Insights on building better digital experiences that deliver IT cost savings

An Acumen guide for managers and IT teams

Scalable

Contents

Detailed in the following pages is guidance on the critical capabilities that need to be implemented to quickly realise the cost saving you could achieve by discovering all assets in your environment; understanding who uses what, and most importantly how they use them. This unique combination of insights empowers you to streamline and simplify licenses, make tangible savings, improve productivity and build exceptional employee experiences that protect wellbeing and retain staff.

Optimizing costs

Digital employee experience and retention

Enhancing productivity

Optimizing costs

The move to hybrid working models and the complexity of the IT Estate hides wasted budget, inefficiencies and multiple opportunities to reduce costs and allocate those budgets to strategic transformation initiatives.

Workplace analytics delivers intelligent insights that expose both direct cost saving opportunities through software rationalization and realignment based on end user requirements, together with the opportunity to improve employee digital experiences and increase productivity, By identifying and eliminating frictional application workflows and fragmented end user journeys that impact productivity and incur unnecessary cost, both objectives can be achieved in tandem.

Achieving incremental software license cost savings
Delivering where traditional software asset management fails

The complexity of the IT Estate hides redundant software and SaaS services, often self-sourced, leading to escalating costs and increased risk. Industry research shows that organizations routinely waste money by paying for redundant, unused or duplicated Cloud resources (Analyst estimates put potential Cloud cost overspending and over licensing costs at approximately 30-35%). Coupled with a lack of clarity around inventory, license liability, usage and even asset location, accurate management of ongoing costs has become impossible.

Only viewing in black and white: What software applications are actually being used?

Inaccurate or partial perspectives on usage mislead application portfolio managers to commit to contracts that are more expensive than what the organization truly needs. Limited usage insights do not tell portfolio managers enough about how applications are used.
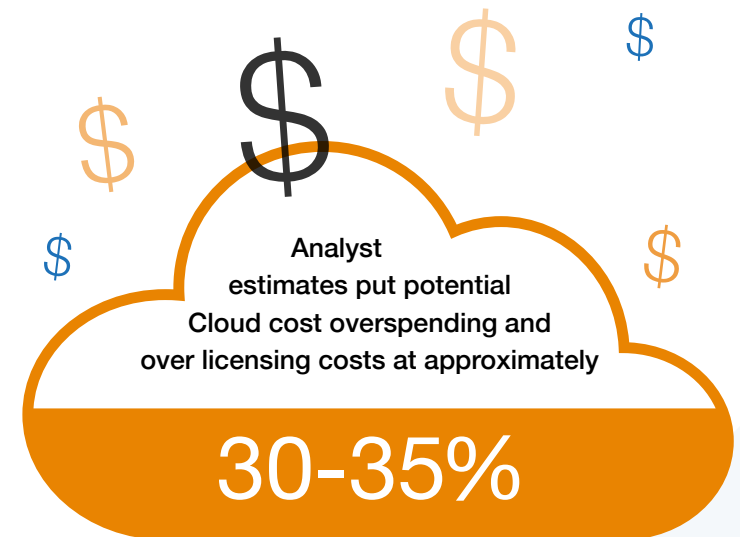
For example...

Is an application actually used once it's opened?

Is an employee using the application in a "read only" way despite having a full license?

Is the application closed each day or left open overnight, possibly incurring unnecessary costs?

The power of intelligent usage metering. Why you need an intelligent approach

Unlike traditional metering tools, intelligent usage metering provides second-by-second analysis of all software across the IT estate. This offers real-time insights that help optimize software license costs of applications, including widely distributed software such as Microsoft Visio, Microsoft Project and Adobe, as well as high-value applications such as CAD/CAM, regardless of licensing type or model. The granular detail provided by intelligent usage metering is essential for portfolio managers, IT vendor managers, and IT purchasing teams to optimize high-value application costs in a "smart" way, based on true requirements.

Analyst estimates put potential Cloud cost overspending and over licensing costs at approximately

30-35%

Essential approaches that quickly deliver **direct** and tangible software license savings

Right size the software estate: eliminate or reassign unused software; align license type to usage; downgrade from paid to free or read-only based on need.

