THE FUTURE OF WORK

A Nexus of Strategy and Execution

I believe the number one challenge facing global organizations today is helping people do their best work. It sounds so simple. And yet it is one of the biggest challenges in modern business.

We live and work in an increasingly digital world. From Google to Facebook and from Workday to Salesforce, new platforms, systems, and tools have transformed the way we buy, sell, communicate, and share information. There is no doubt this digitization makes us more productive and opens up new opportunities for innovation. It also puts intense pressure on people and companies as they scramble to stay competitive, meet evolving customer demands, and keep up with the new pace of digital.

The results of the Harvard Business Review Analytic Services survey "The Future of Work: A Nexus of Strategy and Execution" are clear and important. We know executives are taking steps in anticipation of the future: One-third of respondents say they use at least 50% more digital tools than they did five years ago. But we also know it is vital that enterprises make digital work management part of their technology platform strategy, because nearly two-thirds of respondents say the lack of interoperability between tools and applications gets in the way of getting work done.

Winning the digital revolution starts with helping people do their best work, providing focus and prioritization, aligning teams, and orchestrating all the efforts of an enterprise to get things done. Companies that fail to act with urgency and intent will be left behind.

The results of this research are intended to help you look ahead, guide your long-term strategic vision and, ultimately, reach incredible business outcomes. I hope you read and share what you learned from this report.

ALEX SHOOTMAN
CEO
WORKFRONT

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Digital confusion in the workplace reigns because of multiple platforms and systems. Widely used tools such as email and spreadsheets aren't designed for the collaboration workers need today, often keeping critical information in silos while also failing to provide dynamic real-time visibility for strategic planning and execution.

To deliver products and services at an ever-accelerating speed, teams will need to work across functions seamlessly to meet strategic goals. As a result, the future of work will rely even more on a constant flow of data and real-time communication. Executives in every function and line of business must find new ways.

The lack of interoperability between different applications and platforms, however, is the greatest impediment to achieving the operational coordination needed for the workplace, according to a Harvard Business Review Analytic Services survey of 597 global executives from a wide range of industries. FIGURE 2 Thus, it follows that respondents' top choice (52%) to coordinate operations and better manage their work and resources is to have a single platform that combines workflow management with intelligent automation and collaboration. FIGURE 6

There are similar specialized platforms and systems of record for nearly every other function, including customer relationship management (CRM) and enterprise, enterprise resource management (ERP) systems as well as human resource and IT platforms. But most organizations lack such a system of record for operational management. According to Margo Visitacion, vice president and principal analyst in an October 2018 Forrester Research report entitled *Portfolio Ecosystem: The Central Nervous System for Delivering Business Strategy*, "there is no equivalent system that informs firms about their ability to act on strategic plans."

Executives are looking for a better way to manage resources, measure execution against strategic goals, and orchestrate work in a more coordinated, collaborative environment. This paper will examine just how highly they value the need for strategic work management tools that can form a nexus of planning and execution ecosystems to become an operational system of record.

HIGHLIGHTS

70%
SAY THE TOOLS, APPLICATIONS, AND PLATFORMS THEY USE ARE NOT ADEQUATE FOR A FUTURE THAT INCLUDES INTELLIGENT TECHNOLOGIES.

59%
SAY LACK OF INTEROPERABILITY BETWEEN DIFFERENT APPLICATIONS AND PLATFORMS IS THE BIGGEST IMPEDIMENT TO COORDINATING OPERATIONS.

52%
BELIEVE A SINGLE PLATFORM THAT COMBINES WORKFLOW MANAGEMENT WITH INTELLIGENT AUTOMATION AND COLLABORATION IS THE BEST WAY TO COORDINATE OPERATIONS AND BETTER MANAGE WORK AND RESOURCES.

When the systems that manage work **don't mix well together**, the disorder that results drags down productivity, creates confusion, and fuels frustration that can get in the way of achieving strategic goals.

Digital Mayhem

Keeping up with the speed of innovation is a perennial challenge in every business today. "There are over 5,000 different technologies for marketing today," says Erica Gunn, vice president of marketing operations at Nordstrom. "It's really a challenge to stay on top of all the innovation and choose the right technologies."

