Twitter and Square have announced that all of their employees may remain working from home “forever.” Facebook expects half of its 48,000 employees to be working remotely in the next five to 10 years. And it is not only leading tech companies that are contemplating a major shift toward remote working. A recent Gartner survey of 317 CFOs and finance leaders revealed that 47% of respondents will move at least 10% of their on-site employees to permanent remote positions, while 74% will move at least 5% of their previously on-site workforce to permanently remote positions. Overall, the Gartner survey showed that 48% of employees will likely work remotely at least part of the time after COVID-19.

Remote working did not start with COVID-19, but the pandemic has greatly accelerated the trend and has caused business leaders to rethink how and where work should be performed. Companies have already responded to the immediate crisis of enabling large segments of their workforce to work remotely. Moving forward, CIOs will need to develop long-term strategies for supporting a workforce that includes a much higher percentage of employees working from home on either a part-time or full-time basis. These strategies will need to address end user devices, network connectivity, security, and collaboration tools as well help desk
and field support services. Companies who have outsourced end user computing services will need to update their outsourcing agreements to reflect the impact of these changes on supplier delivery solutions, staffing, performance requirements and pricing.

We reached out to John Dubois, Vice President of NTT DATA Services’ Digital Operations Portfolio, Dan Chalk, Global Lead for NTT DATA Services’ Portfolio Operations, and Maria Pardee, Senior Vice President and General Manager for Workplace & Mobility at DXC Technology, to gain their insights into the impact of remote working on end user computing solutions and services. Both NTT DATA Services and DXC are leading providers of digital workplace solutions and services to companies worldwide.

Technology Impacts

Remote working arrangements will impact the technology solutions for end user computing in a variety of ways and may require significant investments in new or upgraded technologies. “We are seeing many businesses focus on ways to effectively industrialize remote working for all employees where flexibility and mobility are key,” Pardee says. “In the ‘new normal,’ workplaces now include hundreds or even thousands of ‘at home’ offices, all of which must be supported, scaled and secured.”

End User Devices – Many employees will need to be provisioned with new or upgraded devices to support work from home. For example, upgrades or refreshes of older devices may be required to enable hardening of the devices to reduce vulnerability to attack and protect data. “The hardened network environment within an office enables these dated devices to leverage more resources to actually do work versus protect,” Dubois and Chalk note. “Many of these devices might be incapable of traditional hardening typically required on a public internet connection.”

Virtual Desktop Infrastructure (VDI) and other virtualization capabilities are options that CIOs may want to explore to separate processing and data from remote working challenges. However, Dubois and Chalk note that moving users to virtualized capabilities has never been a “cost savings play” and remains a “complex task,” particularly where users leverage a number of proprietary or customized (i.e. non-COTS) applications. Knowledge workers tend to be more difficult to move to VDI than process workers.

Network Connectivity – In the short-term, many companies have scaled existing network solutions (e.g., VPN) with limited architectural redesign to meet demand, but these solutions may not be cost effective and secure long-term solutions. Dubois and Chalk expect that, in view of the “critical operating symbiosis between network and compute/data resources” and the expense and relative permanence of network design, most companies “will not likely take major steps on redesign until they better understand their 18-month business/IT support strategy.”

Security – Security solutions for remote working will be critical in protecting companies against the risk of security breaches that could expose them to liability for unauthorized access to personal data or result in theft of sensitive business data and intellectual property. Dubois and Chalk note that the age, diversity
and capacity of a company’s fleet of end user devices must be considered in the assessment process and that various solutions exist to enable secure and safe management of devices regardless of platform. As part of an integrated security and device management solution, they expect a steady increase in:

- Workspace-as-a-Service, including the delivery of virtual desktops and applications to mobile devices;
- Unified Communications and Collaboration, including the integration of instant messaging, voice, web and video conferencing, desktop and data sharing, call control and speech recognition;
- Unified Endpoint Management, including a single interface for mobile, PC and other devices; and
- Omni-channel User Support, including call, chat, email, web and virtual agent support.

**Collaboration Tools** – As most of us have experienced during the lockdowns, there has been a tremendous increase in the use of video conferencing and collaboration tools such as Zoom, WebEx and MS Teams. Dubois and Chalk observe that due to the pervasiveness of Microsoft tooling, “more full adoption of Teams and Office 365 seems unavoidable.”

DXC’s Pardee notes that some collaboration and communication tools were made available for free on a short-term basis and that as “temporary access to these applications starts to expire, companies will need to address licensing agreements, entitlements and how to scale and secure applications across the workforce.” Asset management policies and procedures should be in place to manage these licenses/subscriptions and control costs.

**End User Support Impacts**

Remote working arrangements will impact help desk and field services support for end users from a solution, staffing, performance and pricing perspective.