Drive adoption of standard corporate applications and reduce category sprawl

Acumen enables both immediate short-term cost cutting initiatives and ongoing cost management programs, through the discovery and capture of detailed forensic usage information associated with technology and processes across the IT estate.

> Stop paying for underutilised or unused applications.

> Rightsize contracts: Inventory & usage data gives you the power to re-negotiate – see what you have, identify what's inconsistent between your contract and usage, and optimize what's truly needed across the organization. Use detailed usage data to buy and renew only the subscriptions you need.

> Align/Downgrade Excessive Entitlements – Different license tiers of both workstation and SaaS applications have vastly different costs. Often, you'll have employees with advanced licenses who use just the basic features of an application. Rationalise licence tiers, downgrading if appropriate, to save your organization money.

> Drive adoption – Target, promote, and track application use. See which employees, teams, roles, and locations require help.

> Accelerate standardization on accredited applications – minimize category sprawl – It's not uncommon for organizations to be running multiple applications that deliver the same capabilities, but there are huge efficiencies to be gained by eliminating those non-standard/redundant applications and consolidating to only one, including:

  – Bigger volume discounts from vendors.

  – Lower support and security costs for just one application vs. many.

  – Streamlined renewal efforts, so application rationalization and elimination of what's redundant can create some major cost savings.

> Surface the use of unauthorized applications and devices.

Extended cost optimization benefits with workplace analytics

Beyond the immediate ability to rationalise and optimise assets and processes across the IT estate, workplace analytics underpins the achievement of greater indirect savings associated with ongoing enhancements to digital employee experiences and digital transformation.

The negative impact of poor digital experience on employee engagement, productivity and wellbeing can be significantly amplified by a move to hybrid working. For some, the increase in flexibility is very positive. For others, the stress caused by poorly performing technology and frictional application workflow has caused frustration, led to extended working hours and feelings of isolation. The risk is that this brings about a higher churn rate with experienced employees moving to new roles, leaving their employer with increased recruitment and onboarding costs and potential productivity issues as new employees get up to speed.

Find out **more** on the impact of poor digital employee experiences on retention.

Digital employee experience and retention

The widespread move to homeworking has delivered positive, flexible working opportunities for many employees. Flexible work patterns, enabled by frictionless digital experiences, are seen by many as a positive result to have come out of the pandemic. But hybrid work is not without its challenges.

Half of UK workers (51%) **reported** feeling "burnt out" at the end of 2020, and a **World Economic Forum study** found some homeworking employees ended up working longer hours, having more meetings, and sending more emails. It's clear, alongside all the benefits of hybrid work, that without visibility into worker welfare comes a very real risk of burnout.

