



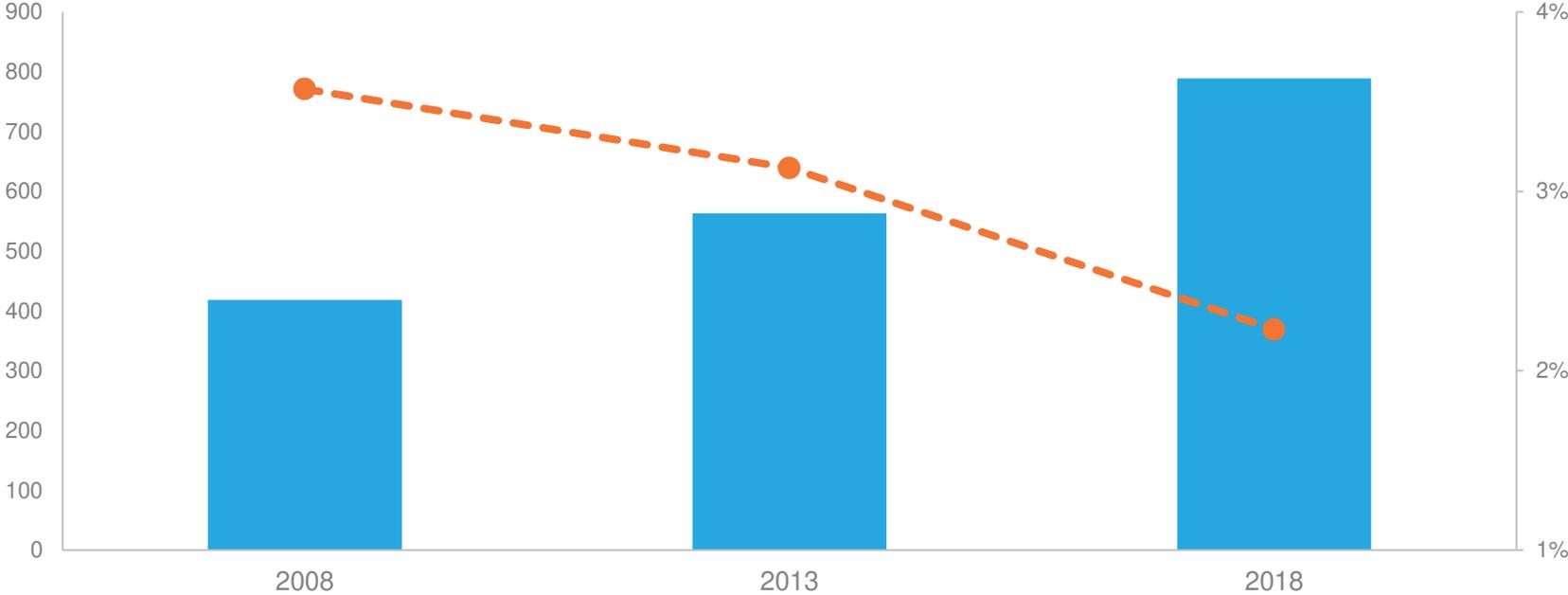
The Journey to Enterprise Productivity – an Introduction

November 2020

Employee productivity has not kept pace with industrial output

Productivity in software services

Inflation adjusted value of output
US\$ billions



Growth of output per employee
Percentage (CAGR)

■ Total industry output
- - - Growth of output per employee

Despite anecdotes about technology improving productivity and wider industry expansions, growth of employee output has **decelerated** over the past decade

Process changes?

Right productivity metrics?

