WHITEPAPER

The impact of COVID-19 and levelling up hybrid working

TalkTalk
Wholesale
Services

LEVELLING UP

HYBRID WORKING

The Covid-19 pandemic changed everything, almost overnight. TalkTalk Wholesale Services wanted to understand this, and the impact on the nation's ability to adapt to the mass shift to hybrid working.

To help, they commissioned independent consultancy Quadrangle to investigate changes in the levels of homeworking and what this meant for businesses and connectivity providers, broadly looking at:

- The experiences of businesses and their employees in recent months
- Future home connectivity needs
- Opportunities to develop new broadband-based services to help enable more effective homeworking practices

Quadrangle consulted with 35 of TalkTalk Wholesale Services Partners, and interviewed 739 business decision makers and 2,530 employees.

This short paper contains a summary of key findings and their potential implications for providers.

It looks at what has happened during 2020, examines in some detail the benefits of hybrid working and the challenges that employers and their people have faced in adapting to this new reality and finally, explores the opportunity to help customers optimise homeworking productivity and performance.

RESEARCH

FINDINGS

This is a story of untapped potential. It is clear that, thanks to Covid-19, hybrid working is here to stay. Which is no bad thing; many customers and employees alike are pointing to a range of unexpected benefits including better work/life balance and enhanced productivity.

Our findings point to significant interest among customers in investing in a range of solutions to improve employees' homeworking capability, resilience, and experience. However, concerns remain around home broadband reliability and its impact on productivity, maintaining data security, company culture and staff well-being.

Businesses are actively looking for ways to improve employees' homeworking set-ups and many are already doing so, investing in things like digital collaboration tools, IT equipment, data security and remote working software. Most are budgeting for further investment in the coming year.

There is widespread interest in purchasing a second, business-grade home broadband connection for staff, as well as in associated 'value add' services, including guarantees, flexible contracts and year-round user support.

In this environment, Partners should be well placed to equip customers for the new normal, including sales of additional lines, which they agree would be best fulfilled by an FTTP connection.

But our findings suggest it is a bigger opportunity than many think, with only slightly more than half currently promoting business-grade lines to their customers and a gap between how enthusiastic customers are about the benefits of this vs. what Partners think they would value.

2,530

EMPLOYEES

35 PARTNERS
739 BUSINESS DECISION MAKERS
CONSULTED BY QUADRANGLE

HYBRID WORKING

IS HERE TO STAY

For years, we have been hearing about a predicted rise in hybrid working, bringing with it the promise of flexible working practices and a more diverse workforce.

But until March 2020, and the national lockdown resulting from the Covid-19 pandemic, homeworking in the UK has remained very much the exception rather than the rule, driven largely by sector and status within an organisation.

Before lockdown, around three in four employees worked from home less than once a week[1].

Those working in tertiary sectors like IT or Business consulting and Management were more likely to work from home, but in general very few employees worked from home with any regularity. Barely one in seven (13%) claimed to work from home more than three days per week.

Fast forward a mere six months
The homeworking experience has been a positive one for many; 85% of employees say their work/life balance has either improved or stayed the same in the last three months[2].

In fact, the signs are that Covid-19 has forced significant and potentially permanent changes, triggering more than just a temporary shift in behaviours.

Across sectors, employees expect to spend a significant amount of their working time based at home in the future, with three in ten (30%) expecting to work from home at least four days per week, rising to half amongst IT workers (49%) and two in five who work in Business consulting (38%) and the Public sector (38%)[3].

Employers are also on board
Employees see a future in which they can achieve a positive balance of office and home working. The shift to a hybrid work model is nothing new, but a trend that has been building with the advancement of technology.

Covid-19 has simply acted as the flashpoint, accelerating the timeline.

Overall, two thirds expect there to be a permanent shift in working practices towards hybrid working[4];

- 31% expect that in future people will split their time between home and place of work equally
- A further 25% think we will work from home most of the time
- Another 10% think we will work from home full-time i.e. not come into work at all, increasing to 28% among the smallest employers (with 1-9 staff)

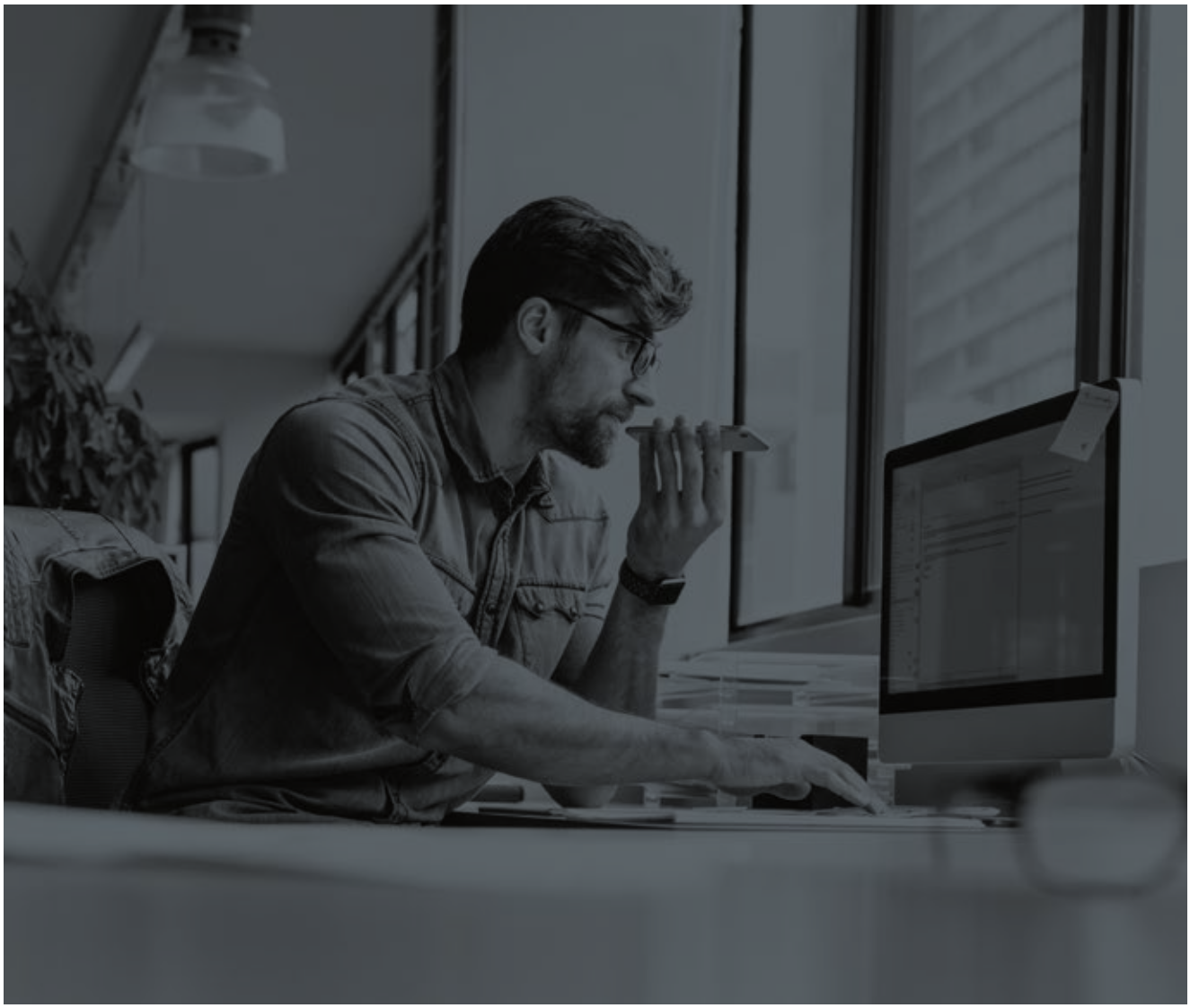
Given this, it's not surprising that they are actively making plans for this 'new normal';

- More than half (53%) are thinking about downsizing their main place of work in response to the rise of homeworking, which increases to 61% amongst businesses with more than 20 employees[5]

85%

EMPLOYEES

CONFIRMS WORK/LIFE BALANCE STAYED THE SAME OR IMPROVED IN THE LAST 3 MONTHS



30%

EXPECT

TO WORK FROM HOME AT LEAST 4 DAYS AND 49% OF IT WORKERS 5 DAYS A WEEK

Public sector, Healthcare and Professional services sectors are leading the charge
A staggering 93% of senior managers in Public sector businesses say they expect to see a shift in working practices towards more homeworking in the future; a view shared by three quarters of Healthcare businesses (77%) and two thirds of Professional services business (65%)[6].

Partners agree the sands are shifting to hybrid working
Most Partners we spoke to are predicting a hybrid of working from home and the workplace in the future: only one in five think working patterns will go back to the way things were[6].

"I think the whole working environment will change... I think people will be working at home and then have face- to-face meetings in groups once or twice a month.

But it depends on the nature of the business – do we need to all be travelling around the country to go to one hour meetings? It's very early days, but businesses are looking to lower expenses so working from home will be the way to go." Partner

BROADBAND

HAS NEVER MATTERED MORE

One thing that 2020 has taught us is that the importance of home broadband has never been greater. Most business customers recognise this, with three quarters (73%) agreeing that fast, reliable home broadband is key to employee productivity at home, something that their employees also recognise... Just under half (43%) told us they would not have been able to be productive during lockdown without a fast, reliable connection. A sizeable minority (26%) said lockdown has made them re-evaluate the importance of fast, reliable broadband.

"Internet quality is of paramount importance" SOHO, Accounting

While homeworking may now be seen as a 'good thing', it has not been without its challenges

More than one third of customers (35%) reported being concerned about information security with staff working at home. A view shared by Partners...*"I think there will be a market for Homeworking solutions but it depends on the security because some businesses might want to have a certain router to have the extra security they need".* Partner, Communications

Other specific areas where home broadband performance is not meeting customers' or employees' needs include:

- Storing/accessing data securely
- Sending large files
- Downloading documents/files
- Accessing company intranet/remote desktop
- Working in shared documents

The impact on culture is another big concern:

- Half (52%) are worried about maintaining 'vibe'
- A similar proportion (57%) think it could be difficult to train/hire new staff in future
- A quarter (26%) are worried about internal communication
- And one in five (22%) are specifically concerned about staff wellbeing

Partners are hearing very similar things for their clients... *"I understand that employees miss the social element of the office but working from home can be tricky for people with kids...it seems to make a big difference if people have their own space for work"* Partner, IT

Employees acknowledge their home broadband is holding them back

More than half talk about broadband 'cutting out' (52%), or being 'slow' (50%). Those who live with others, where there is more demand on household broadband connections, are typically the most frustrated. Of these;

- 17% report slow speeds in certain areas of the house which are the furthest from the router
- 13% say there are 'dead zones' in their home where they have no signal
- 12% say the connection is slow when more than one device is connected or when other people are using the internet
- 9% have experienced unexpected signal drop out even when near the router

In total, just under a third of all homeworkers (29%) say they experience some kind of issue with their broadband most of the time they are working at home. But the problem is amplified for those with download speeds of less than 30 Mbps, with exactly half (50%) of this group reporting problems with their broadband most of the time they are homeworking.

And it is no wonder customers are worried about staff well-being; home broadband unreliability is taking an emotional toll - 43% of homeworkers feel frustrated, 17% feel anxious and 15% feel angry or helpless.

73%

AGREE

FAST AND RELIABLE HOME BROADBAND IS KEY TO PRODUCTIVITY AT HOME

THE UPGRADE OPPORTUNITY

AND HOW TO SELL IT TO CUSTOMERS

The combination of a mass shift towards hybrid working, and the limitations of home broadband for large numbers of employees, is creating a major opportunity for Partners to provide additional services and support to customers, around three quarters of whom (76%) told us they had already invested in some way to enable staff to work from home.

Unsurprisingly, larger employers (with at least 50 employees) are far more likely to have invested already and planning to make future investments.

So far, customers have mainly been investing in digital collaboration tools e.g. Teams, Zoom etc. (39%), IT equipment (38%), data security (32%), remote working software (32%), cloud computing/storage (26%) and connectivity (20%). But seven in ten businesses (71%) told us they intend to invest further in the next twelve months to help their staff work from home.