The Impact of DEX on retention:
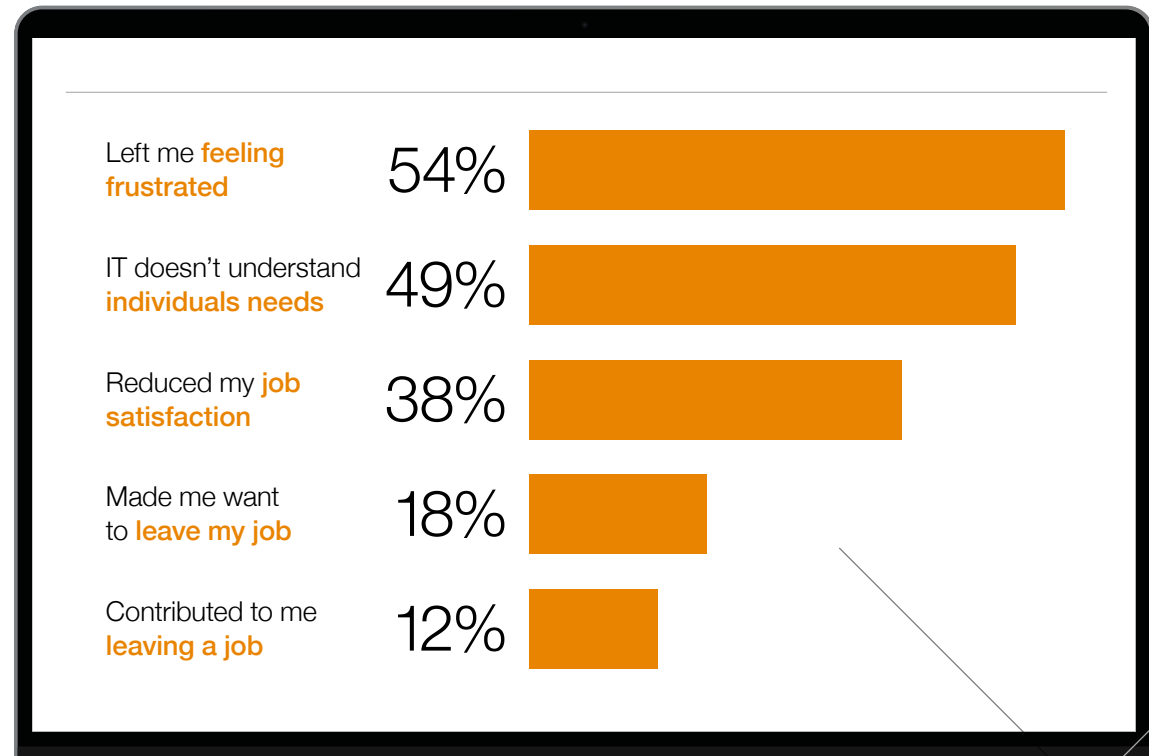## Employee frustrations must be heard

As well as the wellbeing challenges and **threat to companies' revenues**, a poor digital experience can be a major annoyance for workers.

In Scalable's **Digital Experience Survey** of 2000 hybrid 'knowledge workers', more than half (54%) admitted that they'd been left feeling frustrated after a poor digital experience. On top of this, almost half (49%) said they felt that IT treats most of their workforce the same, without understanding how they work as individuals. If this becomes a problem that persists, it can have a knock-on effect on workplace happiness and job satisfaction.

More than a third (38%) of hybrid workers, for instance, said a poor digital experience reduced their job satisfaction. More concerning still was that 30% said a poor digital experience had made them want to leave a job or had contributed to them leaving a job. With many industries experiencing the effects of **'The Great Resignation**,' employers need to do everything they can to hold onto their talent. **Gartner found** that 75% of hybrid or remote knowledge workers say their expectations for working flexibly have increased – so, it's clear that nailing the digital experience needs to be a major priority for employers.

There are many points of digital friction that can disrupt successful workflows; non-performant applications, missing functionality forcing the need to switch applications, versioning, unstable devices or network access issues.

If such issues continue going unchecked, workers could be held back from doing their jobs effectively, impacting business success and even preventing tech-savvy recruits from joining the workforce.

Left me **feeling frustrated**	**54%**
IT doesn't understand **individuals needs**	**49%**
Reduced my **job satisfaction**	**38%**
Made me want to **leave my job**	**18%**
Contributed to me **leaving a job**	**12%**

Employee retention: The real cost of losing an employee

For organizations to thrive in today's economy, finding and retaining the best employees is vital.

The cost of turnover is extremely high; it's estimated that losing an employee can cost **1.5-2 times the employee's salary**. Depending on the individual's level of seniority, the financial burden fluctuates. For hourly workers, it costs an average of **$1,500 per employee**. For technical positions, the cost jumps to **100-150 percent** of salary. At the high end, C-suite turnover can cost **213 percent** of salary.

Not only are you forced to dedicate time and resources to recruiting, onboarding and training a new hire after an employee leaves, your business simultaneously takes a hit internally while the role remains unfilled. These expenses are known as the **cost-per-hire** and **cost-of-vacancy**, respectively. It's estimated that **two-thirds** of all sunk costs due to turnover are intangible, including lost productivity and knowledge, which are part of the cost-of-vacancy. Only 33 percent is lost to recruitment efforts, or the cost-per-hire.

Beyond the cost of replacement – what is the real cost of losing an employee?