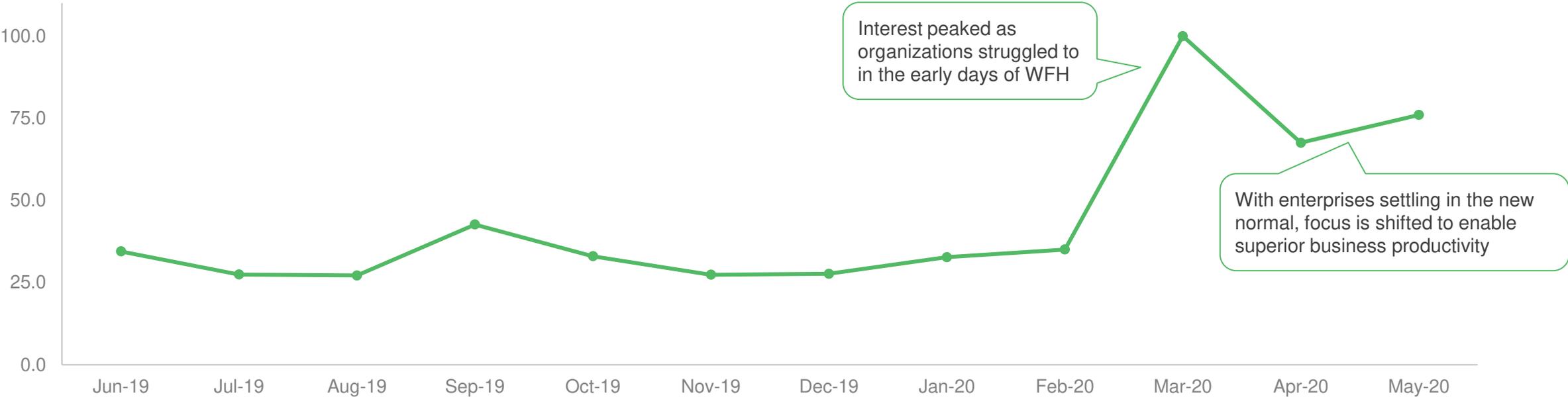
Reusable assets?



Source: US Bureau of Labor Statistics, Bureau of Economic Analysis

Google searches for “productivity + work from home” have grown 3-4X following the COVID-19 imposed lockdowns globally

Google searches for “productivity + work from home”
Interest¹ in search term; June 2019-May 2020



Employees scrambled for resources to help improve productivity as they put in more hours for same or less output

¹ Interest does not denote absolute search numbers; all data points are indexed relative to the maximum value of 100
Source: Google; Everest Group (2020)

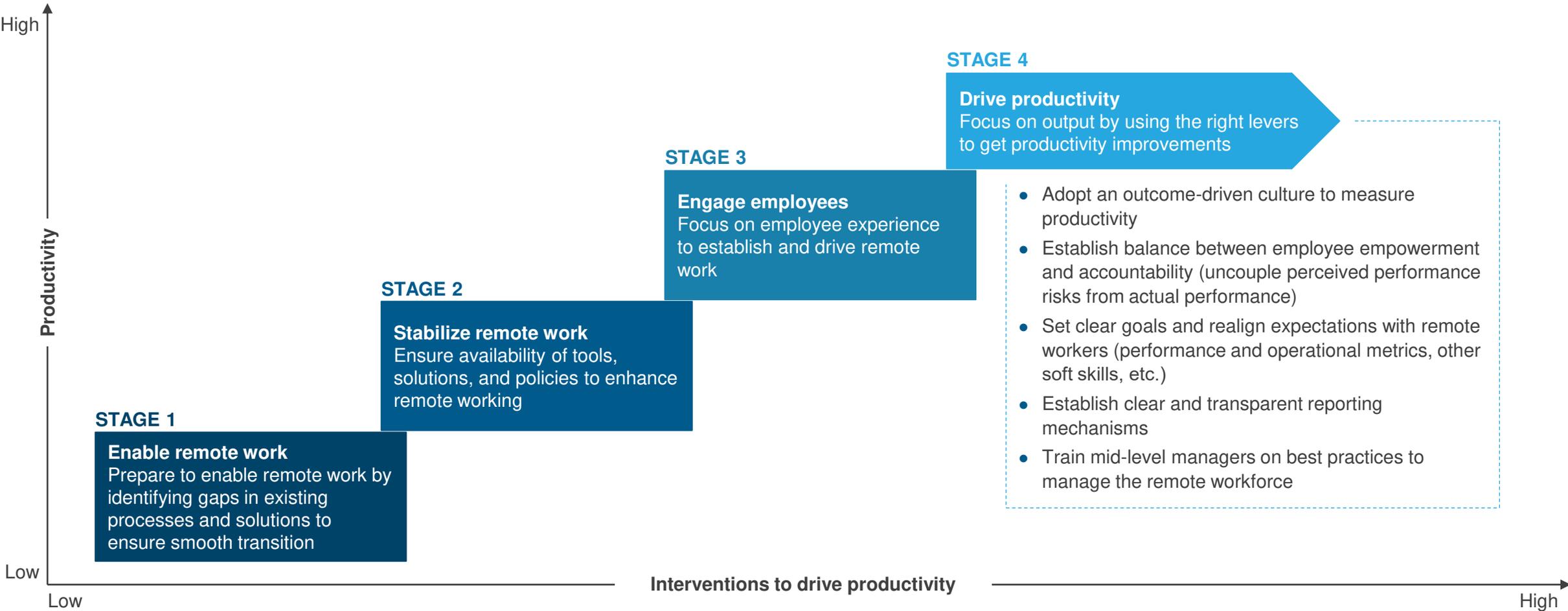
Employee productivity and security are key concerns for enterprises in the extended WFH model

What issues are you worried about in the WFH model?