- Specifically, one in five (22%) are looking to invest in connectivity, rising to over a third (36%) amongst the largest employers (those with 500+ staff)
- 35% are intending to invest in IT equipment, 30% in data security and a similar proportion (25%) are looking at remote working software

71%

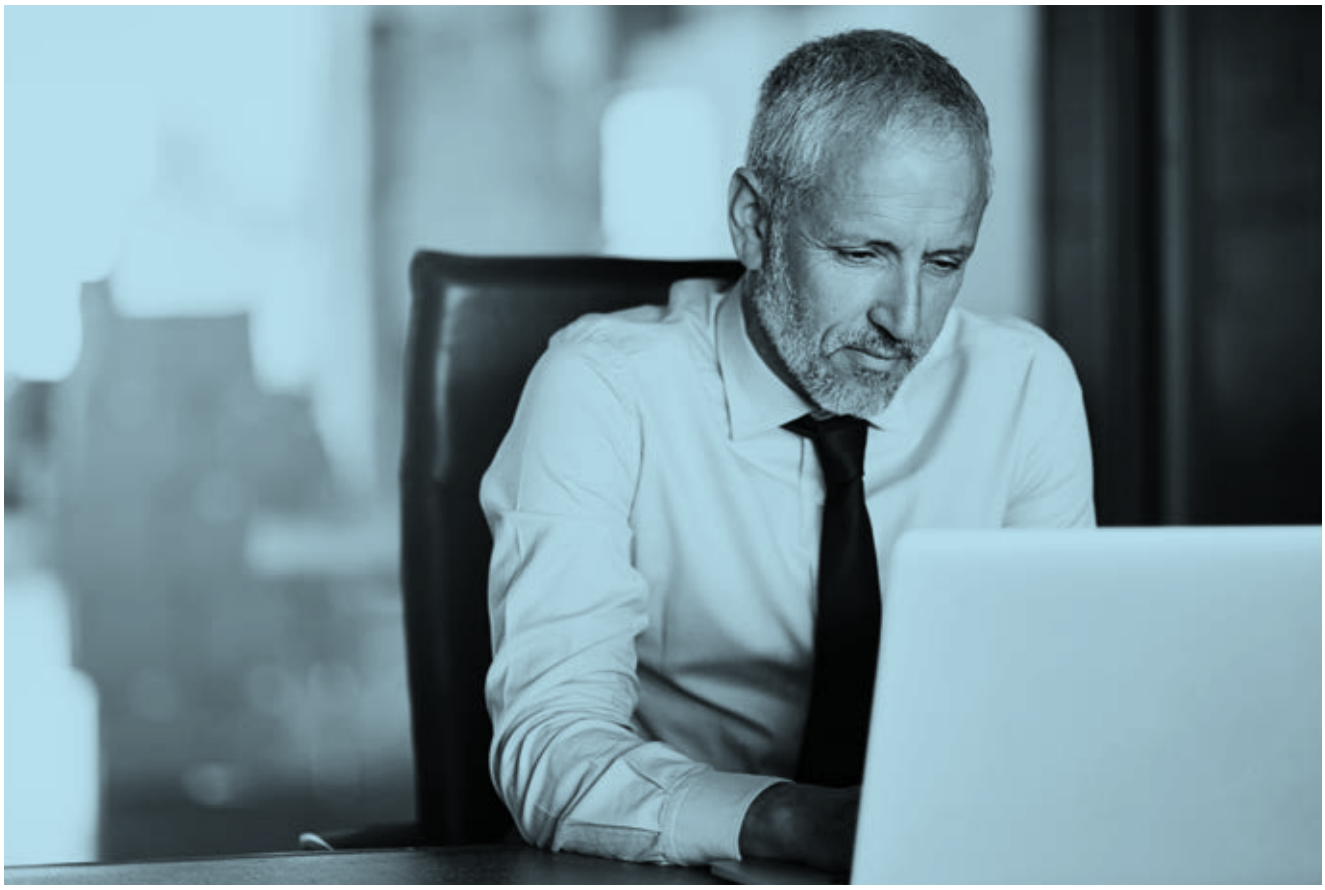
OF BUSINESSES

TOLD US THEY INTEND TO INVEST FURTHER IN THE NEXT 12 MONTHS TO HELP THEIR STAFF WORK FROM HOME

76%

TOLD US

THEY HAD ALREADY INVESTED IN SOME WAY TO ENABLE STAFF WORK FROM HOME



A key insight is that a majority (60%) of Partners believe it is their responsibility to pay for reliable home broadband if they expect staff to work from home
Partners agree...

"[If you want] to affect collaboration and efficient home working, strong and stable internet connectivity is required and companies should enable their workforces to achieve this."

"People are their biggest asset and they need the tools. Extra investment is the duty of every responsible employer."

"You can't have your video conference teams calls affected by the kids video gaming...strong and stable internet connectivity is required and companies should enable their workforces to achieve this."

Eight in ten Partners told us they are actively considering paying for business grade broadband to employees' homes.

Moreover, exactly half of all customers said they would actually be likely to buy, with potential to upsell particularly strong amongst larger businesses; two thirds of those with over 250 employees (66%) said they would be likely to purchase such a product, in comparison to just over one in four customers (26%) with 1-9 employees.

8 IN 10

PARTNERS

TOLD US THEY ARE ACTIVELY CONSIDERING PAYING FOR BUSINESS GRADE BROADBAND TO EMPLOYEES' HOMES

Demand for value-added services, including delivery and installation guarantees, premium support, and flexible contracts, is also high

Three quarters of customers (74%) expressed interest in the availability of 'UK support available 365 days a year', while 'Simple installation handled via your IT team', and 'Advanced Security Options' was also popular.

The benefits of investing in business-grade home broadband are very clear to customers; over seven in ten of whom mentioned better upload speeds (75%), greater productivity (72%), and business grade support (71%).

Enhanced video calling is also a highly appealing benefit (68% agreed).

Partners are also increasingly aware of the key benefits for their clients.

- Just under half (46%) thought 'Dedicated direct business grade support' would appeal to clients and better productivity was a key selling point for 43%
- 54% thought enhanced video calling would be an attractive selling point and 49% cited better upload speeds

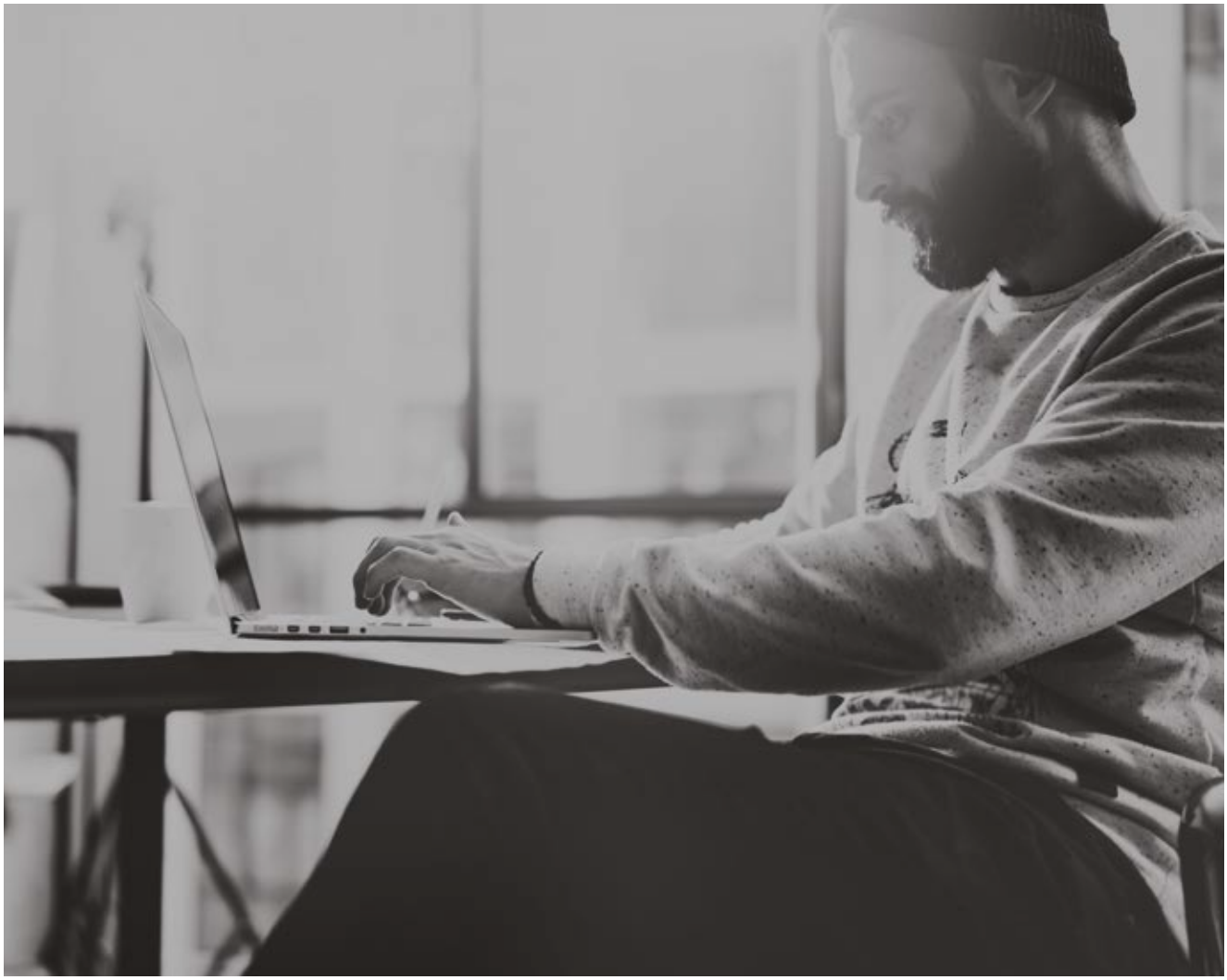
75%

MENTION

BETTER UPLOAD SPEEDS

72% MENTION GREATER PRODUCTIVITY

71% MENTION BUSINESS GRADE SUPPORT



FTTP is the obvious choice to support the move to hybrid working

Three in four Partners would choose FTTP to sell as a business grade product. Its ability to provide connectivity confidence (giving employers confidence that staff will be able to work effectively at any time) is a key reason but others include: enhanced video calling, better upload speeds and greater productivity (through faster speeds and enhanced reliability).

It is an opportunity Partners are starting to exploit; around half (55%) said they would be likely, or very likely to sell an additional line connectivity product to their customers, despite being conscious of the challenges involved.

"I have questions around the initial set-up and support, that would be very important, there are so many nuances with the home set-ups that getting the configuration right is important, and it will reduce the number of service calls in the long run".

3 IN 4

PARTNERS

WOULD CHOOSE FTTP TO SELL A BUSINESS GRADE PRODUCT

The importance of adopting full fibre in a timely fashion is crucial. We are at a point of transformation and tipping point in the marketplace.

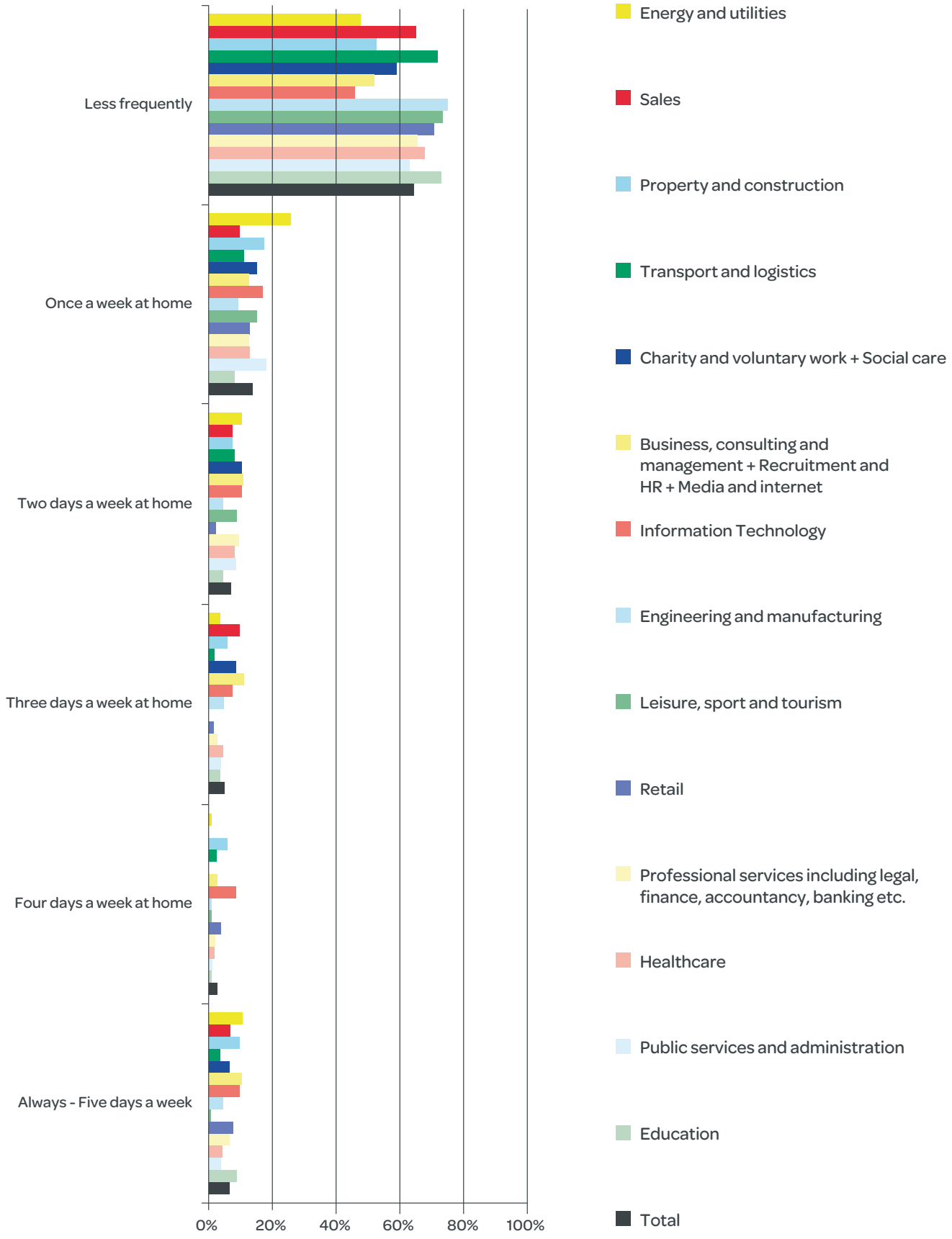
The full fibre revolution has begun and now is the time to get onboard and deliver full fibre to your customers. At TalkTalk Wholesale Services, we want to make it simple for you, our Partners, to sell full fibre to your customers and support you on this journey by giving you all of the knowledge and insights you need to succeed with our fibre for everyone programme.

What impact has the pandemic had on your working patterns? We want to hear from you.