Most executives are using many more tools now than they did five years ago. FIGURE 1 For most of us, that means switching between multiple platforms several times a day. But creative designers should be spending most of their day in a creative suite, human resource teams in an HR suite, and financial professionals in an ERP system—not going in and out of workflow tools or checking things in and out of other repositories.

Eight out of 10 executives say that the applications, software, and platforms

they rely on do not work well together, and an equal number say using so many different tools creates data silos. In fact, lack of interoperability was the leading impediment to better operational coordination, followed by horizontal silos between departments and lines of business and data silos. FIGURE 2

When the systems that manage work don't mix well together, the disorder that results drags down productivity, creates confusion, and fuels frustration that can get in the way of achieving strategic goals. "There is such an increased focus on shared outcomes now," says Amy Heidersbach, chief marketing officer at CareerBuilder. "It's critical to have the right automation and the right digital tools in place to make sure that everyone—from product, marketing, and sales teams as well as all the supporting business functions such as finance, operations, security and risk, and customer service—is moving together toward the same goals and can report back on their progress toward achieving them."

To adapt to how work will be done in the future, operational leaders will need to improve data integration and data sharing between systems, according to 63% of respondents. Making data accessible to everyone who needs it to do their work—employees internally, contract workers and trusted vendors externally—is nearly as important (60%).

Establishing an operational system of record is also named as an important step for the future of work. Nearly half (45%) of respondents say COOs and operational executives will need to establish a comprehensive and managed system of record for critical
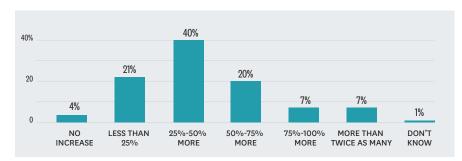
FIGURE 1

DIGITAL PILEUP

Approximately how many more digital tools, applications, or platforms would you estimate that you use to do your job today compared with five years ago?

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

data that can serve as the backbone to work processes in the future, just as a CRM system serves as a platform for front office processes or an HR platform for talent management. FIGURE 3

The Tools We Use

Respondents reinforced what most of us encounter every day—the dominance of email, spreadsheets, and video conferencing as the most common tools for managing work today. Some 95% of respondents say email is the most common tool they use for work, followed by spreadsheets (84%). We use these tools not because they are the best but because they are familiar and easy to use, says Robert T. Monroe, teaching professor of business technologies at the Tepper School of Business at Carnegie Mellon University. "Email is awful, but a lot of business happens through email. It's on every device, and everybody knows how to use it. It is the lowest common denominator," he explains.

The challenge, says Monroe, is balancing a directed management system in which you need to plan work and resources with a range of existing work styles and the tools people already know. "Traditional workflow solutions are often rejected because they are too rigid, and everyone goes back to email," he says. "Or we end up trying to do things on consumer devices or social media platforms that are not designed for work."

Five years from now, executives expect far greater reliance on more sophisticated meeting and collaboration tools. The greatest increases in usage will be in data management tools, workflow tools, and CRM, respondents predict. Executives say that spreadsheets may finally become a thing of the past and email use will also decrease sharply. They also expect to see greater use of automation and intelligent technologies, such as machine learning, business intelligence, and intelligent automation. FIGURE 4

Seeking a Command Center

There is no shortage of innovative tools to manage projects, automate repetitive tasks, and collaborate. What most organizations are missing is a strategic portfolio management capability that can focus on value, capacity, and time-to-realize—a "corporate command center," explains Forrester's Visitacion.

In fact, only 5% of executives in the survey say they have a holistic view of portfolio planning and management (beyond a project-by-project view), only 11% are happy with the transparency they have for resource management, and just 12% have a proactive risk management environment that works optimally. FIGURE 5

FIVE YEARS FROM NOW, EXECUTIVES EXPECT FAR GREATER RELIANCE ON MORE SOPHISTICATED MEETING AND COLLABORATION TOOLS.

FIGURE 2

COLLABORATIVE BARRIERS

What are the impediments to better operational coordination at your organization?