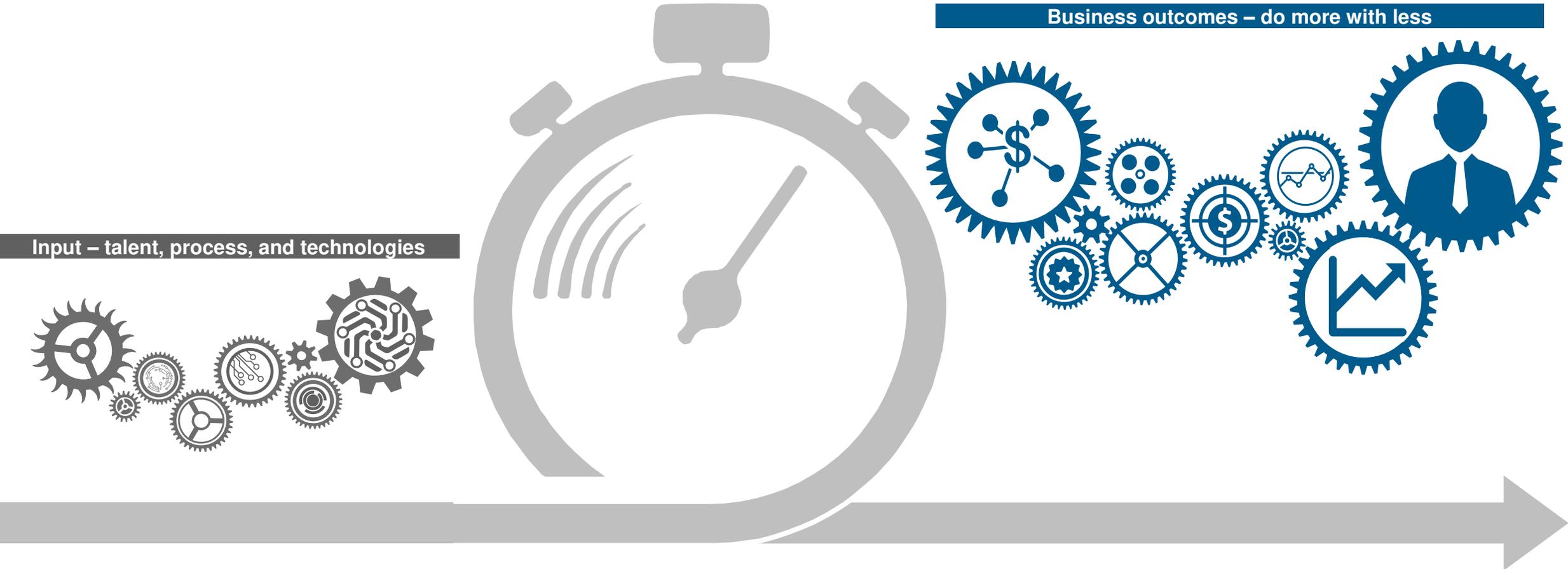
Source: Everest Group Quick Poll Survey, June 2020

In a sustained remote working environment, enterprises will need to adjust the right levers to drive productivity improvements



Source: Everest Group (2020)

The Everest Group productivity roadmap is about doing more with less!