TalkTalk
Wholesale
Services

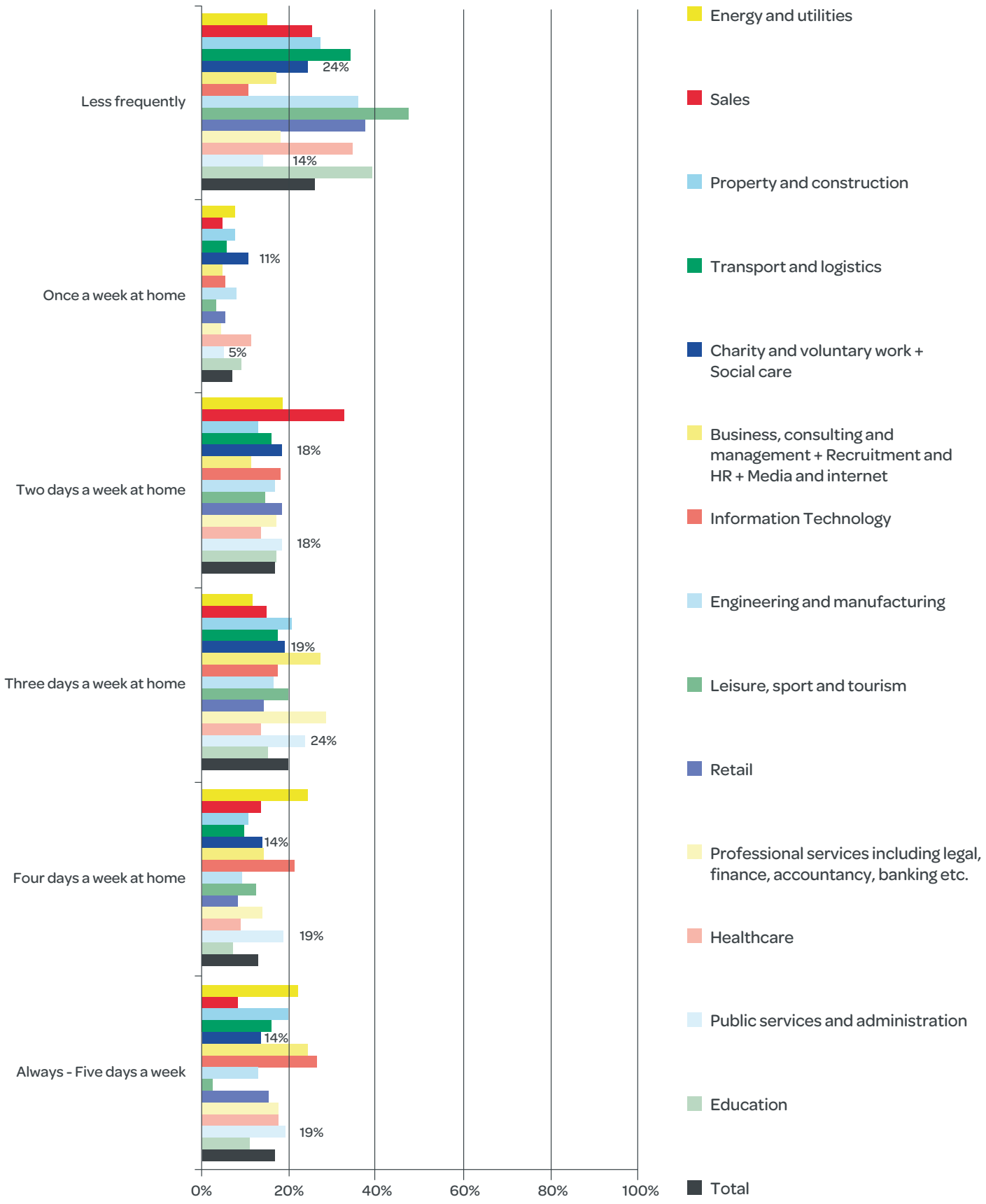
APPENDIX

[Employee data] Thinking about life before lockdown, how often did you work at home?



Base: Total n=2,689, Education n=310, Public services and administration n=277, Healthcare n=163, Professional services n=248, Retail n=138, Leisure n=41, Engineering n=189, IT n= 188, Business consulting n=174, Charity and voluntary work n=113, Transport and logistics n=105, Property and construction n=76, Sales n= 50, Energy and utilities n=42

[Employee data] And how frequently do you think you will work from home in the future, as the Covid-19 situation passes?



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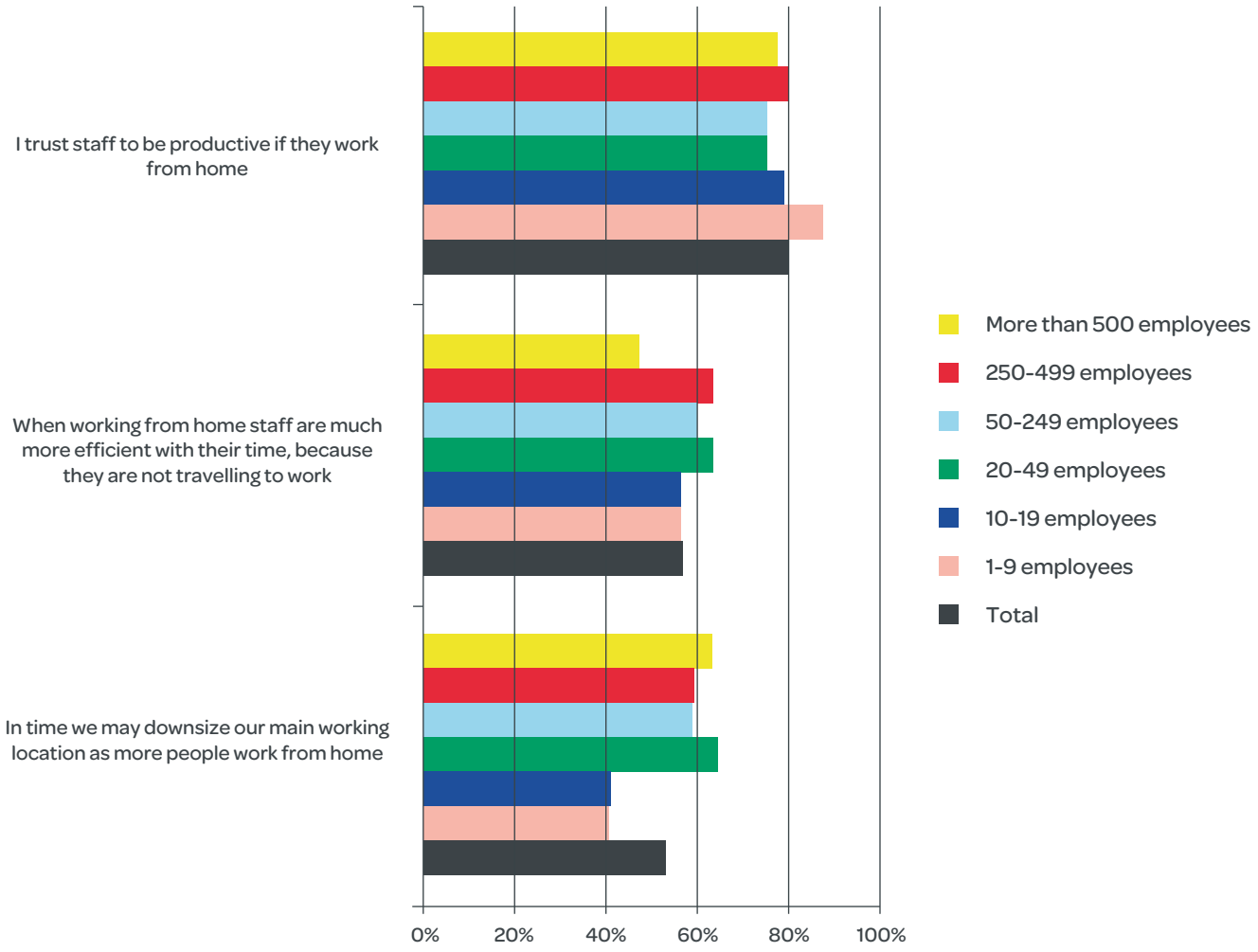
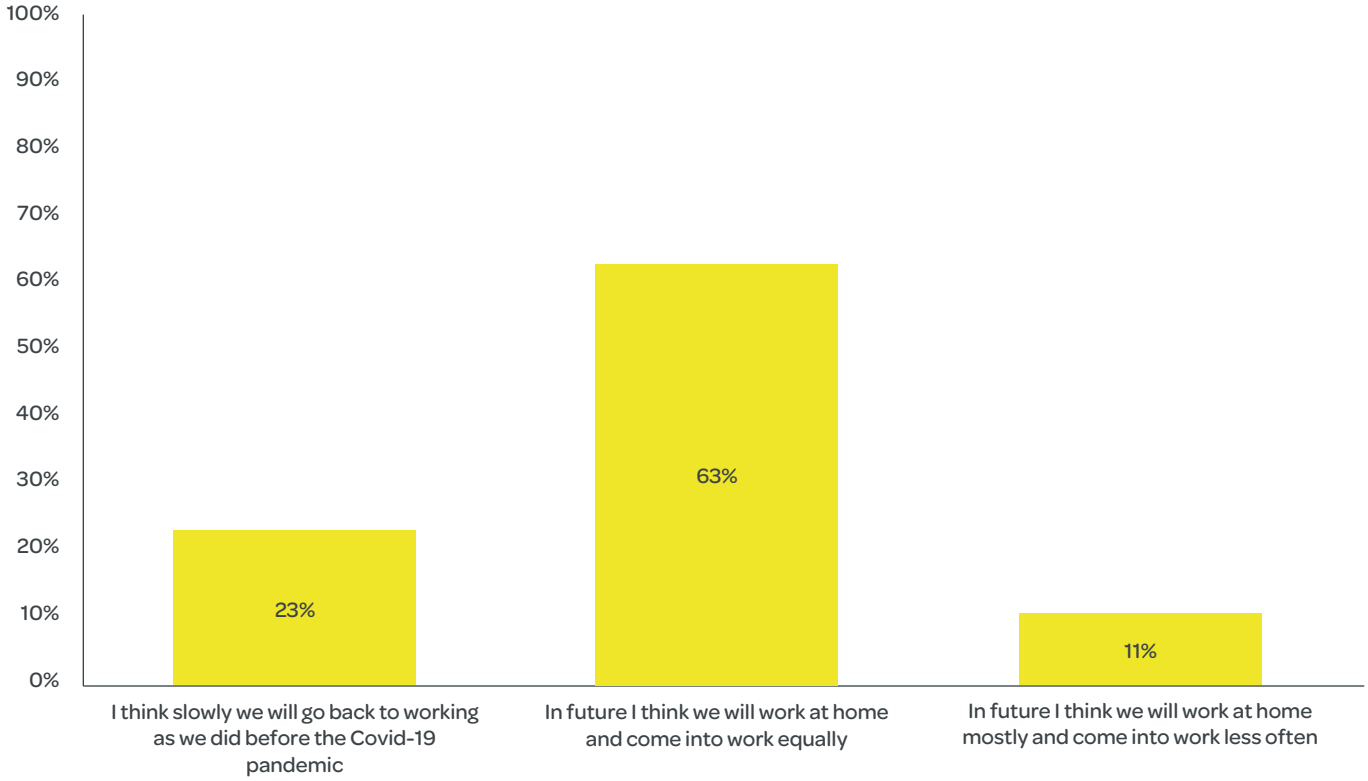
[Employer data] To what extent do you agree or disagree with the following statements? (% agree shown)



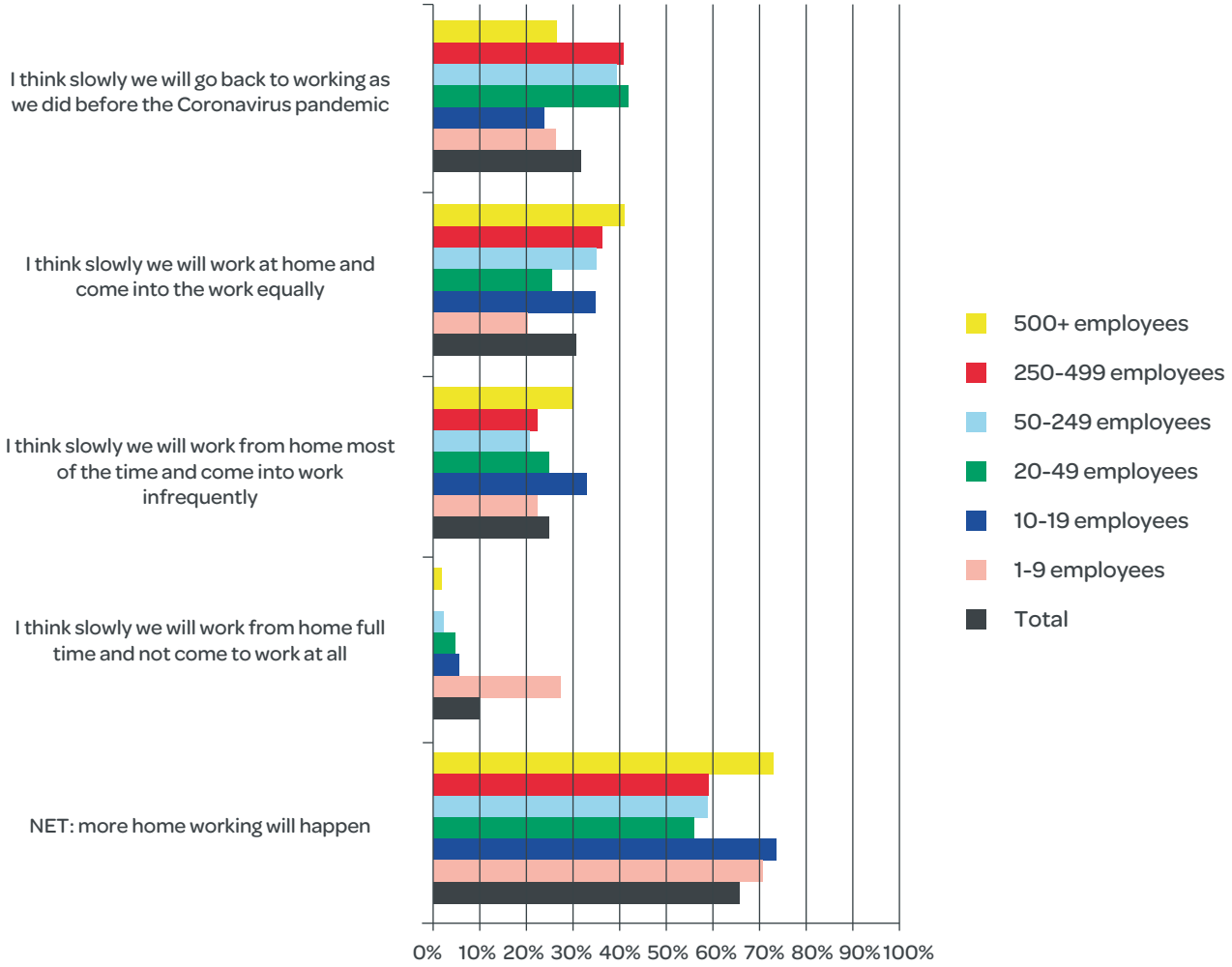
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104

[Partner data] Which of these best describes your opinion on the future of hybrid working in businesses?



