

Global Survey of Collaboration in the Enterprise

June 2010

Executive Summary

While collaboration and the technologies that support connecting employees, customers and partners globally have grown in ubiquity and importance in achieving business results, perceptions around collaboration in the enterprise do not always measure up to business realities. And more importantly, priorities around technology adoption differ dramatically from C-level executives to IT department staff.

A recent global survey of attitudes and adoption of collaboration technologies show that companies perceive clear value from employee collaboration services and software. However, while there are perceived and real business benefits, executives and IT decision-makers also recognize some specific challenges with collaboration.

An independent market research firm, Kelton Research, conducted a large-scale survey of 538 C-level executives, IT decision-makers and business unit leaders on their views, attitudes and adoption of collaboration and communications strategies and supporting technologies in February 2010. The global survey was commissioned by Avanade.

The following findings document outlines some of these key trends, defined by results of the global survey, about collaboration and general technology adoption.

Collaboration: Benefits and Challenges

These survey findings and industry trends show how collaboration is impacting both culture and technology adoption in the enterprise.

The benefits of collaboration in the workplace are well documented. Some Fortune 500 companies quantify cost savings that video conferencing systems create by reducing travel. Small start-ups forego phone systems for document sharing sites and wikis. Key data that supports this is:

- More than eighty percent of executives surveyed believe that enterprise-wide collaboration is the key to success.
- Thirty percent of respondents feel that communications and collaboration tools have made it easier to work with others over the past five years.
- Seventy-five percent of companies surveyed plan to increase the use of communications and collaboration tools in the next year.



While companies perceive benefits and see some collaboration software and services as essential, a majority of respondents are also wary of new cultural issues created by collaboration in the workplace.

This indicates that companies need to address specific success factors in developing a collaboration strategy. Before companies consider collaboration as a solution to meeting business objectives, they need to understand its use within the context of the business, because collaboration involves people

What's Critical for Collaboration?

More than 90 percent of companies say that e-mail is essential for their business interactions. In addition to e-mail, the following technologies were called "essential" by more than half of companies:

- Phone calls (89 percent)
- Shared drive for saving documents (74 percent)
- Corporate portals, Intranets and online team sites (62 percent)
- Conference calls (57 percent)

and technology. In short, businesses need to determine what they want to solve—before they discuss the features or functions.

The survey showed that employees may, in fact, be passing on responsibilities over certain tasks because of readily available collaboration options. More than one in three respondents agree that people problem-solve less on their own today and instead rely on collaboration to ask other people for help or offload work. In the U.S., that number jumps even higher to more than half of respondents – 54 percent.

However, it is very important to note that this decline in individual problem-solving may be viewed as a positive result of workload sharing and better decision making in today's enterprise.

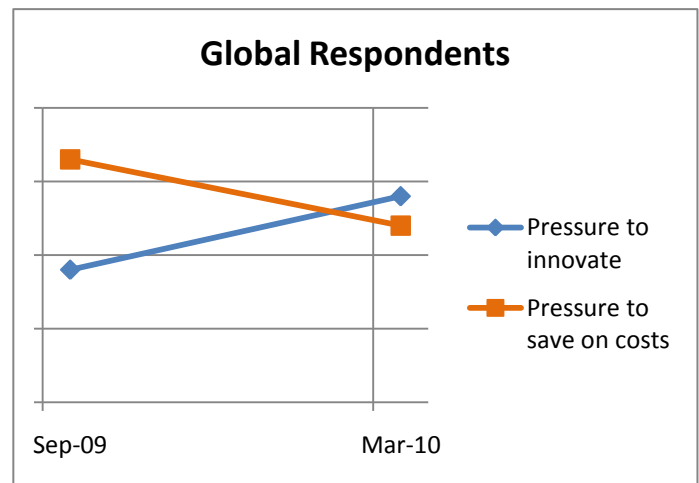
Although the survey results indicate an increase in the rate of collaboration technology adoption, some employees still claim to dread the act of collaborating with colleagues, especially across different employee levels and company departments.

Although a minority, one in four executives and IT decision-makers dread collaboration because of the amount of time it can waste. Avanade believes more work needs to be done by some companies to facilitate efficient collaboration.

Interestingly, employees at small companies (fewer than 1,000 employees) are twice as likely (12 percent vs. 6 percent) to report that collaboration slows down work as their counterparts at larger companies (1,000 employees or more). And C-Level executives amplify the attitude that collaboration slows work, by a three-to-one ratio compared to IT decision-makers and business unit leaders. Avanade believes this is due in part to smaller companies relying more on individuals – versus teams – to accomplish tasks. While large companies appear to have found many collaboration technologies that meet their needs, to a greater extent, smaller companies depend on a more specialized mix of collaboration technologies.

