶ tied to the costs and latency that comes with raising or lowering capacity.

Table 1: Classical Demand and Capacity Model



An improved demand and capacity curve has several components that benefit from a Virtual Workforce Model for cases where capacity is largely based on knowledge workers rather than manufacturing, mining, or farming investment.

Improvements can be made in:

1. Estimating demand. In a post-COVID-19 world, you and your key clients and trusted vendors should be closely tied in continuous conversation on market signals, defining new 'units of work' at a higher level to reduce the noise of granular demand.
2. Increasing capacity when needed. In a skilled knowledge work environment, capacity is not a single person but a team of skilled resources, and the Virtual Team model supports the agile deployment of scarce specialist resources in building the right response team.
3. Make current capacity more productive. Using agile techniques, 73% of EdgeVerve's employees noted their productivity had improved and time-to-deliver dropped by 50 to 67%.¹⁷
4. Work with vendors and partners to have them manage the details of capacity load and unload by building higher level definitions of work units into your business relationship.¹⁸
5. Occupy unused capacity for training and transformation, rather than remove that capacity which may be needed later.

Idea to Action: Applying the Virtual Workforce Model

This moment of traditional proximity-based workforces being pushed into isolated work-from-home situations requires a reexamination of the workplace traditions we've inherited. And, we believe, the adoption and adaptation of Agile concepts and Pod implementations will fit into the Virtual Workforce Model outlined above.

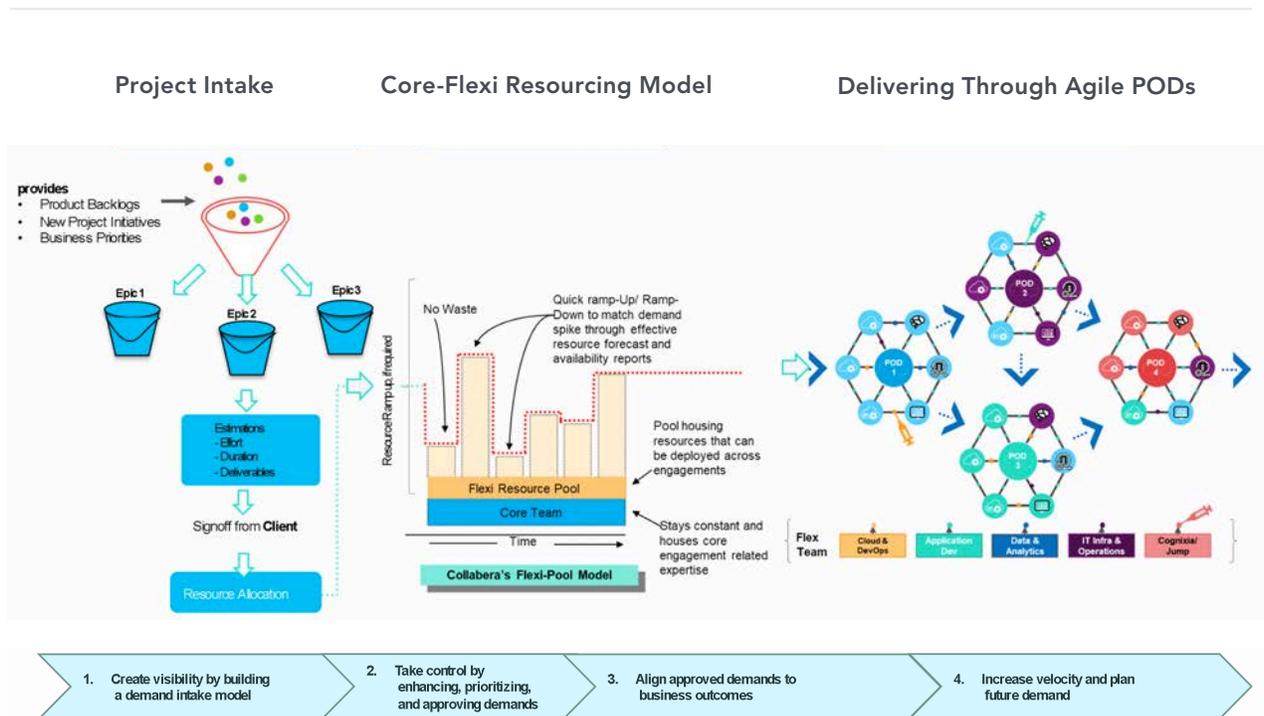
One way to think about this transformation is to reconsider what you've traditionally done and compare it to a fresh perspective on what tasks actually require proximity. Table 2 lists some examples – we encourage companies to take a deeper look at their own work processes and brainstorm about the stretch goal of virtualizing as much as possible.