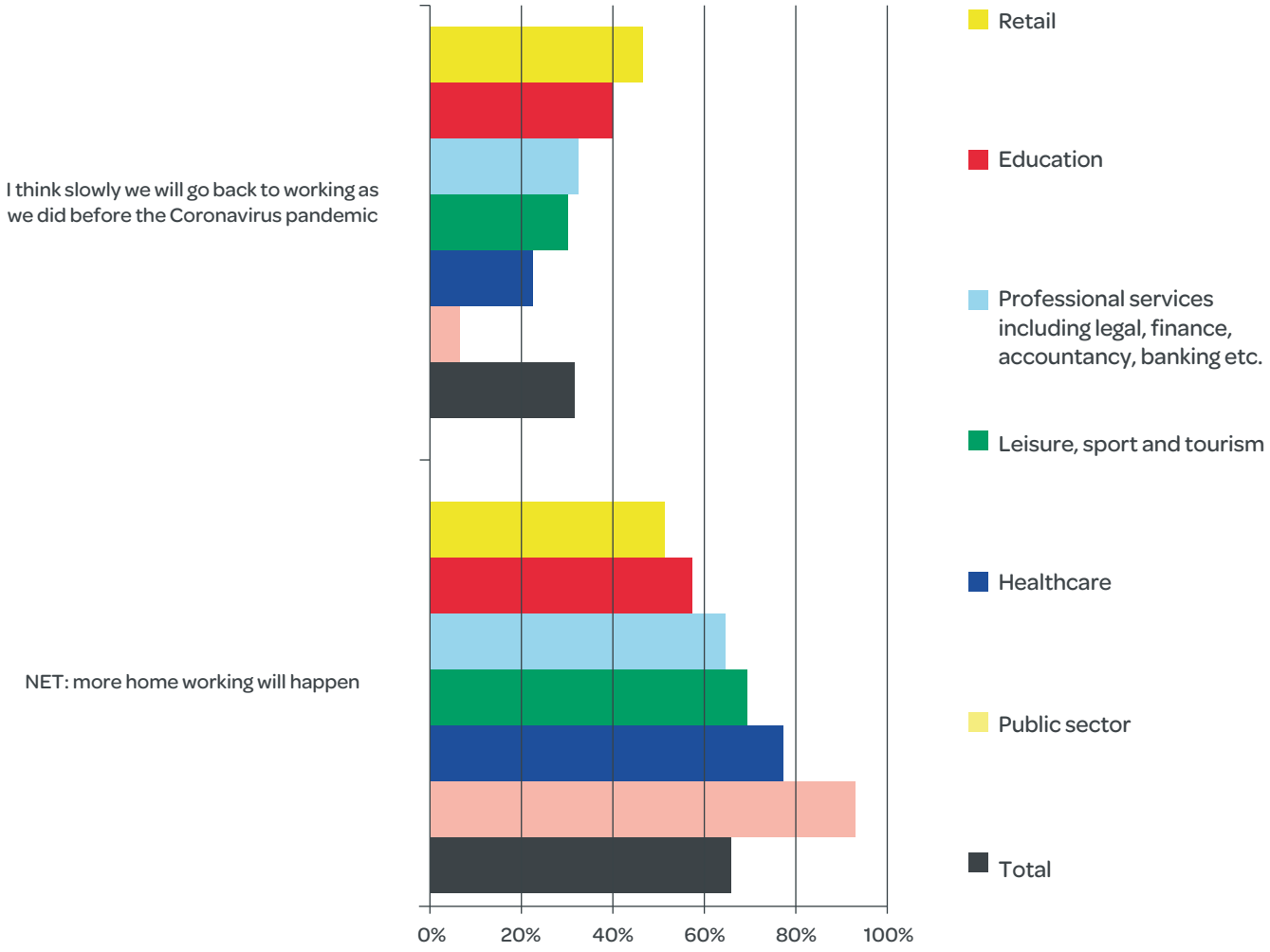
Base: Total n=35

[Employer data] Which of these statements best describes your opinion on the future of hybrid working in your business?



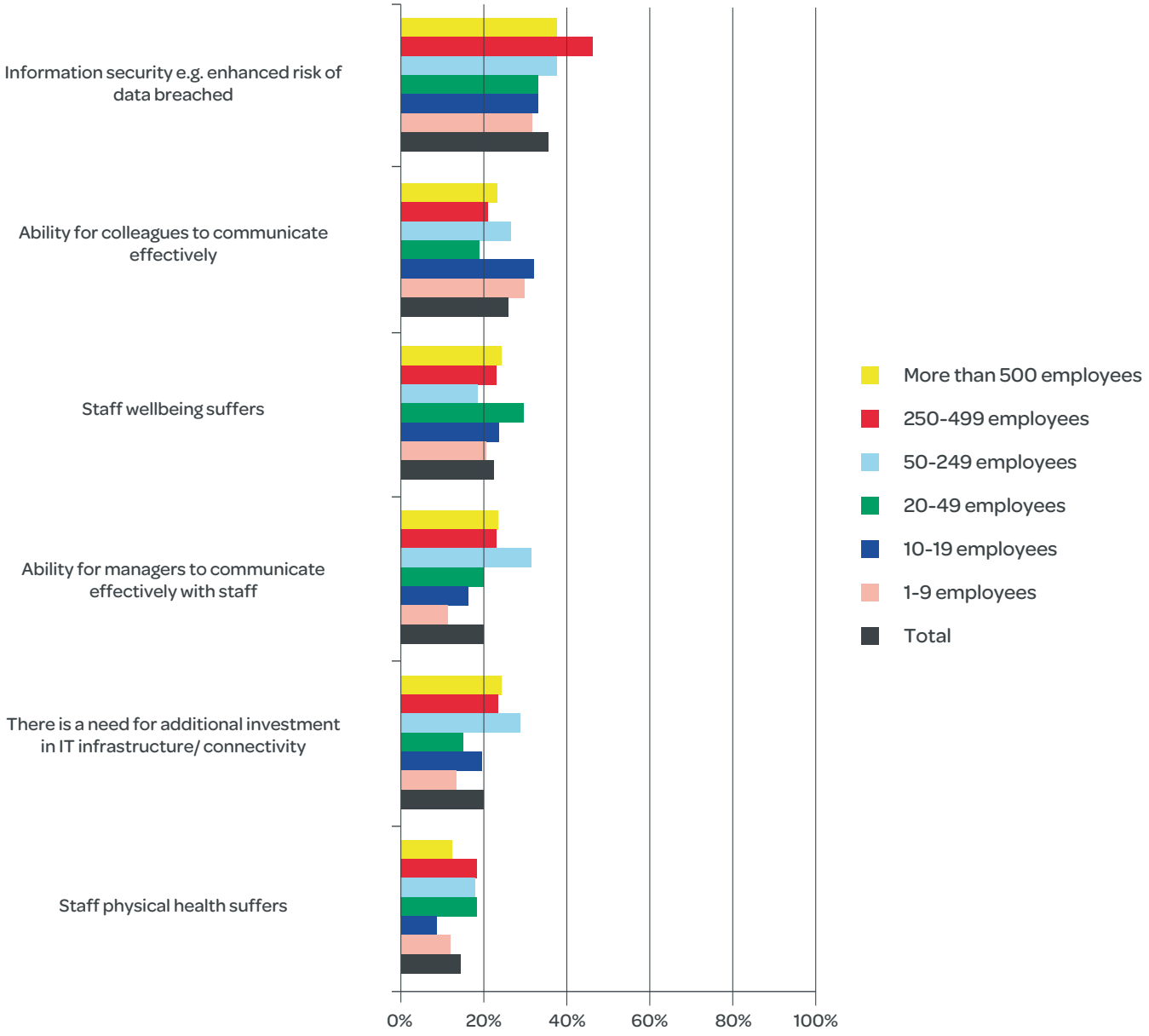
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104

[Employer data] Which of these best describes your opinion on the future of homeworking/hybrid working in your business?



Base: Total n=739, Retail n=58, Education n= 42, Professional Services n= 91, Leisure, sport and tourism n=10, Healthcare n= 28, Public sector n=42

[Employer data] Which of the following, if any, are you most concerned about, with staff working from home?



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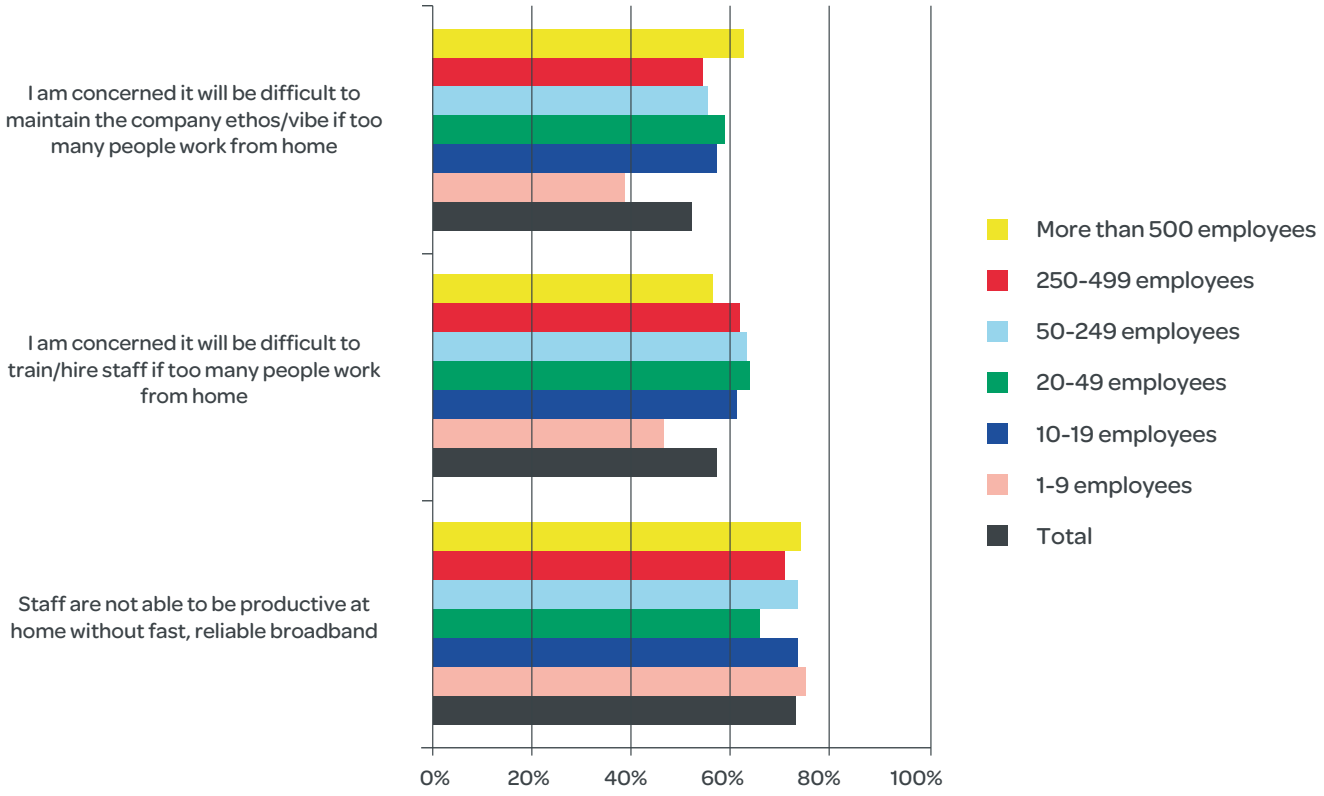
[Employer data] To what extent do you agree or disagree with the following statements? (% net agree shown)