The most substantial impact of turnover is not a cost at all, but lost productivity and the damage done to your remaining employees.

Lost Productivity

When an employee leaves, their workload has to go somewhere. Either projects are halted altogether while the role remains vacant, or colleagues are forced to pick up the slack and spread themselves thin across multiple roles. With the latter, you risk employee burnout and driving additional employees away. Alternatively, stalled projects lead to delayed releases and lost revenue. When you have replaced the headcount it's often the case that new employees take longer to complete their work and are often less adept at solving problems – it may take a new employee one to two years to reach the productivity of an existing person.

Employee turnover lowers morale and loses engagement

One of the first changes you'll notice after losing an employee is a decrease in employee morale. If one employee leaves, the culture and commitment your remaining employees have to the organization and their role in it can be severely affected.

Other key factors that contribute to the costs of losing an employee include **onboarding and training costs**. The cost of onboarding a new person, including training and management time. Over two to three years, a business likely invests 10% to 20% of an employee's salary or more in training.

Losing an employee can cost
1.5-2 x
their salary

Tech positions can cost a business
100-150%
of employees salary

High-end positions can cost up to
213%
of salary

Improving the digital employee experience for hybrid workers

A diverse service company is using Acumen to help ensure exceptional experiences for knowledge workers and others during the transition to hybrid working.

Challenge

It's more important than ever that organizations provide staff with IT solutions that enable effective collaboration and efficient, productive 'work anywhere' capabilities that enable distributed teams to work together in a variety of working models; office based, remote or hybrid.

This includes support for managers by providing additional tools to demonstrate that the collaboration tools are working satisfactorily for all team members.

Solution

This company has selected Scalable's Acumen workforce analytics to help it meet the challenges of hybrid working. Acumen enables managers to monitor IT services, ensuring their availability in all working environments. Secondly, the company wanted to evaluate the effectiveness of collaboration and teamwork.

Results

With Acumen, the company can ensure that workers are as effective and empowered as possible, regardless of working patterns and location. For example, managers can see at a glance when a particular team is relying on a cumbersome collaborative method such as email. They can then provide guidance on moving to a more effective platform.

The company is also making the most of Acumen's ability to support employee wellbeing. For example, it's identified that some knowledge workers are working excessively long hours – something that isn't always obvious with home working. The company is helping these employees to plan their time better, reducing the risk of burnout and loss of talent.

Similarly, by monitoring use of collaborative platforms, the company identified that some individuals had started to become isolated – a known pitfall for knowledge workers. Managers have intervened to promote a more collaborative approach, enhancing both wellbeing and business outcomes.

With Acumen, the company can readily understand and measure the effects of the new working paradigm on its processes and procedures. Because Acumen collects the necessary indicators automatically, and presents them in a manager-friendly format, management can look after each segment of the workforce – knowledge workers, administrators, and so on – in the most appropriate way, with little overhead. As a result, the company is confident that hybrid working is enhancing its innovative and creative capabilities, while giving its staff an exceptional working experience.

Acumen

Enhancing productivity

Understanding the interaction between employees and the systems they depend on to do their jobs is critical to ensuring a frictionless, optimized experience for both the employee and the organization. By analyzing user-journeys, organizations can identify opportunities to streamline processes and procedures, remove points of friction, enhance the employee experience and drive greater organizational productivity.

Failure to capture and study the data around how teams interact with their various applications means that organizations cannot identify inefficiencies that result in user frustration and wasted time - often adding up to thousands of wasted hours. This information gap means organizations are unable to link successful behaviours to outcomes allowing them to be replicated across the business. These organizations miss the opportunities to streamline disconnected tactical solutions and drive better ways of working consistently, improving productivity and unlocking the unrealised growth potential for the organization's workforce.

Enhancing productivity with optimized digital experiences

Quantifying the business impact of poor digital experiences

According to a new **survey** of U.S. office workers by Robert Half Technology, professionals waste **22 minutes each day**, on average, dealing with IT-related issues. For someone who works five eight-hour days for 50 weeks of the year, that translates into a loss of more than 91 hours per year.

This is probably a conservative estimate. When we look at the feedback from hybrid workers in the last six months the negative impact on productivity looks to be significantly higher.