Table 2: Transition from Proximity to Virtualized and Distributed

Example	Traditional Business Practices	Virtual Workforce Model
Claims Processing	Assumes Proximity . Team co-locates for idea sharing, paper archive access, mail processing of documentation and signatures, and team meetings.	Proximity required for only a portion of the work. Paper archives and mail processing have a very small team responsible for scanning and attaching to workflow. Virtualized WFH for all other activities. Workflow mixes individual tasks with team cohesion.
Prototype Design	May assume Proximity for physical products. Team co-locates for design studio resources, focus groups, team meetings.	Virtualization is possible for highly specialized teams that can be equipped with VR goggles, given access to modeling systems on the cloud, and embrace a change in design habits (e.g. replacing physical models with ergonomic simulations or haptic-feedback simulations).
Business Analysis	May assume that Proximity is desirable for team meetings, whiteboarding, brainstorming, and note-taking.	Virtualized work is possible for all participants. New models for team and meeting management when physical personality and social cues are missing need to be discussed and implemented. New forms of equipment, better whiteboarding replacements, and a clear record of collaborative discussion need to be implemented to mirror the outcomes required from the former Proximity model.
Healthcare Services	Requires Proximity to conduct assessment, diagnosis, or care delivery.	A hybrid Proximity-Virtualized model recognizes that hands-on engagement will continue to be necessary but not mandatory across all of the healthcare delivery processes. Telehealth, telemedicine, claims administration, medical records management, finance, and other business functions of a healthcare system can be done near-site or in a Virtual Workforce Model by distributed teams.

One representative example of how the entire process ties together, from demand management to Pod formation to delivery, can be seen in Table 3.

Table 3: Agile Example



The Broader View

The shift to a Virtual Workforce Model to address the immediate needs of the COVID-19 quarantine is just the first step to the rethinking of business.

- The Virtual Workforce Model supports and encourages workplace flexibility.
- The Virtual Talent Pods support flexibility in assembling and disassembling skills, as needed, and embracing a wider view of how vendors can help take on larger tasks.
- The Demand Management Model recognizes that the coming recovery from the COVID-19 pandemic will lead to unpredictable workloads. The “steady state” of past years is no longer reliable for planning, and the Demand Management using the Virtual Workforce Model can support major swings in capacity and throughput that would have been impossible under traditional static business models.

- Network and technical issues will settle down, but have a significant period of disruption. The site nextdoor.com received a 73% increase in traffic through March 24¹⁹ and Verizon showed a 75% increase in game-based traffic.²⁰ It's important to measure whether a 'new normal' has been reached, or growth in traffic and resulting VPN and security response will keep going.

In combination, a transition to 'same work but different location' is but the first step to a rethinking of how the distributed team model can also provide scale flexibility and borrow from the proven successes of software development flexibility.

Now is the time to take the opportunity to change the way your business serves its customers, as well as the way your teams engage to solve problems.



The transition will have its own challenges.
Reaching this new model offers opportunities for new thinking.