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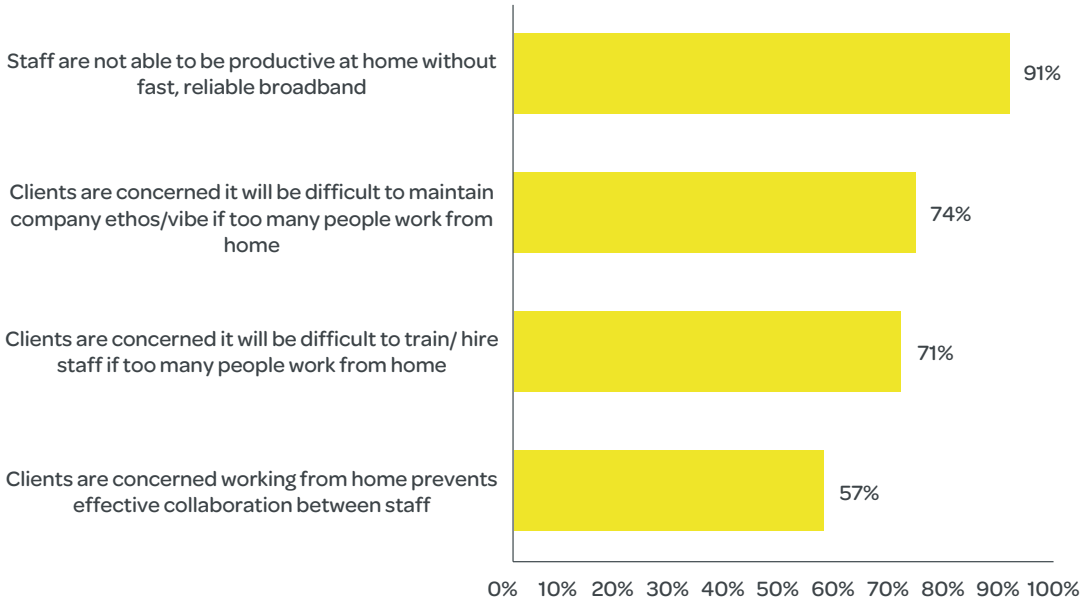
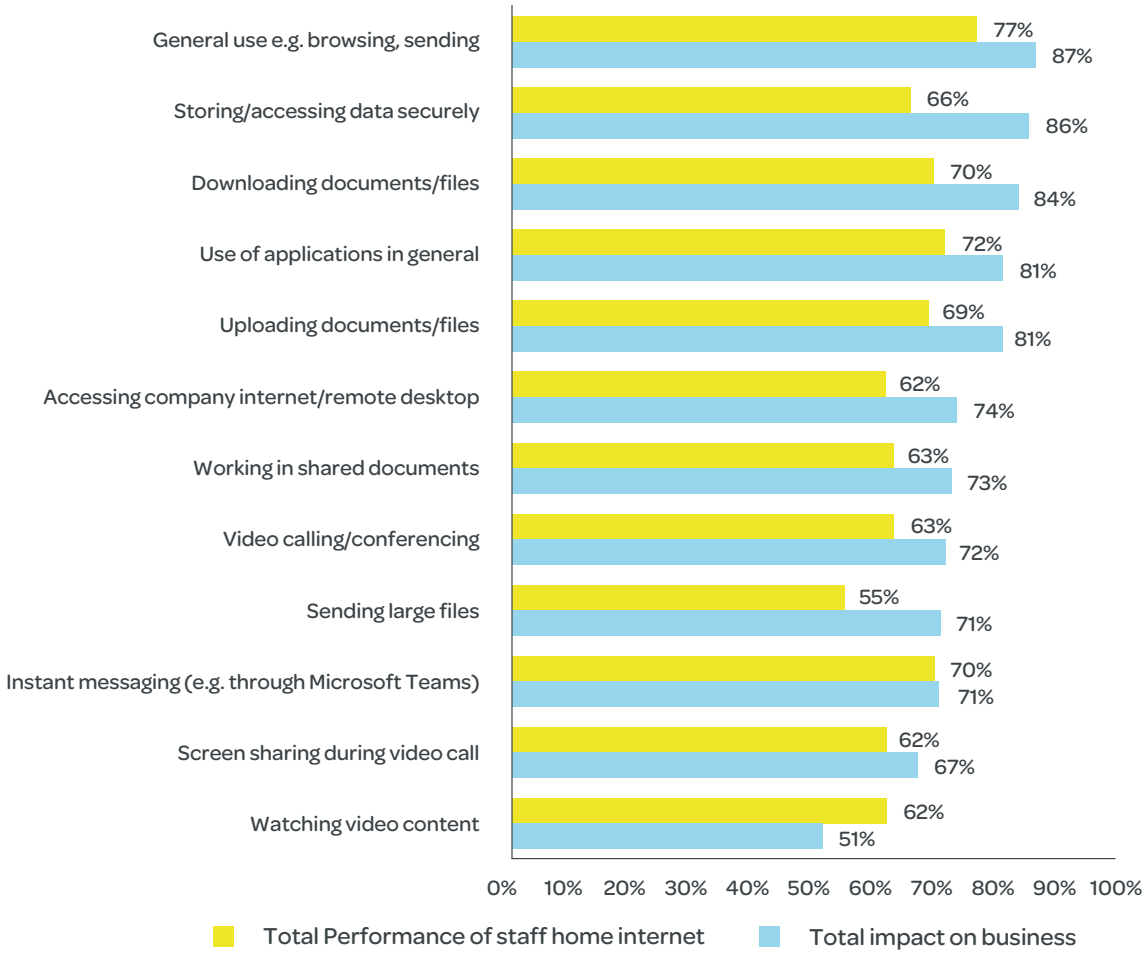
[Partner data] Which of these best describes your opinion on the future of hybrid working in businesses?



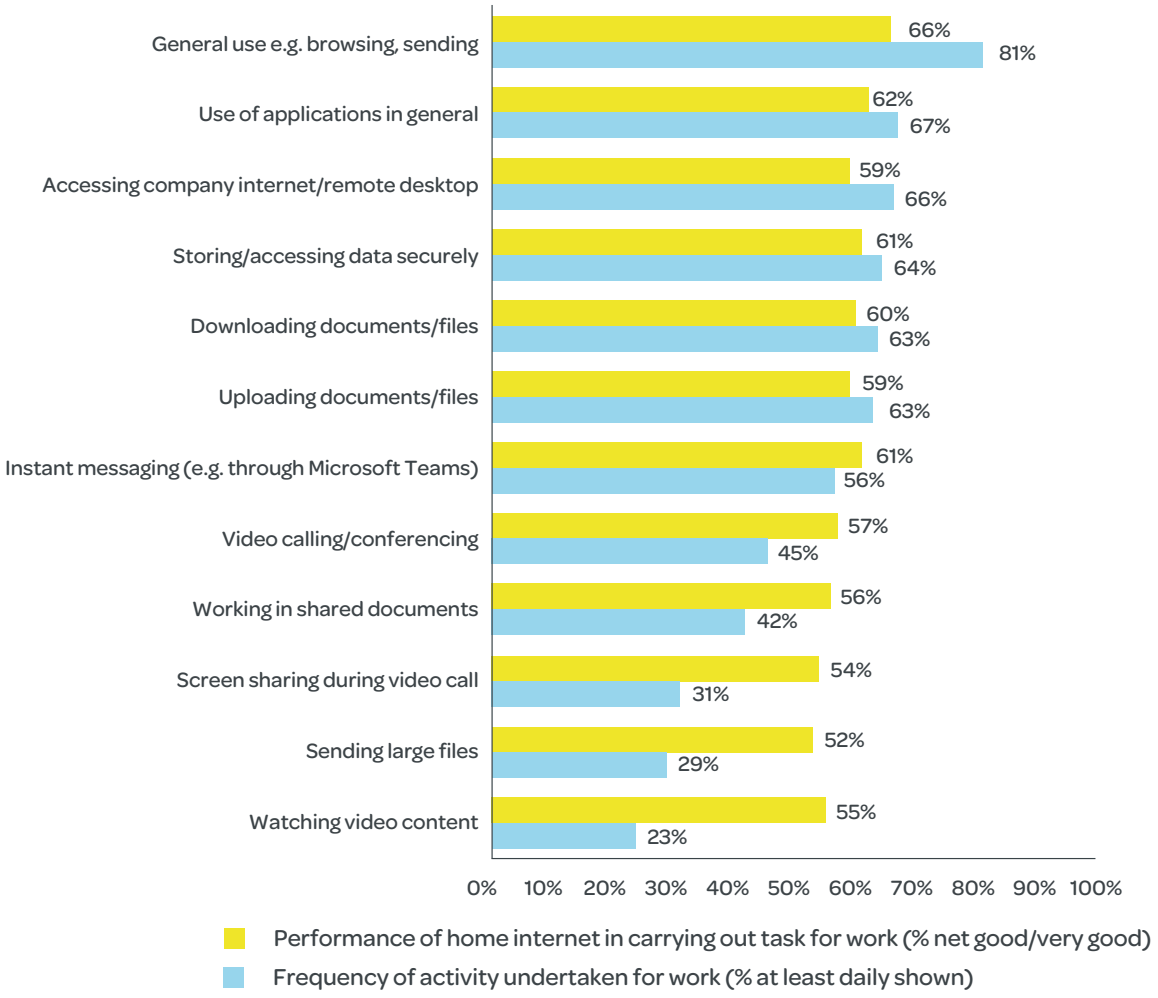
Base: Total n=35

[Employer data] How critical is the following to your business operations? (% important/extremely important)
Thinking about your experience in the last 3 months, how well would you say staff's home broadband has performed (%Good/Very good shown)



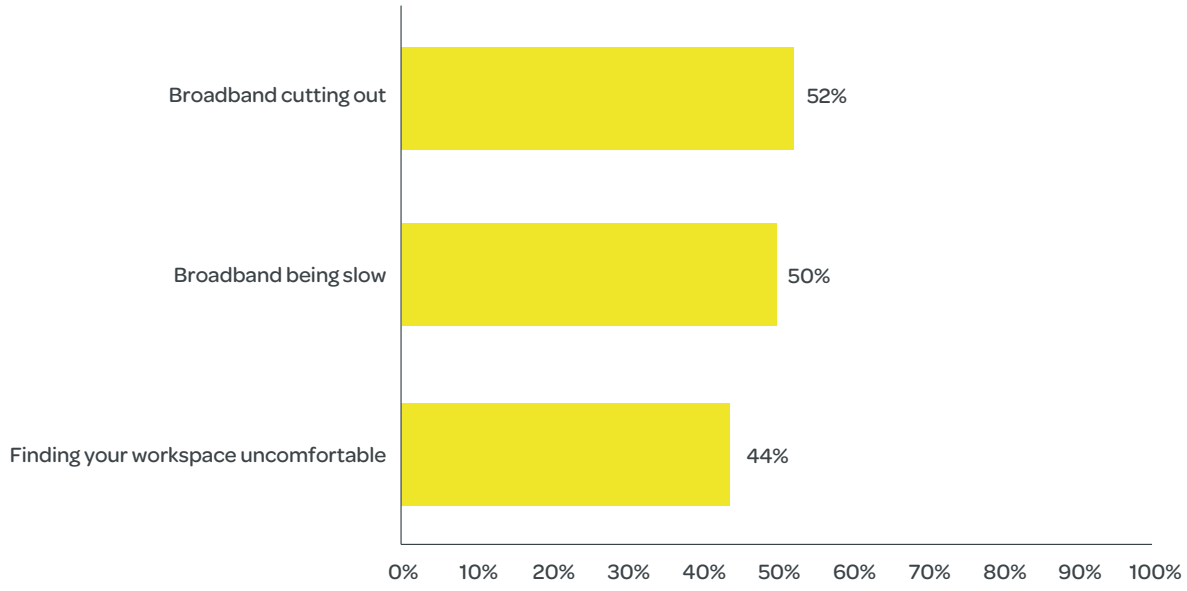
Base: Total n=739

[Employee data] Thinking about the last 3 months of working at home how often have you carried out the following broadband related activities for work? (% at least daily shown)
In the last 3 months, how would you rate the performance of your home broadband in carrying out these activities for work? (%good/very good shown)



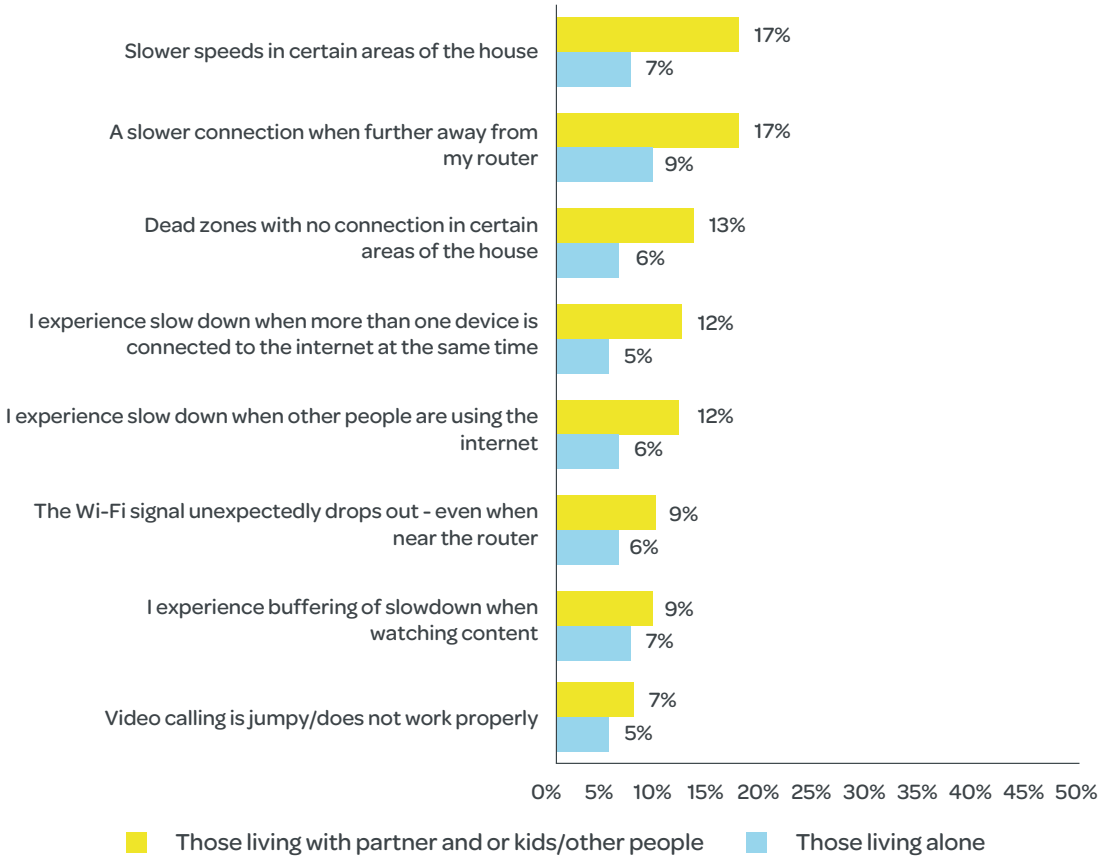
Base: Total n=2,689

[Employee data] To what extent have the following factors prevented you from working effectively?