Research commissioned by Scalable Software and conducted by independent research company, Coleman Parkes revealed that there is a significant business impact resulting from poor digital experiences both in terms or productivity and importantly, staff wellbeing and retention.

The survey exposed the digital experience of 2,000 UK hybrid workers who use some type of IT in their work, and while hybrid working brings fresh challenges and amplifies others, it does serve to confirm the impact of poor digital experiences and highlight challenges that make it more difficult to detect.

What this current state of play adds up to for organizations is a considerable amount of lost time and money because the digital experience isn't up to scratch. The research found that hybrid workers waste an average of 3.38 hours a week because their employer hasn't provided the right technology to do their job. Moreover, an additional 3.58 hours are wasted because employees are struggling with technology that simply doesn't work, runs slowly,

or because of poor design and inefficient workflow. This means that in total, poor digital experiences waste almost seven hours (6.96) each week of hybrid workers' time.

Hybrid workers **waste 3.38 hours per week** due to a lack of technology

Hybrid workers **waste 3.58 hours per week** due to technology that doesn't work

In total, hybrid workers **waste 6.96 hours per week** due to a poor digital experience

Exposing the hidden burden of Application Switching

Beyond the obvious symptoms of technology failure there are other issues that should be a serious cause for concern but often go undiscovered. The need to switch applications to complete tasks is certainly near the top of that list, often presenting an ongoing daily burden on frontline and back office workers alike.

Ineffective software and inefficient processes are impacting the productivity of many employees. In a **study** conducted by Pegasystems Inc. after studying nearly 5 million hours of live desktop activity of operational support employees, the report found that the average employee switches between 35 job-critical applications more than 1,100 times every day.

The study analyzed nearly 5 million hours of desktop activity of British operational support employees of 35 global companies across 11 industries, who mostly perform back office (non-client-facing) work, data entry, or customer support center (also known as contact center) tasks.

Process friction – actionable insights and proactive change

Spotting inefficient IT processes can improve productivity and save costs, but with a distributed workforce, it's much more challenging to identify them.

Simply asking employees for their feedback is no longer the most effective way of uncovering inefficient workflows. This is because often users have been doing a process for so long that it has become semi-automatic – they don't even think of it as inefficient anymore.

To truly combat digital friction, organizations need the ability to proactively evaluate the user journey in detail to reveal and eliminate points of friction.
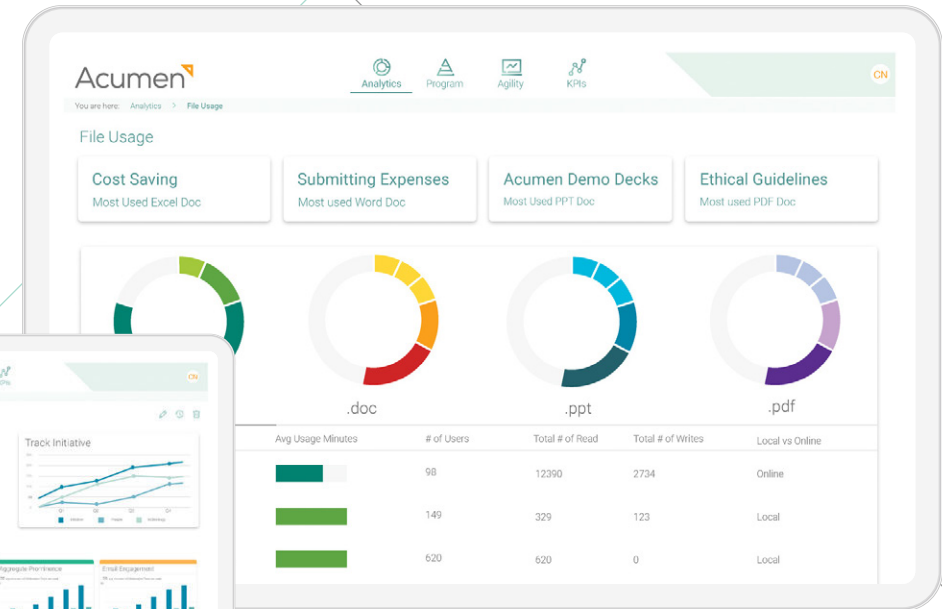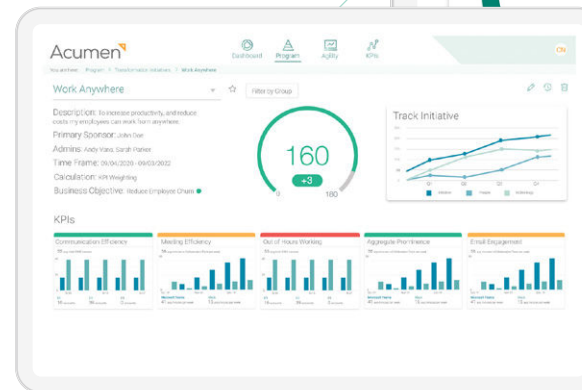
Remove blockers to increased effectiveness