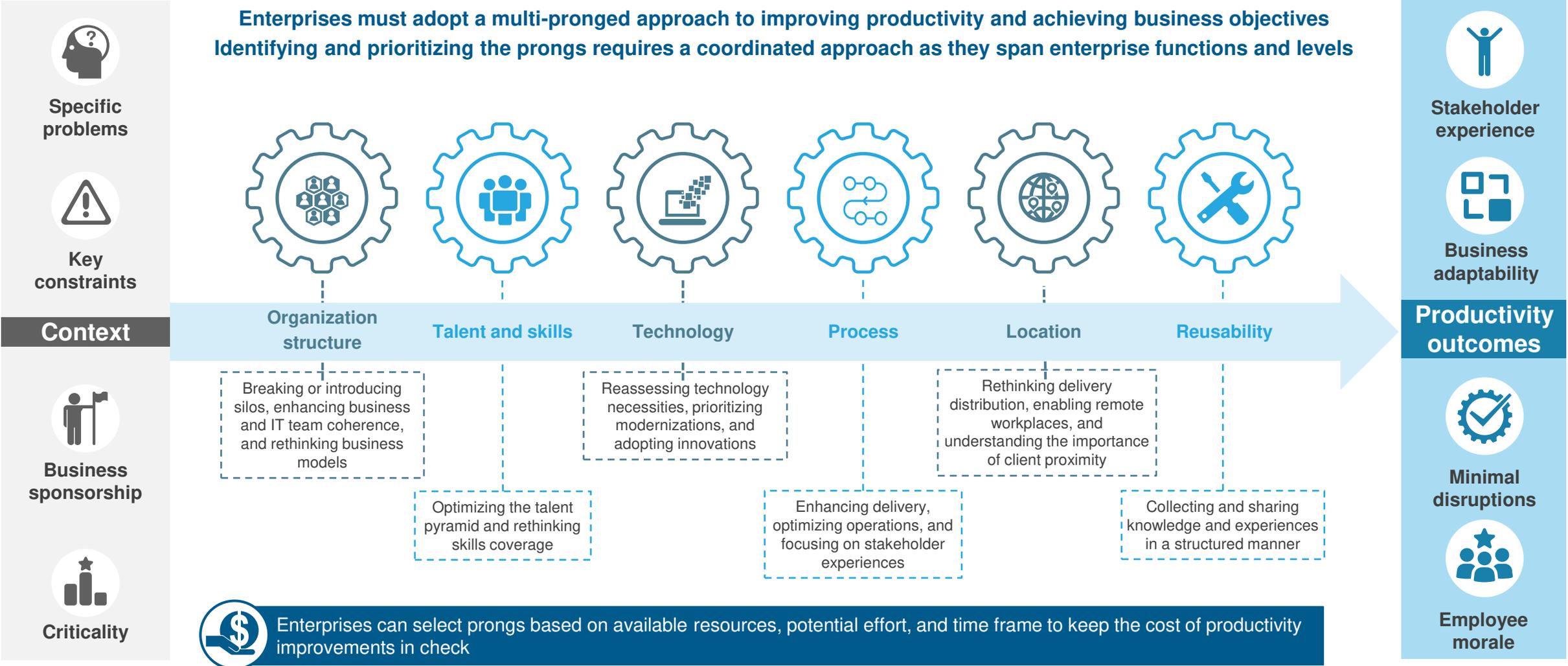


The first step in the journey to improving productivity is measuring it

Measurement is the frontier of every productivity challenge; enterprises need easy, yet holistic, metrics to monitor productivity

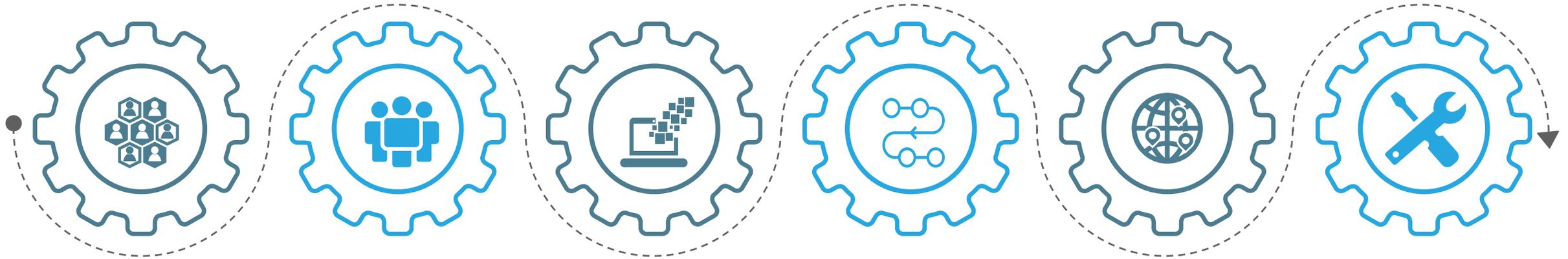


Enterprises can leverage an array of functions to maximize productivity based on business priorities



Enterprises need to choose and tweak the right-fit levers based on the scope, customer, business, and organizational context

ILLUSTRATIVE



Organization structure

- Federated vs. independent operating units
- Specialized teams/pods vs. CoE/factory model
- Persistent vs. Lego teams
- Alignment between business and IT teams

Talent and skills

- Experienced vs. inexperienced
- Transactional vs. specialized
- Cross-functional vs. mono-functional
- Full-time vs. contingent/gig workers