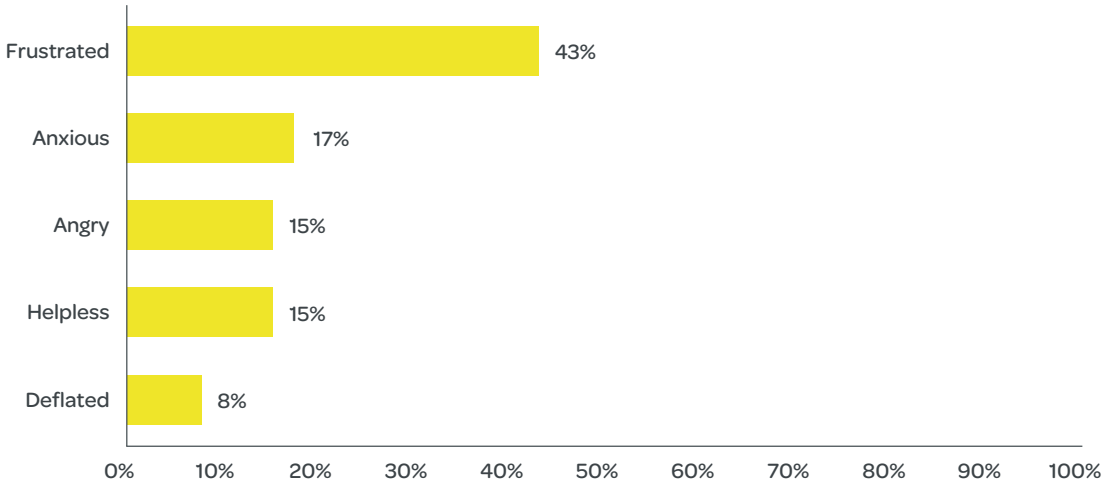
Base: Total n=2,685

[Employee data] Thinking about your experience with your home broadband, how frequently do you experience the following? (%most/all the time shown)



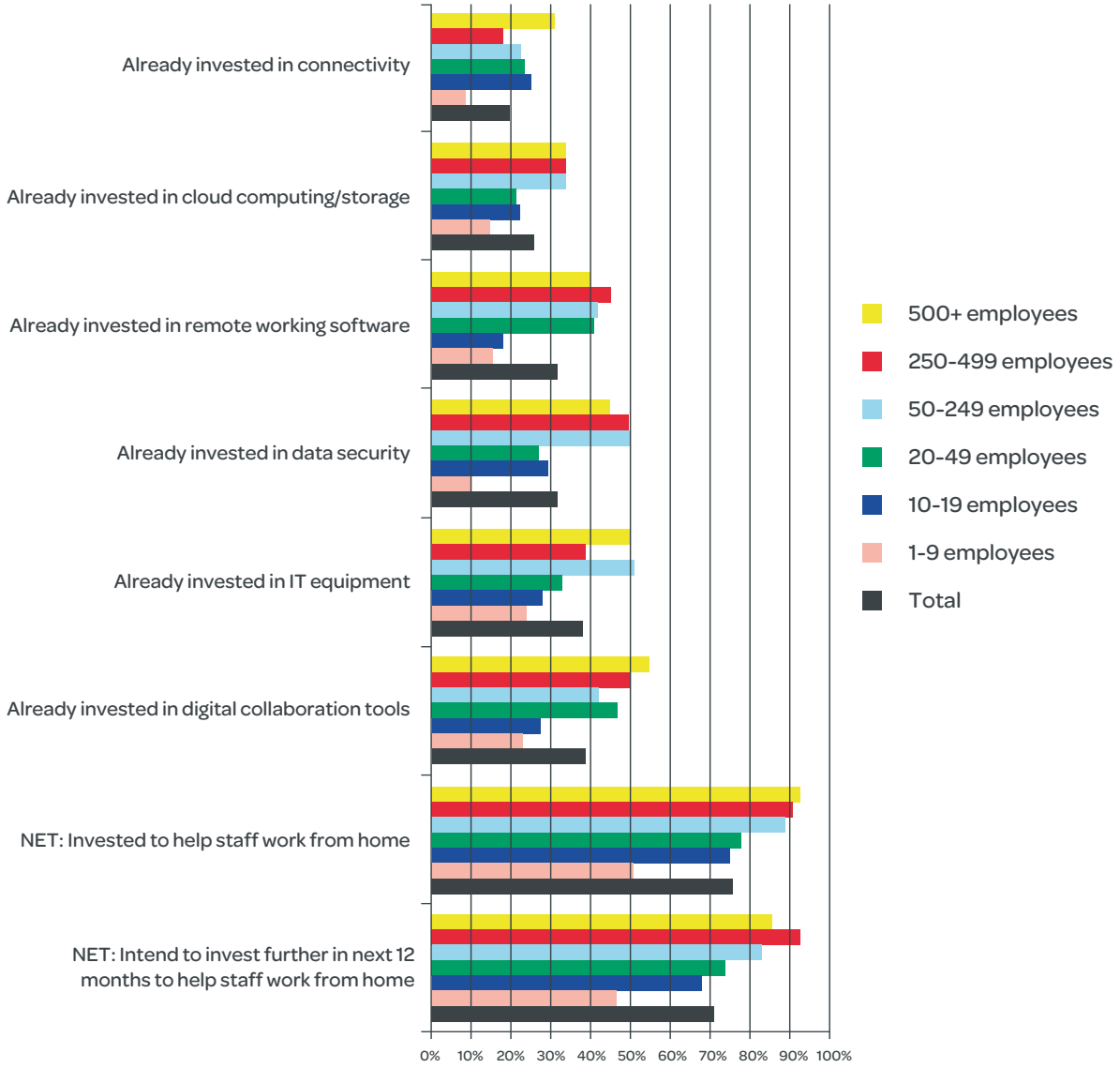
Base: Those living alone n=431, Those living with other n=2235

[Employee data] How do you feel if you have an issue with your broadband whilst working at home?



Base: Total n=2,685

[Employer data] Has your business recently made any investments to enable/help staff to work from home?/ Is your business planning to make investments (or further investments) in any of the following in the next 12 months?



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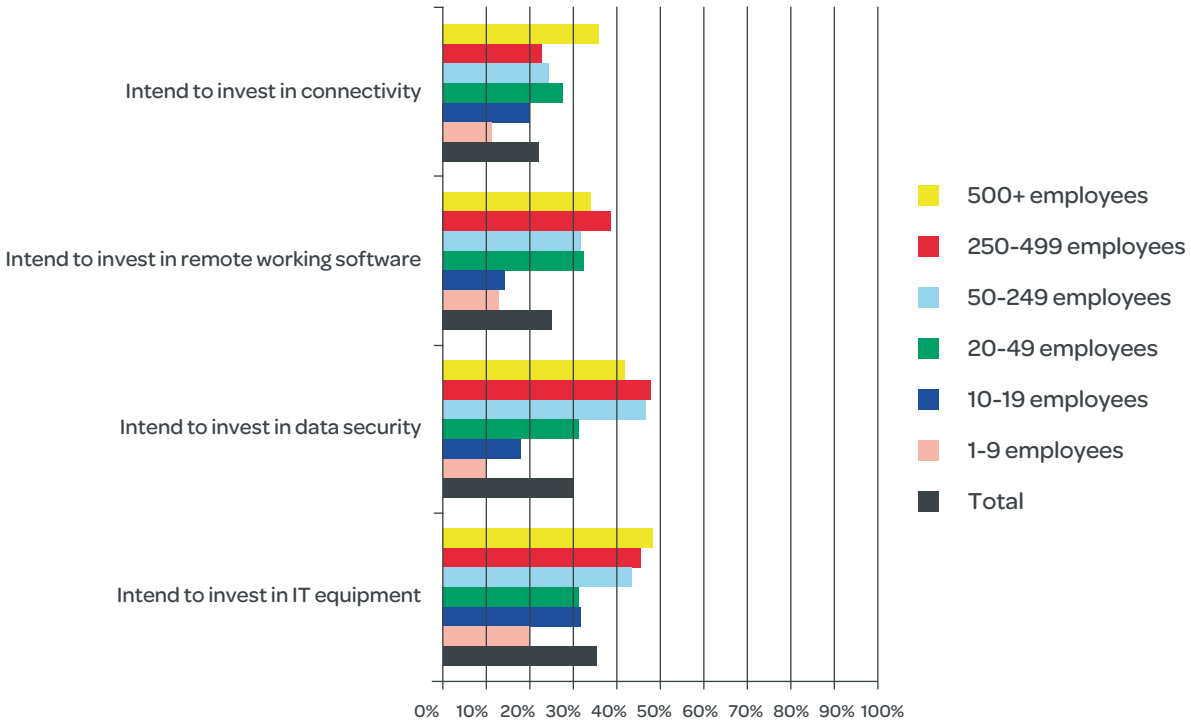
[Employer data] Is your business planning to make investments (or further investments) in any of the following in the next 12 months?



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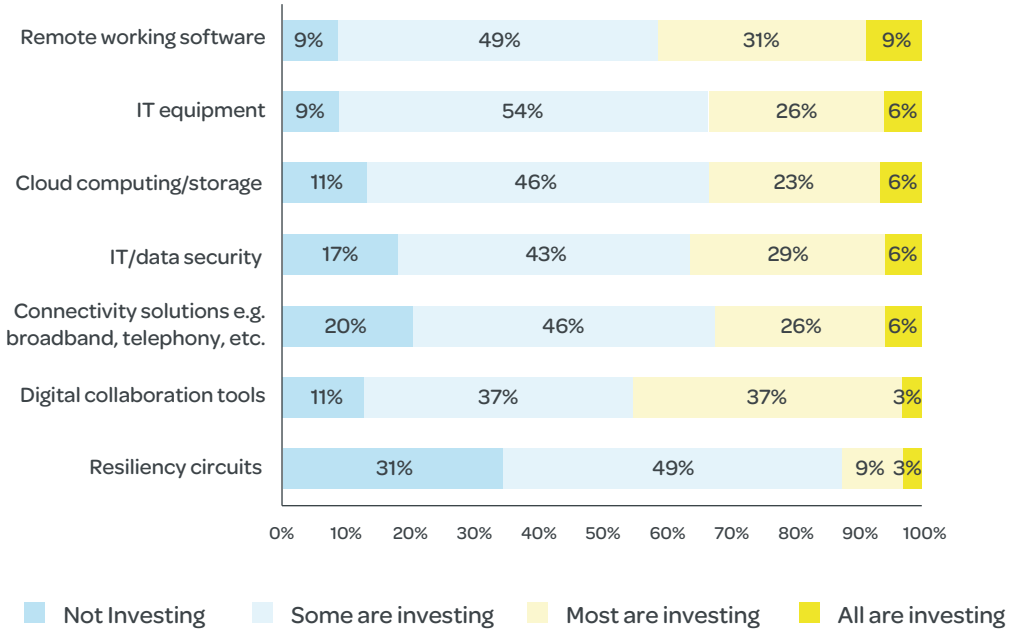
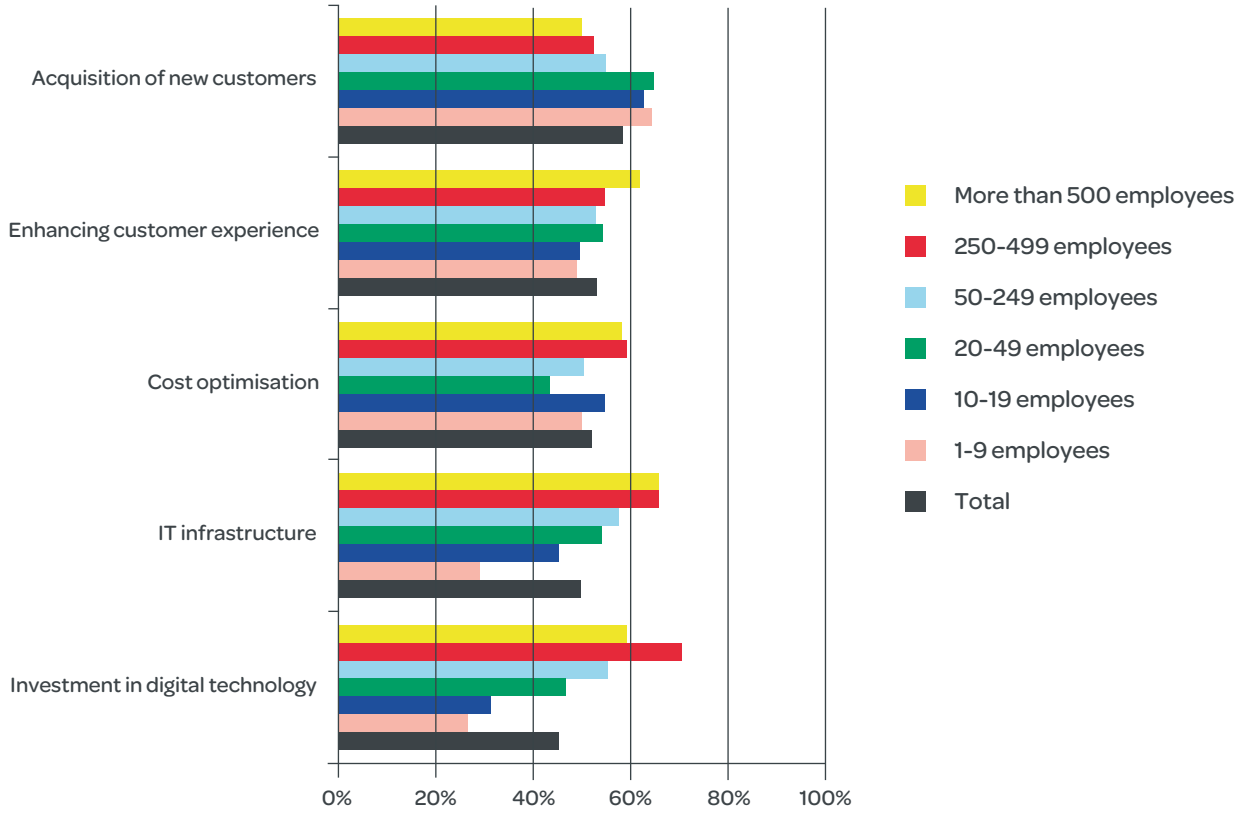
[Partner data] Are your clients making investments in any of the following at the moment to enable staff to work from home?