Lack of interoperability between different applications and platforms
59%

Horizontal silos between departments and lines of business
52%

Data silos
49%

Legacy technology
46%

Lack of visibility
40%

Vertical disconnect between leadership and frontline workers
39%

Global complexity
26%

Other
11%

Don't know
3%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

FIGURE 3

FIXING THE PROBLEM

What changes do you believe your COO or operational leaders will need to make to adapt for the future of work?

Improving data integration and/or data sharing between systems

63%

Making our data accessible to all who need it to do their work (internal teams, i.e., employees; and external teams, i.e., contract workers, trusted vendors, etc.)

60%

Establishing a comprehensive and managed system of record for critical data that can serve as the backbone for a particular business process

45%

Expanding our use of predictive analytics

45%

Increasing machine learning/AI capabilities

37%

Changing our hierarchy to institute more self-management

36%

Expanding robotic process automation/developing intelligent automation capabilities

26%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

TO ADAPT TO HOW WORK WILL BE DONE IN THE FUTURE, OPERATIONAL LEADERS WILL NEED TO IMPROVE DATA INTEGRATION AND DATA SHARING BETWEEN SYSTEMS.

To coordinate operations more efficiently and better manage work and resources, a majority of the respondents—52%—want a single platform that combines workflow management with intelligent automation and collaboration.

Four out of 10 would also like greater visibility across their ecosystems and across functions, departments, and lines of business, as well as more automation of repetitive and administrative tasks. FIGURE 6

"We are constantly working to solve for how to do more with less," says CareerBuilder's Heidersbach. "How do we ensure we have crisp processes in place that make the resources we're investing in—primarily people—as organized and interconnected as they can be? Enabling your teams to work as efficiently and effectively as possible is a critical aspect of the future of work."

Static Strategic Planning

For most organizations, strategic planning is still stuck in a static domain. Historically, organizations developed their strategic objectives and a high-level road map using spreadsheets and presentation software. But there is pressure "to implement strategy with greater agility while building transparency to continually measure realized value," Visitacion explains in the portfolio ecosystem report. For example, "customer-focused firms capture huge amounts of data about their customers but remarkably little about their ability to win, serve, and retain those customers," she writes.

At Nordstrom, customers are the driving force behind everything the retailer does, including strategic planning and technology decisions. "We want our customers to feel like we know them. That's hard to do and even harder to do well," says Nordstrom's Gunn. "There's no blueprint for what we're trying to do."

Gunn is feeling that pressure of how to turn strategy into action and measure the results while planning resources for the future. "We would like to be able to do more resource planning so we can really maximize our view into resource capacity on a 12- to 18-month rolling basis," she says. The survey finds that spreadsheets are still the primary tool for a lot of planning work.

The marketing operations teams at Nordstrom have built super spreadsheets to test scenarios in which following a strategy might stretch their resources. The problem: Spreadsheets are not good tools for modeling strategic scenarios. "We really want to move this into our workflow tool and build on what we already have there," she says.

Gunn is not alone. Only one-third (32%) of executives have a system in place that can give a dynamic view of company progress toward strategic plans or meeting key strategic deadlines. But having it doesn't guarantee anything, because for those who do have a dynamic view, only 42% say it performs well.

At Nordstrom, **customers are the driving force** behind everything the retailer does, **including strategic planning and technology decisions**.

Added to that quest is the need to prepare work management for a future infused with intelligent technologies that will change the way many of us work. By far the most pressing capability that operations managers will need for the years ahead, say 43% of respondents, is the ability to rethink business processes as they evolve through deployment of intelligent technologies.

Making It All Work Together

More than two-thirds (70%) of executives feel their organizations are not doing enough to prepare their workforce for the future and that the tools they have now are incompatible with emerging technologies. Executives gave their organizations high scores for providing the right enterprise security and productivity tools (81%), but where the effort falls short is in compatibility with intelligent automation, cognitive capabilities, Industry 4.0, and the internet of things (67% of respondents).
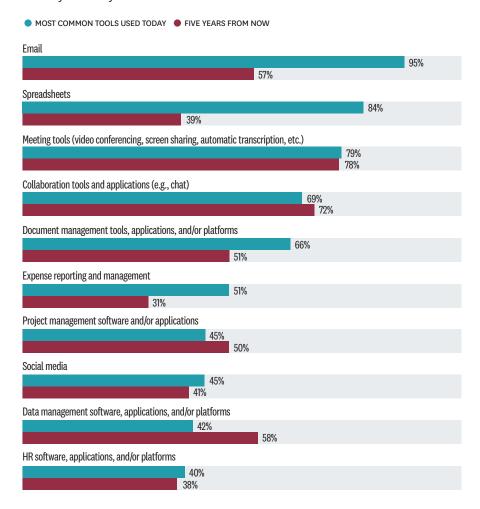
This concern is also reflected in the low grades executives give their work management systems for visibility in general—across functions, departments, and lines of business (63%). A similar level of disappointment is expressed about those tools, applications, and platforms across the ecosystem as well as over the lack of a dynamic view of project status and progress.