A Clear Shift in Priorities: Focus on Innovation

The worst recession in decades seems to be ending, according to responses from C-level executives and IT decision-makers. The data clearly shows that companies around the world are becoming more open to embracing new technologies and are actively emphasizing innovation and growth, even over cost savings. Across geographies, respondents are reporting a gradual shift away from cost savings as a top



priority, and a marked increase in pressure they feel to innovate. This shift away from costs and toward innovation is even more pronounced at the executive level. Key data supporting this trend:

- 92 percent of respondents report their company's rate of new technology adoption has remained steady or increased.
- Nearly 80 percent of respondents say that the recent economic turmoil has caused their company to become more open to new technologies.
- In our previous market survey in September 2009, only 18 percent of respondents reported current pressure to innovate. In this survey, this number has jumped to 28 percent reporting pressure to innovate – a 56 percent increase in rates of responses. In the U.S., this same pressure to innovate jumped from 15 to 31 percent (see figure above).

Return on Collaboration Investment Mandate

Two data points reveal how companies approach cost considerations for collaboration technologies. Forty-four percent say communications and collaboration technologies need to pay for themselves in the first 24 months. Interestingly, of all respondents, 42 percent do not claim to measure cost benefits, yet many name cost as a top priority.

Views from an IT Advisor

These survey findings and industry trends show how collaboration is impacting both culture and technology adoption in the enterprise. Avanade, a business technology services provider, formed the following key viewpoints from the survey findings:

1. Today's business realities force companies to radically change the way they operate on a global scale. For example, travelling to meet customers, expand markets and meet staff face-to-face can be less financially viable. Communications and collaboration tools can improve the way companies collaborate and share information faster and more seamlessly.
2. Collaboration technologies are changing the business culture, especially at smaller companies. In an age of real-time collaboration and instant expectations, meaningful collaboration can mean the difference between success and failure. And, it is fast becoming perceived as essential for business success. Reducing the delay involved in connecting, sharing, understanding and making business use of information becomes increasingly important in today's fast-paced world.
3. Historically, applications forced people to change the natural way they work in order to fit the capabilities of the application. But collaboration flips that around. In the new "my world, my way" attitude toward technology adoption, collaboration uses applications designed to fit the way people work and enables them to be more productive. Geographically dispersed organizations need to foster innovation while being efficient. They must move into markets faster than the competition. Systems that help people do their job make people more positive, more efficient and more productive.
4. Collaboration technologies link people together in ways that changes the way people work. It also changes the way they think about how they go about their work. It's not just about access to documents and voice communication. It also involves more efficient processes using

presence, enabling people to see if someone is available and accessible for conversations across various channels.

5. Fostering a collaborative corporate environment also reinforces and amplifies behaviors that improve employee morale. The millennial generation – those born between 1980 and 1998– expects to use many of the same communications and collaboration tools that they use in their personal lives. Delivering on this expectation builds leadership and career opportunities by helping employees work together better. Ultimately, it can have a positive impact on the bottom-line and foster a ‘collective intelligence’ within the organization to solve business issues more effectively.

The industry is faced with an opportunity to more effectively weave collaboration technologies into the fabric of the workplace. The companies that foster a business culture conducive to collaboration, and identify key technologies that support this culture and drive business results, will outperform their peers in a globalized market that is increasingly dependent on knowledge-sharing.

Notes on Methodology

The *Global Survey of Collaboration in the Enterprise* was conducted by Kelton Research, an independent research firm on behalf of Avanade, between February 8 and February 25, 2010.

The 538 respondents include C-level executives (e.g. CEO, CFO, CIO, CTO), business unit leaders (GMs, heads of departments and functions, etc.) and IT decision-makers from 17 countries across North America, Europe and Asia Pacific.

Large enterprises (similar in size to companies in the FORTUNE 1000) made up the majority of respondents on a global basis. Respondents from the United States, Canada and the United Kingdom originate from the top 1 percent of the largest companies by employee headcount within their respective countries. Respondents from all other countries originate from the top 5 percent of the largest companies by employee headcount within their respective countries.

Companies surveyed span major industries, including:

- Aerospace
- Defense
- Energy
- Financial Services
- Government
- Healthcare
- Logistics
- Manufacturing
- Media
- Non-Profit
- Telecommunications
- Other