Base: Total n=35

[Employer data] Which of the following do you think will be important priorities for your business in the next 12 months? (%very important shown)



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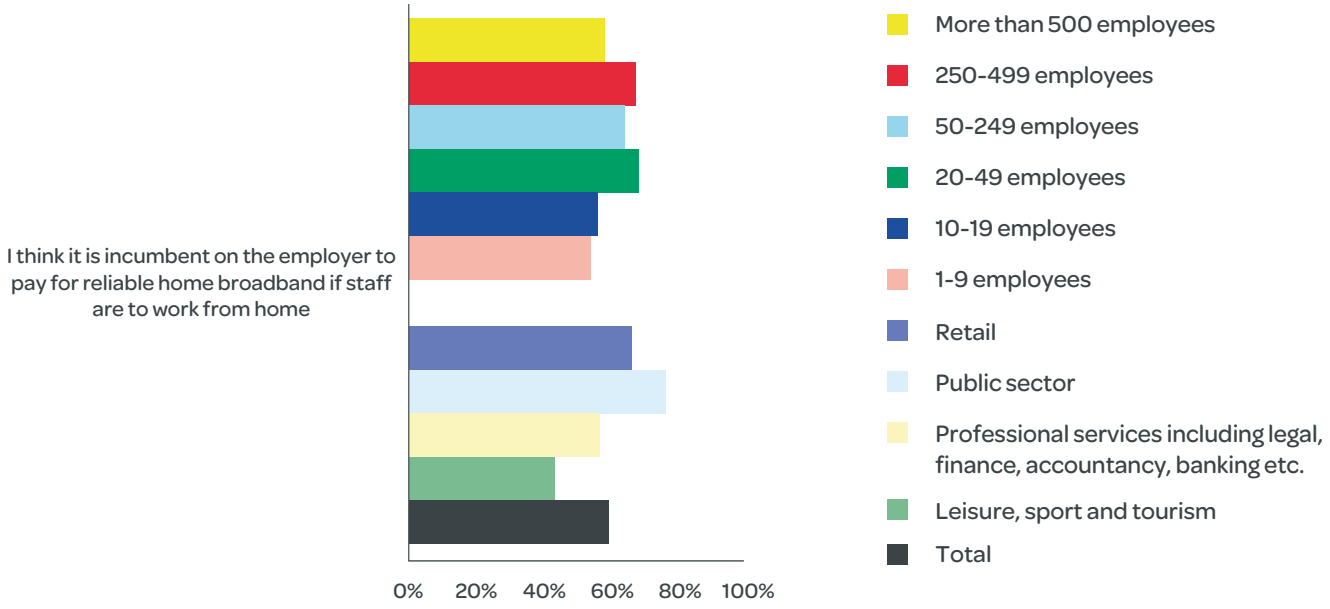
[Employer data] To what extent do you agree or disagree with following statements?



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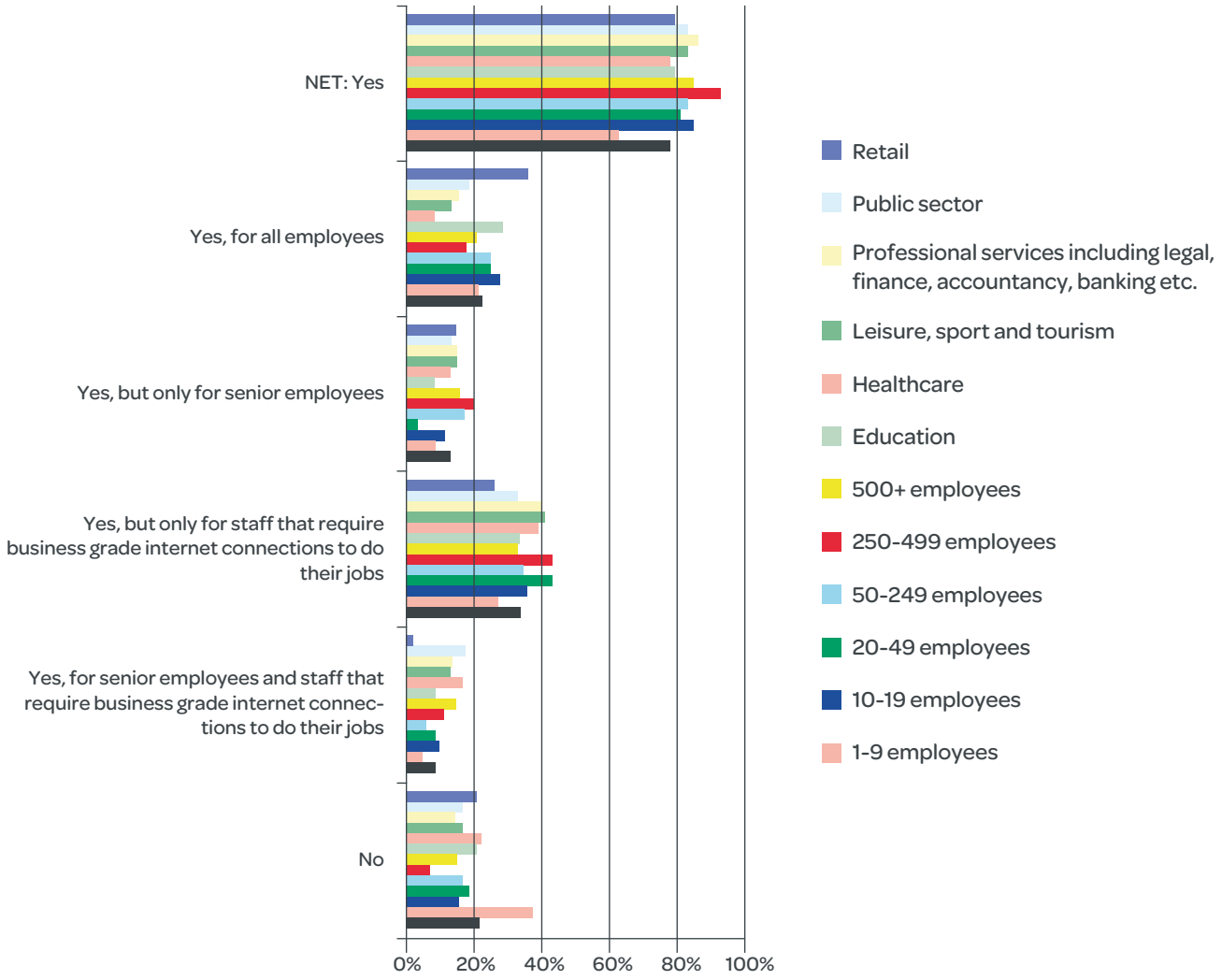
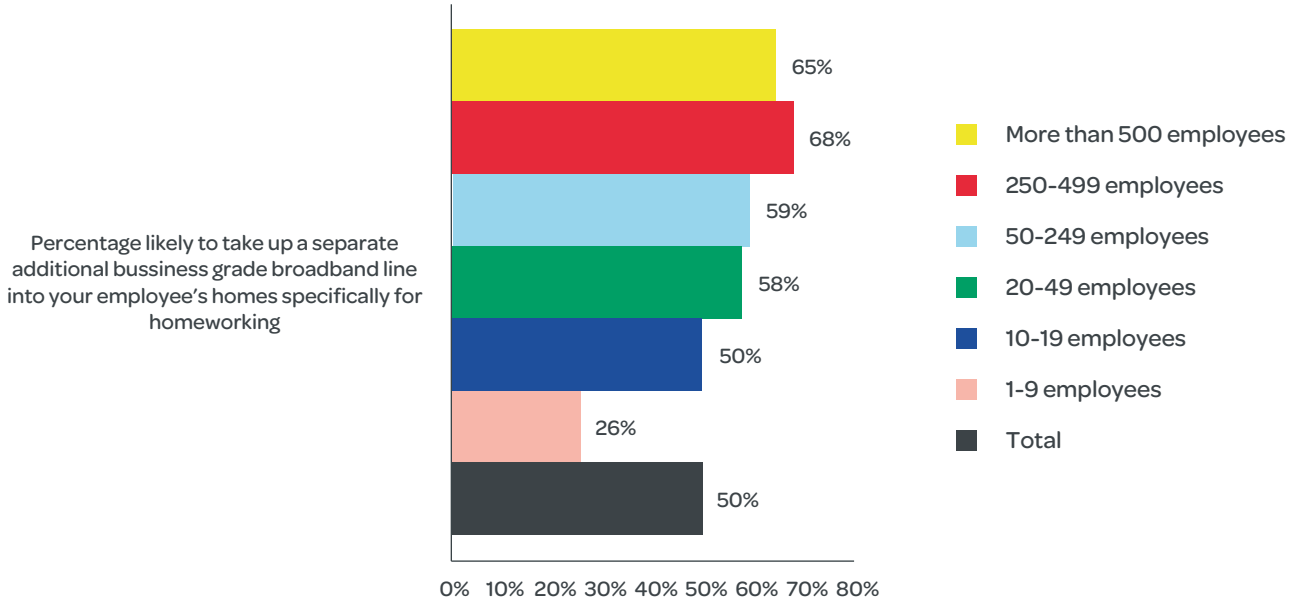
[Employer data] In principle do you think your business would consider paying for business grade broadband connections direct to employee's homes?



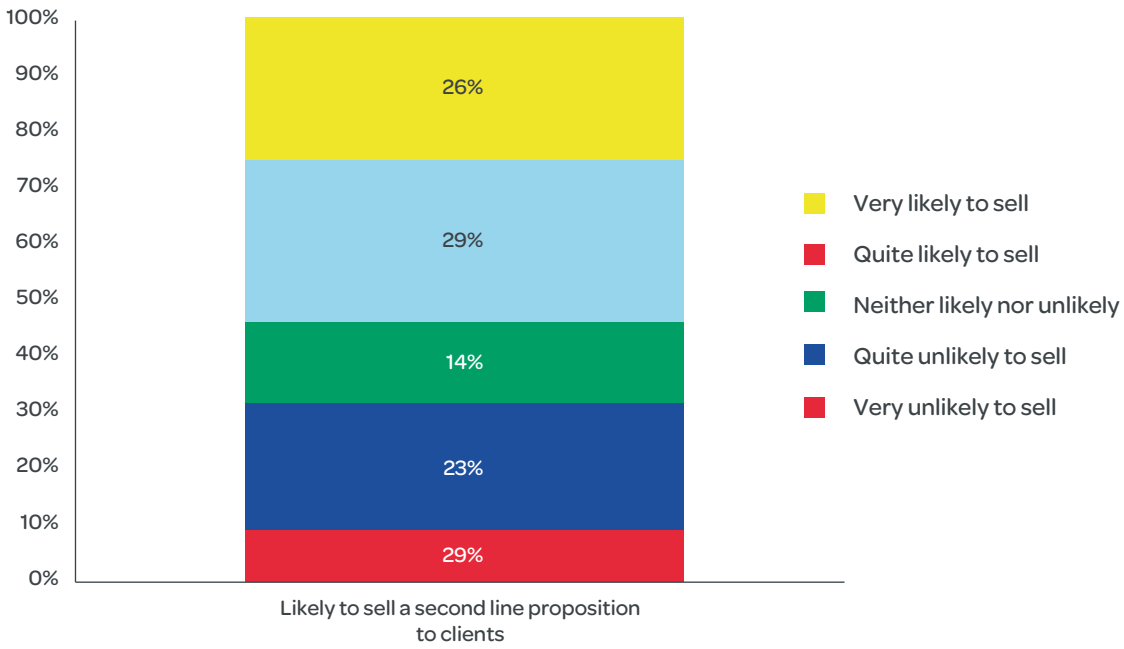
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104, Retail n=58, Education n= 42, Professional Services n= 91, Leisure, sport and tourism n=10, Healthcare n= 28, Public sector n=42

[Employer data] At a general level, how likely would you be to take up the following broadband idea for your business?



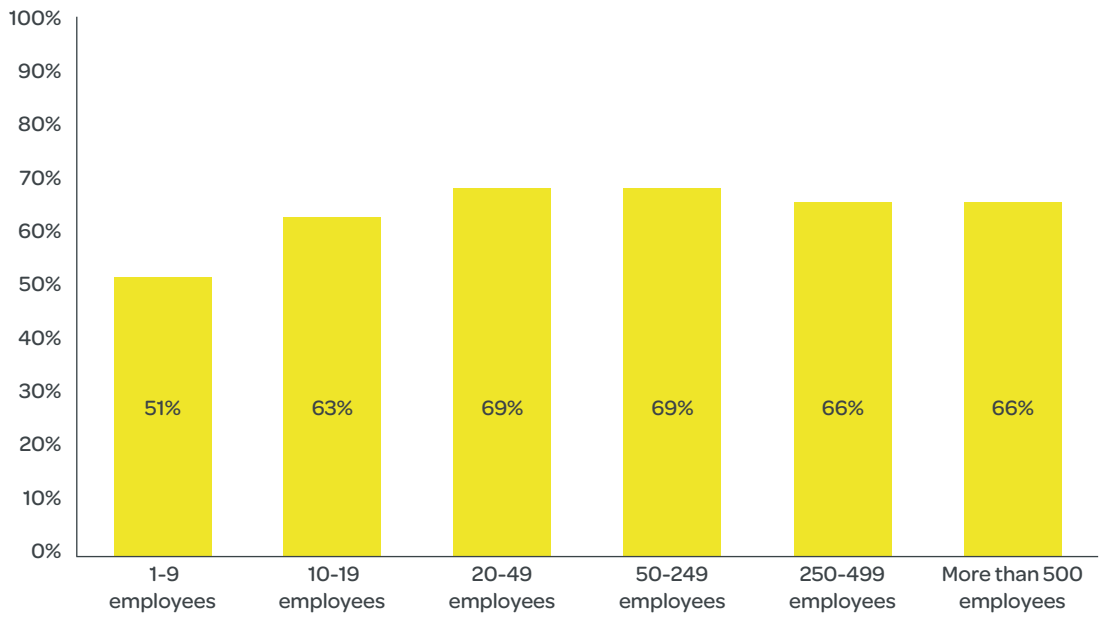
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104

[Partner data] How likely is it that you would sell a second line to your clients?