"Without visibility into the impact of your plans and little understanding of the potential downstream impacts of any changes, you might wind up introducing a lot of risk or creating more work than necessary," says Gunn. "You can end up with a lot of heroics that put initiatives and programs at risk."

TOOLS USED TODAY MAY FALL OUT OF FAVOR

Which tools, applications, or platforms do you rely on to manage your work? Which do you believe you will rely on in the future?

● MOST COMMON TOOLS USED TODAY ● FIVE YEARS FROM NOW

Email
95%
57%

Spreadsheets
84%
39%

Meeting tools (video conferencing, screen sharing, automatic transcription, etc.)
79%
78%

Collaboration tools and applications (e.g., chat)
69%
72%

Document management tools, applications, and/or platforms
66%
51%

Expense reporting and management
51%
31%

Project management software and/or applications
45%
50%

Social media
45%
41%

Data management software, applications, and/or platforms
42%
58%

HR software, applications, and/or platforms
40%
38%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

FIGURE 5

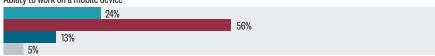# WORK MANAGEMENT TOOLS: THE REPORT CARD

Please rate your organization's status on the following aspects of work management

● HAVE AND IT WORKS OPTIMALLY ● HAVE BUT IT NEEDS IMPROVEMENT
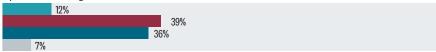● DO NOT HAVE BUT NEED ● DO NOT HAVE AND DO NOT NEED
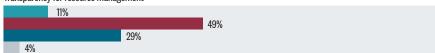
Ability to work remotely
36%
52%
10%
3%

Ability to work on a mobile device
24%
56%
13%
5%

A proactive risk management environment
12%
39%
36%
7%

Transparency for resource management
11%
49%
29%
4%

Collaboration capabilities within project management tools
9%
56%
27%
5%

Reduced manual entry for many operations
6%
49%
39%
3%

A holistic view of portfolio planning and management (beyond a project-by-project view)
5%
49%
39%
4%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

Operational executives from every industry share a common frustration, namely how to allocate resources and prioritize work at a time of tremendous opportunity and change. "There is so much opportunity right now, and we don't like to say 'no'," says Heidersbach. "Resource management is where technology can help us do a better job of prioritizing what we can do. Leveraging hard data can inform decisions about what matters most, balance that against what is feasible, and tell us what we should leave in the queue for later." The tools that CareerBuilder has in place capture and hold work so nothing falls through the cracks. They also allow for transparency and scenario planning, says Heidersbach. "We can look at a strategic initiative, such as, 'What would it take to grow revenue by 20%?' and calculate what we need to reach that goal."

Without that visibility, "you end up making a lot of assumptions about what you think versus what you know," she explains. In marketing, that guesswork may mean creating multiple versions of a campaign or go-to-market solution just to force information or tease out more information from others. "Without strong data, there's a lot more trial and error, and comparing your work to your business objectives can be a lot more challenging," Heidersbach adds.

Ideally, a work management system should enable intelligent, data-driven decisions that help organizations capitalize on opportunities. Four capabilities of such a work management system are key:

- **Support for strategy**—A means to align strategic objectives to execution practices that can measure status, results, and added value.