We recommend:

- 1. Using this time to train and prepare.** Many roles that are client-facing will take a long pause during parts of this downtime, and this is a great opportunity to think about the soft skills and hard skills that your workforce will need in the coming years. Start your training plan immediately. One approach is to have a central budget and a small common core of training, but allow for local departmental or task decisions on what additional skills are needed to be made.
- 2. Using this time to check on and then upscale corporate network and servers,** if needed, as soon as possible. Work-from-home VPN connections have been noted to fail²¹ under the load of large-scale work-from-home secure traffic when it exceeds the original design assumptions.
- 3. Broadening your definition of Proximity.** For teams that really should work together to achieve the best outcomes, consider contracting with a partner who can provide facilities at locations that have a healthier local COVID-19 status, or who can provide a temporary workforce to complement your own teams.
- 4. Building opportunities for teams to talk, engage, and share on non-work topics.** If in-person socialization is no longer possible, mark out time during status meetings for a “joke of the week”, updates, or commentary on news and events. In one author’s experience of working with a distributed team, the 3PM Friday status calls often linger until 6PM as we catch up on news about children, cars, projects, and interesting books.

Case in Point: A Fortune 100 Company and a Virtual Workforce Model

A major global technology company was pondering the question of how to cut real estate costs.

This seemingly simple request led to a fundamental rethinking of what work, exactly, was being performed in their offices, and how it was being defined and executed. What started as a real estate study led to a broader evaluation of the tasks being performed in offices. The study has now begun a series of initiatives that:

1. Map the existing workforce teams, both office-based and virtual, to business processes and desired outcomes.
2. Consider alternatives to achieving those outcomes. (This is analogous to cleaning out a closet before moving to a new apartment.)
3. Achieve outcomes by giving vendors higher order work output responsibility and letting them manage their own details.
4. For vendor-augmented work tasks, use vendor capabilities to build out alternate location models for regional dev centers, near-shore, or offshore sites as a complement to a review of work-from-home distribution.
5. For the remaining work that the company wishes to own and manage, build a distributed version to replace their previously co-located teams into Pods using the Virtual Workforce Model described here.
6. Develop a new demand management process that works to decouple fixed real estate expenses from variable customer demand.

A Call to Action

Ready or not, offices have been emptied and workforces have been sent home as a result of COVID-19 related mandates.

Leading companies control their destinies and will look at this moment as a chance to think through the entire Virtual Workforce Model and its related benefits. Move fast, but also think long term. We can do our part to ensure that we are ready and able to provide the services and products that will be needed to recover from COVID-19.

The alternative? Do nothing and return to work when you can. Your clients and employees will have new expectations, though, that don't match the old methods, and both the revenue and cost side of the income statement will fall behind others who embrace and normalize a Virtual Workforce Model.

Resources

- 1 For example, this helpful guide from the US Department of Homeland Security works with the assumption that office space and employee co-location will continue, but in a new place. These guidelines do not work in a quarantine situation. <https://www.ready.gov/business-continuity-plan>
- 2 Often called 'Acts of God' in legal contracts, this is a phrase that lawyers call a 'term of art' to describe events completely out of our control https://en.wikipedia.org/wiki/Act_of_God.
- 3 The question of whether COVID-19 will trigger force majeure clauses in contracts or not will likely be a hot topic for the next year. For an early look at the legal reasoning: <https://www.gtlaw.com/en/insights/2020/3/coronavirus-and-force-majeure-contract-clauses>
- 4 The most popular Google hit as of 3/23/2020 is <https://www.investopedia.com/personal-finance/work-from-home-guide/>
- 5 A cautionary tale of how home and video conferencing life can be at odds can be found at <https://www.youtube.com/watch?v=Mh4f9AYRCZY>
- 6 This paper does not offer legal advice but we strongly encourage that companies take these issues seriously and secure counsel. An example of a workplace lawyer's analysis of this topic can be found at <https://sebastianmillerlaw.com/remote-work-expenses-and-labor-code-section-2802/> and is intended for your research and not as legal advice.
- 7 Although an older example, this is still relevant. Davenport gives numerous case studies of companies that have uniformly lifted the requirement for analytical thinking among the entire workforce of leading businesses. <https://hbr.org/2006/01/competing-on-analytics>
- 8 For example, this marketing company has adopted the software industry's Agile methods and terminology in their business model. <https://uhurunetwork.com/agile-marketing-scrum/>
- 9 <https://www.steelcase.com/research/articles/topics/agile/agile-working-new-ways/>
- 10 <https://www.bbva.com/en/opinion/hr-goes-agile-case-study-bbva/>
- 11 The details are interesting and relevant to many business situations, and we recommend additional reading. The original group, called the Snowbird 17, drafted the Agile Manifesto on Feb 13 2001 and provide this starting point: <https://agilemanifesto.org/history.html>
- 12 A typical site with a glossary and good use cases can be found at <https://www.atlassian.com/agile>, but is not intended as an endorsement of Atlassian over any other similar vendor
- 13 <https://betanews.com/2019/05/07/state-of-agile-report/>
- 14 There are slight variations, but a good primer for Agile terminology can be found here at <https://www.atlassian.com/agile/project-management/epics>
- 15 <https://www.supplychain-academy.net/understanding-the-bullwhip-effect-in-supply-chains/>
- 16 A formal definition of R and W must also include profit margins, carrying costs, and reputation loss due to customers seeking alternative routes, but for this purpose we focus on the principles and not the math.
- 17 <https://www.scaledagileframework.com/case-study-edgeverve-systems/>
- 18 <https://sloanreview.mit.edu/article/the-bullwhip-effect-in-supply-chains/>
- 19 <https://www.nytimes.com/interactive/2020/04/07/technology/coronavirus-internet-use.html>
- 20 <https://www.nbcnewyork.com/news/local/how-coronavirus-affects-internet-usage-and-what-you-can-do-to-make-your-wi-fi-faster/2332117/>
- 21 <https://www.telecompaper.com/news/telenor-norway-boosts-capacity-at-300-mobile-base-stations-as-coronavirus-strands-norwegians-at-home--1330673> and <https://slate.com/technology/2020/03/what-will-coronavirus-do-to-the-internet.html> are good examples.