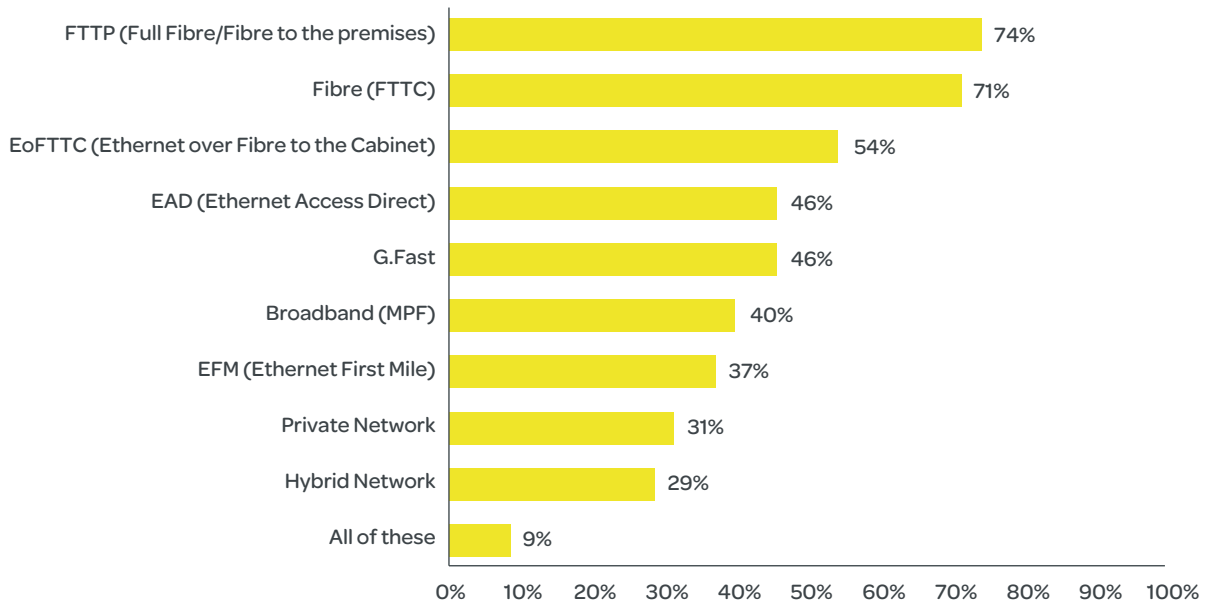
Base: Total n=35

[Partner data] And, what size of business might be interested in an idea like this?



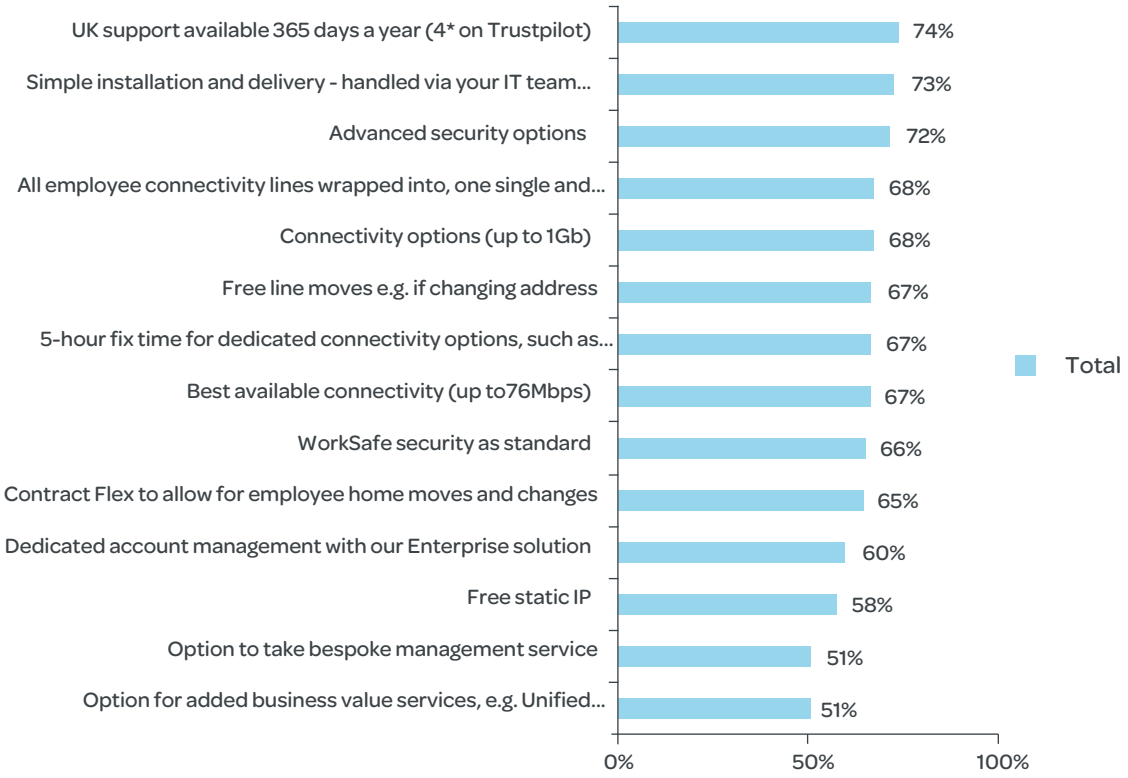
Base: Total n=35

[Partner data] We want you to think about the connectivity you would offer to your clients, which of the following do you think you would offer?



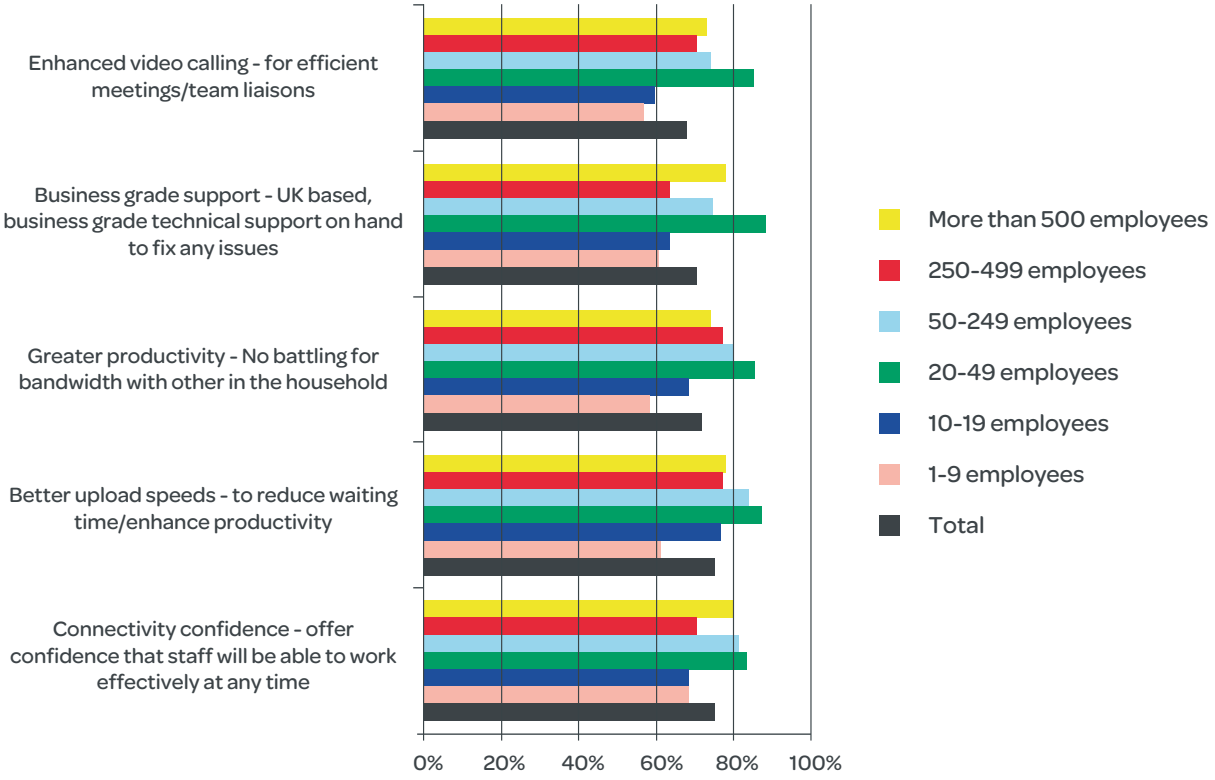
Base: Total n=35

[Employer data] This broadband product would also come with the following business support features. Please express how appealing you find each one.



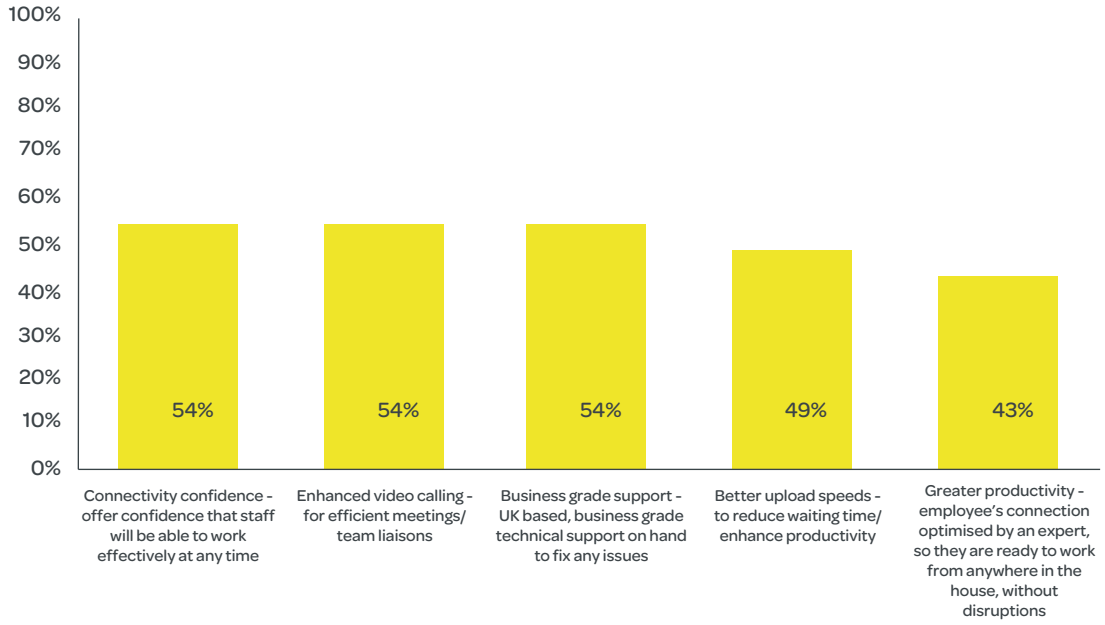
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104

[Employer data] Here are some benefits that you might expect from this new product. How appealing do you find each?



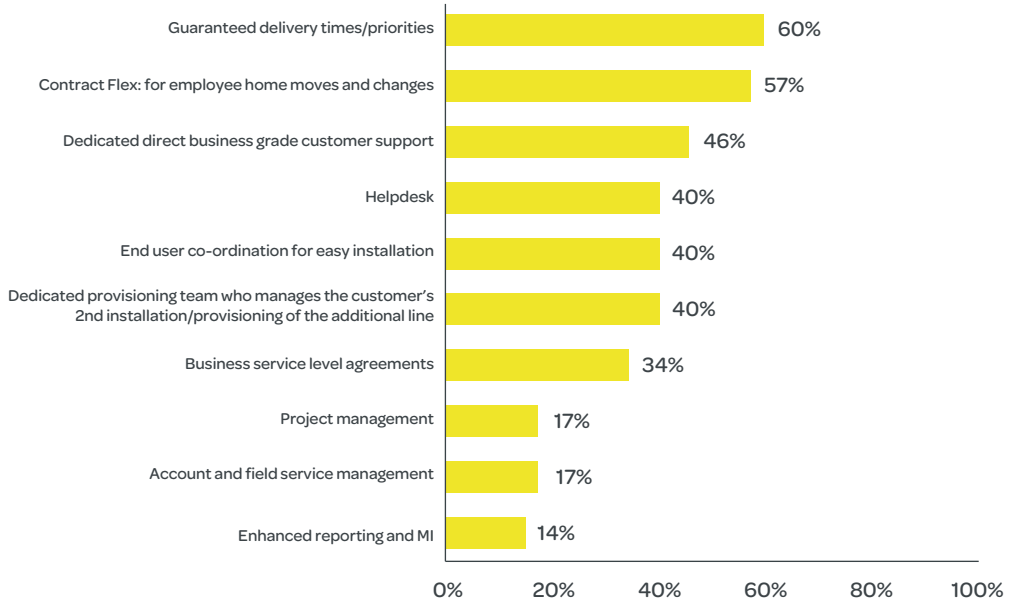
Base: Total n=739, 1-9 employees n=325, 10-19 employees n=69, 20-49 employees, n=66 50-249 employees n=129, 249-499 employees n=46, 500+ employees n=104

[Partner data] Please express if you think these benefits will be attractive to your clients?



Base: Total n=35

[Partner data] Would you consider the following business support features - Do you think these will be attractive to your clients?



Base: Total n=35

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