- **Visibility**—An operational system of record that can provide the history and context of all tasks, content, and collaboration through one system so they can be analyzed, optimized, and automated.
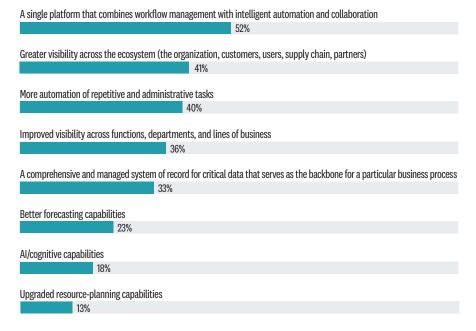
- **Resource management**—A real-time window that provides insight into staff, resource, and capacity utilization, as well as the ability to test strategic scenarios for their potential impact on resources.

- **Grounding for the future**—The ability to work seamlessly with other systems to provide a foundation for emerging technologies.

In the end, these capabilities provide a framework to make the most of strategic opportunities and make practical, data-based decisions about what is attainable. "To move at the speed of technology, meet customer expectations, and stay ahead of the curve, you really need to have a good grasp on feasibility," says Gunn. "Then you will be able to achieve what I like to call ruthless execution."

FIGURE 6

THE SINGLE PLATFORM SOLUTION

What improvements would most help you and your team coordinate operations more efficiently and better manage your work and resources?

A single platform that combines workflow management with intelligent automation and collaboration
52%

Greater visibility across the ecosystem (the organization, customers, users, supply chain, partners)
41%

More automation of repetitive and administrative tasks
40%

Improved visibility across functions, departments, and lines of business
36%

A comprehensive and managed system of record for critical data that serves as the backbone for a particular business process
33%

Better forecasting capabilities
23%

AI/cognitive capabilities
18%

Upgraded resource-planning capabilities
13%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2019

IN THE END, THESE CAPABILITIES PROVIDE A FRAMEWORK TO MAKE THE MOST OF STRATEGIC OPPORTUNITIES AND MAKE PRACTICAL, DATA-BASED DECISIONS ABOUT WHAT IS ATTAINABLE.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 383 respondents drawn from the HBR audience of readers (magazine/
enewsletter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

ALL RESPONDENTS' ORGANIZATIONS HAD 250 EMPLOYEES OR MORE.

20%	**6%**	**13%**	**7%**	**54%**
10,000 OR MORE EMPLOYEES	5,000-9,999 EMPLOYEES	1,000-4,999 EMPLOYEES	500-999 EMPLOYEES	FEWER THAN 500 EMPLOYEES

SENIORITY

21%	**16%**	**14%**	**13%**	**9%**	**9%**	**8%**	**7%**
OWNER/PARTNER	DIRECTOR	EXECUTIVE MANAGEMENT (EVP, SVP, GM, MANAGING DIRECTOR, ADMINISTRATOR)	SENIOR MANAGER/ DEPARTMENT HEAD	OTHER C-LEVEL (CFO, COO, ETC.)	MANAGER/ SUPERVISOR	CEO/PRESIDENT/ CHAIR	VICE PRESIDENT

KEY INDUSTRY SECTORS

13%	**12%**	**10%**	**10%**	**10%**	**9%**	**7%**	**5%**
TECHNOLOGY	BUSINESS/ PROFESSIONAL SERVICES	CONSULTING SERVICES	FINANCIAL SERVICES (INCLUDING INSURANCE, BANKING, REAL ESTATE, INVESTMENTS)	MANUFACTURING	GOVERNMENT/ NOT-FOR-PROFIT	EDUCATION	OR LESS, ALL OTHER INDUSTRIES

JOB FUNCTION

31%	**8%**	**7%**	**7%**	**6%**	**6%**	**6%**	**5%**
GENERAL/EXECUTIVE MANAGEMENT	MARKETING/PR/ COMMUNICATIONS	CONSULTING	SALES/BUSINESS DEVELOPMENT/ CUSTOMER SERVICE	IT	STRATEGIC PLANNING	R&D/INNOVATION/ PRODUCT DEVELOPMENT	OR LESS, ALL OTHER FUNCTIONS

REGIONS

51%	**21%**	**14%**	**8%**	**5%**
NORTH AMERICA	EUROPE	ASIA/PACIFIC	LATIN AMERICA	MIDDLE EAST/ AFRICA

Figures may not add up to 100% due to rounding.