Technology

- Modern (cloud and API-enabled) vs. legacy
- Real-time analytics vs. lagging analytics
- Extent of collaboration / communication tool adoption
- Digital channel enablement with self-service features

Process

- Automated vs. manual
- Agile vs. waterfall
- Shift-left vs. independent testing
- Design-led (mapping stakeholder journey, etc.) vs. inward looking

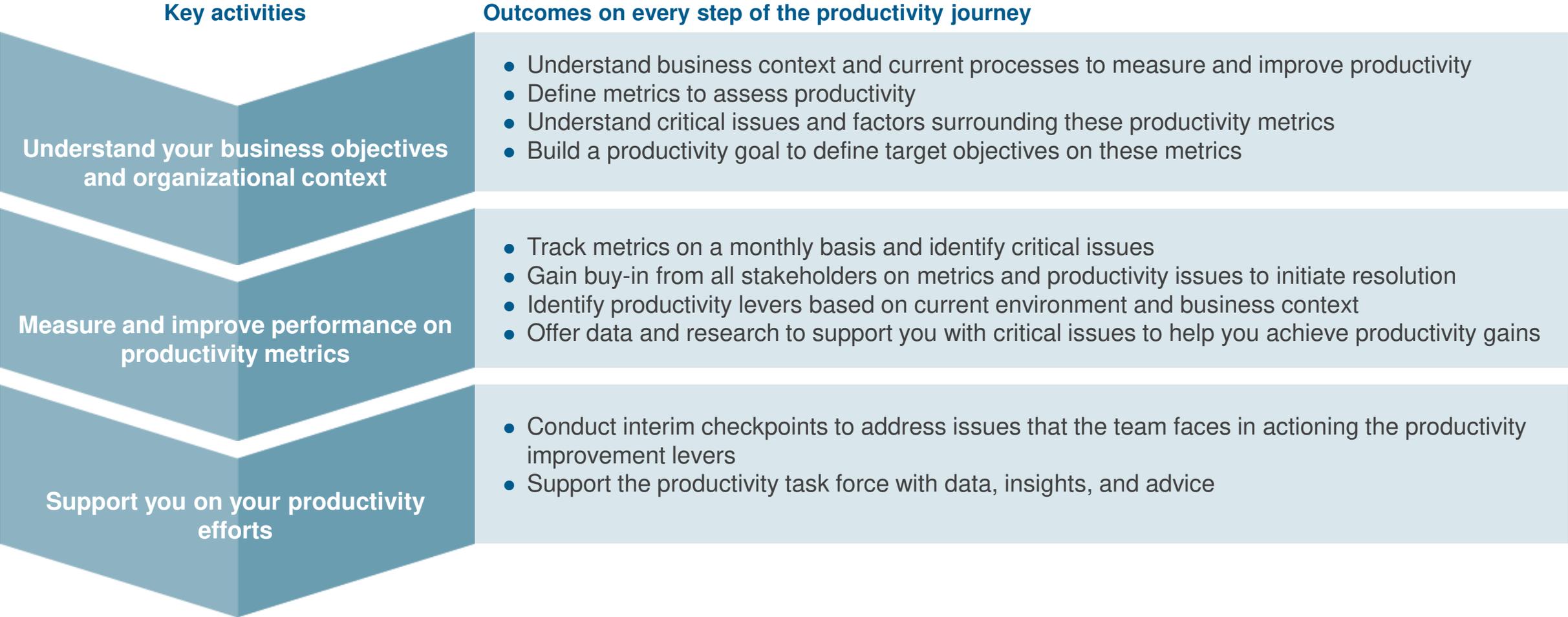
Location

- Shoring mix – balance among onshore / nearshore / offshore
- Proximity to business/customers
- Co-located vs. distributed workforce
- Remote-enabled vs. onsite

Reusability

- Monolithic vs. composable
- Siloed knowledge management vs. intelligent, indexed, and enterprise-wide KM
- One and done vs. reuse

How can Everest Group help? – Our research is helps you to solve critical issues and supports you in your productivity efforts



We work with our clients in an annual membership to bring research and insights to support you on critical productivity issues

Summary of key messages

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Productivity gains for the services industry have been abysmal over the past 15 years

Defining metrics is vital to reigning in productivity

Build buy-in across teams and continuously track metrics

Identify productivity levers based on environment and context

Demonstrate quick-wins and gain internal business alignment

Expand initiatives to new productivity levers and scale across teams



What are your top challenges in achieving productivity?



How will you approach productivity challenges following the pandemic?



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