About the Authors

James Jeude brings technology to the service of business transformation, with a focus on analytical insights and the underlying data management support. James is an advisor and consultant for [Tech2025.com](https://www.tech2025.com), a leading futurist strategy firm, and an author, speaker, and podcaster.

His career covers a range of industries, starting with aerospace design and manufacturing, moving to business information and search engines, and most recently as an executive of a global systems integrator. James lives in New Jersey with his wife, his Ford Mustang, and a room full of musical instruments and electronics.

James on LinkedIn: www.linkedin.com/in/james-jeude/



Ashwin Rao has been part of the Collabera's growth and transformation story for over 20 years. Ashwin has spearheaded several business and technology initiatives that have helped make Collabera a more nimble, agile organization and accelerated its ability to provide solutions that speed up the pace of doing business while remaining relevant in this ever-changing business environment. Ashwin is part of the strategic team that drives sustained growth and business value to clients.

As a recognized industry leader, Ashwin is featured as one of the 100 top influencers by SIA for 2 years in a row. He is part of the Management Committee of Collabera, an advisory board member for design thinking at Rutgers University and has been part of several industry boards over the years. In his free time, Ashwin enjoys wildlife photography and travelling to experience new cultures – and when he can't do either, being the sous chef to his two teenagers.

Ashwin on LinkedIn: www.linkedin.com/in/ashwinnj/



About Collabera

With 16,000+ professionals across 10 countries, 70 offices and 3 global delivery centers, Collabera offers comprehensive technology solutions and services. Our primary focus is on building and managing scalable infrastructure and intelligent and intuitive applications to fuel digital growth for our customers. While our clients' success is at the center of everything we do, so is our ability to ensure that they are always future ready. Our multi-disciplinary global teams are dedicated to helping customers identify competitive differentiation and deliver enhanced customer experiences through digital and business transformations.

We believe that enabling clients in a technologically driven business arena requires much more than a one-size-fits-all solution. Real outcomes are delivered at the intersection of human and technology, therefore we leverage our global delivery (onsite/offshore) expertise and multiple engagement models to provide our clients with solutions to meet their business vision today and into the future.

With Collabera you can always **#ExpectMore**

Applications | Infrastructure | Data | Technology Consulting

For more information on Collabera, visit www.collabera.com

The logo for Collabera, featuring the word "Collabera" in a blue, sans-serif font with a registered trademark symbol (®) to the upper right of the letter 'a'.