**Help Desk** – The lockdowns had the immediate effect of causing major spikes in help desk call volumes as users struggled with network connectivity and other issues in adapting to their new work-at-home environments. “As businesses shifted to a remote workplace model nearly overnight as a response to the COVID-19 crisis, employee demand for IT help desk services initially increased by 30 to 40 percent,” Pardee points out. “Few companies were prepared to handle such a significant and sudden increase in volume. Companies found themselves needing to shift quickly from onsite or location-based services to digital support services, including automation, video conferencing and remote expert services.”

While call volumes will subside and stabilize over time, the increase in remote working will likely lead to more lasting changes in call distribution patterns, the mix of incidents/service requests handled by the help desk, average handle times (AHT), supported technologies, and help desk channels (e.g., phone, chat, web, email) used by employees. These changes will impact help desk staffing and associated costs.
These changes may also accelerate the trend toward adoption of chat bots, virtual agents and other automation and artificial intelligence tools in help desk incident resolution and service request management in order to control costs. Outsourcing vendors typically include these tools as part of their service offerings, but customer concerns about the maturity and user acceptance of these tools, and vendor reluctance to commit to user adoption rates, have often relegated them to a subsidiary role in structuring deals for outsourced help desk services. The cost savings opportunity presented by these tools is compelling, however, and we would expect many companies to move aggressively in adopting them, channeling users toward chat bots and virtual agents, and away from live agents, as the primary means of resolving incidents and responding to service requests.

**Field Services** – In an office environment, users are often accustomed to a “high touch” service that includes deskside support for hardware break/fix and IMACs (i.e. installs, moves, adds and changes), as well as software issues that cannot be resolved by the help desk. The high touch model is not designed for a remote workforce. As a result, companies will need to build higher levels of replacement inventory and use a depot service model for hardware break/fix and IMACs, together with remote management tools.

**Outsourcing Agreement Impacts**

For companies that have outsourced end user computing services, outsourcing agreements will need to be updated to address the changes described above.

**Delivery Solutions** – Updates to service delivery solutions may be required to address how the vendor will support a much larger remote workforce. This may include changes to the devices and technologies supported by the vendor; changes to the imaging and provisioning of end user devices; changes to end user computing security; adoption of chat bots, virtual agents and other automation tools; and changes to hardware break/fix and IMAC processes. Dubois and Chalk note that NTT DATA has shifted from “single geography solutions to leverage multiple regions for overflow and temporary internet challenges” to help manage workload spikes. Updates to the service delivery solution should be captured in a “Solution Description” document and made part of the outsourcing agreement.

**Staffing** – Vendor staffing for help desk and field services will need to be revisited in light of solution changes as well as remote work impacts on incident/service request volumes, call distribution patterns, AHT and the like. Outsourcing vendors should be transparent in sharing the output of their workforce management tools on staffing levels and staffing mix to assist the customer in evaluating the proposed adjustments.

**Performance Requirements** – End user computing service levels drive staffing and associated cost. For example, faster help desk answer times require higher staffing levels and thus entail higher cost. In modifying delivery solutions and staffing to address remote working, customers should carefully weigh
the trade-offs between performance and price to achieve the optimal balance in light of their business objectives and the financial impact of the pandemic on their business.

**Pricing** – Changes to service delivery solutions, staffing and service levels will impact the pricing of end user computing services. Customers should model the impact of various delivery solutions, staffing levels and service levels on vendor pricing. Customers should also review personnel and other rates on which the pricing is based to ensure they are market competitive and, depending on where the customer is in the contract life cycle, consider going to market with an RFP.

As employers look to reduce their real estate footprint, address health and safety concerns, and provide employees with flexibility in the wake of COVID-19, we are likely to see a significant and sustained increase in remote working arrangements. This increase will have a major impact on end user computing solutions and services and may require extensive modifications to existing outsourcing agreements. Experienced sourcing advisers can assist companies in addressing this impact and evaluating, negotiating and documenting changes to their outsourcing agreement to account for remote working arrangements.

For more information, please reach out to your regular Pillsbury contact or the authors of this Client Alert.

_Pillsbury’s experienced multidisciplinary COVID-19 Task Force is closely monitoring the global threat of COVID-19 and providing real-time advice across industry sectors, drawing on the firm’s capabilities in crisis management, employment law, insurance recovery, real estate, supply chain management, cybersecurity, corporate and contracts law and other areas to provide critical guidance to clients in an urgent and quickly evolving situation. For more thought leadership on this rapidly developing topic, please visit our [COVID-19 (Coronavirus) Resource Center](https://www.pillsburylaw.com/en/coronavirus-resource-center)._

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