Maximize the efficiency of staff, to improve productivity, optimize costs and improve the experience of employees and customers by eliminating unnecessary complexities.

Build an understanding of the whole journey that is involved in carrying out key processes. Even though everyone is using the same basic system there are often many ways of getting from A to Z, and that some ways of completing that journey work better than others.

Finding the variations is a way of identifying opportunities to speed up and improve the process, as well as reducing frustration for workers and customers. The challenge is that users are not always able to articulate what they do and why because they have done it so many times that it has become semi-automatic.

Acumen enables you to map the start and end point of a process and then captures the usage and sequence data that captures each users' journey between these points – the sequence of steps that employees follow as they interact with technology to carry out a particular task. This granular analysis provides insights that makes it easy to review the results and spot instances where the mapped journey deviates from what the organization expects, and what the impact is. Armed with this previously invisible intelligence you are able to make adjustments to the process, applications and user behaviour to optimize processes that enhance effectiveness.

Identifying major opportunities
for process improvement

A multinational is using workforce analytics to make life easier and more efficient for frontline workers by eliminating "process friction" – the small frustrations that can complicate a user journey unnecessarily.

Challenge

Pinpoint inefficiencies in the use of a key operational system.

Solution

Acumen workforce analytics from Scalable.

Results

After mapping user journeys with Acumen, the company was able to make a minor modification that is saving thousands of dollars and transforming user experience.

To gain an accurate understanding of user journeys, the company needed Acumen to highlight an issue it suspected it had – "process friction" or small inefficiencies that prevented its user journeys from being as efficient as intended. This ability makes it easy to truly understand what users are experiencing when they use a system.

Within weeks of starting to work with Acumen, the company was identifying major opportunities for process improvement.

Having mapped the start and end point of key processes, the platform then mapped out each users' journey between these points. Making it easy to spot instances where the mapped journey deviates from what the organization expects.

In one instance, many employees were using a spreadsheet for calculations that were not provided by the in-house system. Although the spreadsheet was only used for a couple of minutes on each occasion, the cumulative 'application switching' time taken was considerable. Each individual would do this multiple times a day, adding up to several hours of wasted time per week for most of the organization's 15,000 frontline workers.

Having discovered this 'digital process friction', the company was quickly able to incorporate the necessary calculations into the main system. This relatively minor change has made life easier for the employees and customers, and has saved the company many thousands of dollars.

Acumen

About Scalable

Founded in 2008, Scalable Software delivers comprehensive, granular and intelligent analytics tools that give organisations a real-time business lens to improve digital agility and empower employees to thrive. Its workplace analytics platform, Acumen, enables organisations to measure, optimise and transform the employee experience.

Acumen collates and distils data using agent and agentless discovery from across an organisation's technology infrastructure. Using a blend of digital KPIs and metrics, insights are delivered to leadership, IT and HR teams, giving them deep visibility into how the hybrid working model is performing. Armed with this knowledge, organisations can drive digital agility – by protecting employee wellbeing, optimising the digital experience, boosting employee success, and reducing complexity and cost.

For more information visit: www.scalable.com or email: info@scalable.com