

# Improving Frontline Worker Performance With Office 365

For many years now, companies have spent much time and effort to improve knowledge workers' performance and productivity through the use of technology. Now, these same companies are focusing the same level of attention on frontline workers. Microsoft believes that "frontline workers are the heartbeat of many of the world's largest industries, such as manufacturing, retail, healthcare and hospitality. They're the people behind the counter, on the phone with customers, operating the production line, building product, and running the day-to-day operations. They are often the face of an organization to its customers. And as more companies invest in digital transformation, there's a growing recognition of the importance of empowering frontline workers with modern productivity tools."

To help companies realize this opportunity, Microsoft has released a new version of Office 365 for frontline workers which includes previously existing and new features, such as StaffHub<sup>1</sup>. According to Microsoft, the Office 365 solution "enables frontline workers to do their best."

The operational improvements of Office 365 for frontline workers fall across four broad areas:

- › **Schedule and task management:** Create, update, and manage frontline work schedules and tasks;
- › **Communications and community:** Connect everyone in your organization with modern tools;
- › **Training and onboarding:** Enable easy access to training videos and content; and
- › **Identity and access management:** Control employee access with Azure AD digital identities.

For this spotlight Total Economic Impact (TEI) study, Forrester reviewed findings from past industry-specific TEI studies that included different types of frontline workers. Additionally, Forrester conducted a new survey of 92 US and UK-headquartered companies whose frontline workers use Office 365. These organizations represent a variety of industries and sizes; the average size was 150 locations and thirty-four thousand employees.

## OFFICE 365 FOR FRONTLINE WORKERS IN NUMBERS

28

Average number of minutes saved daily per frontline worker.

8%

Reduction in frontline worker turnover rate.

15

Fewer face-to-face meetings each week for frontline workers.

27

Average number of minutes saved daily per manager of frontline workers.

Source: Forrester Research, Inc.

From the interviews and survey, Forrester quantified five benefit areas:

- › **Frontline worker time savings:** Frontline workers saved time accessing information, signing in to systems, and attending face-to-face meetings.
- › **Manager time savings:** Managers of frontline workers saved time planning schedules and communicating with frontline workers.
- › **Reduced frontline worker turnover and onboarding costs:** Higher frontline worker satisfaction and engagement meant fewer left the company which reduced new hire onboarding costs.
- › **Lower total cost of ownership:** A range of costs such as other communications solutions, identity management systems, and IT support costs were eliminated or reduced.

<sup>1</sup> The Office 365 K1 frontline worker SKU includes: Email (2GB), Office Online, Yammer, Groups, Company Portal, Office 365 Video, IM, Presence, PowerApps, Flow, Microsoft StaffHub, and Microsoft Teams.

- › **Improved security:** The number of end user related security breaches went down.

There were other benefits that Forrester could not directly quantify. Some of the more important ones were improved employee engagement and satisfaction, increased customer satisfaction, better sharing of best practices and ideas, and faster organization reaction time. These directly or indirectly contributed to the quantified benefits.

The quantified benefits were applied to a composite organization of the same size and general characteristics from the survey. The main assumptions were:

- › 34,000 employees;
- › 43% frontline workers; and
- › 24 to 1 frontline worker to manager ratio.

## FRONTLINE WORKER TIME SAVINGS

Frontline workers save time across a wide range of activities including scheduling, viewing tasks, and communicating with their managers and peers. This can result in lower payroll costs or increased output for existing frontline workers. Additionally, the use of Office 365 and StaffHub enables these employees to collaborate better with their teams. A hotelier offered the following example: “We now have a lot of collaboration between chefs. They get on Skype to discuss new menu items, and they put their recipes on the [company portal].”

Table 1 below shows the most common activities, how long each resource spends on average on these activities, and time savings with Office 365/StaffHub.

Frontline worker activities	Average minutes per week	Average percent decrease with Office 365/StaffHub
View and check schedule	1.2 hours (73 min)	15.6%
Change or adjust schedule with a co worker	1 hour (60 min)	16.8%
View or check assigned tasks	1.2 hours (69 min)	16.6%
Communicate with manager	1.5 hours (87 min)	15.2%
Review company updates, information	1.6 hours (96 min)	16.5%
Peer communication within immediate team	2.5 hours (152 min)	14.6%
Peer communication outside immediate team	2.4 hours (143 min)	16.2%
Participate in training or onboarding activities	.9 hours (57 min)	19.2%

Source: Forrester Research, Inc.

Forrester modelled what the productivity savings to the 34,000-employee composite organization would mean. Survey respondents said that on average frontline workers saved 28 minutes per day across all of the above activities. This benefit was reduced by 50% since not all time savings translates into additional, productive work.

**TABLE 2**  
**Frontline Worker Savings**

Ref.	Metric	Calculation	Annual Benefit
A1	Number of frontline workers	34,000 * 43%	14,620
A2	Annual hours saved	(28 minutes * 250 workdays) / 60 minutes	116.67
A3	Hourly fully loaded cost		\$13.00
A4	Total savings	A1*A2*A3	\$22,173,667
A5	Percent of benefit captured		50.0%
<b>At</b>	<b>Frontline worker time savings</b>	<b>A4*A5</b>	<b>\$11,086,833</b>

Source: Forrester Research, Inc.

### MANAGER TIME SAVINGS

Interviewed and surveyed companies also report that managers of frontline workers saved time because the Office 365 and StaffHub tools make planning and communication more efficient. The average reported manager to frontline work ratio was 24 to 1, according to survey results. A manager at a department store company said, “The primary users of [Office 365] are sales managers. They use it to communicate best practices across locations and share photos for special displays.”

Table 3 shows the most common manager activities, how long each manager spends on average on these activities, and time savings with Office 365/StaffHub.

**TABLE 3**  
**Average Manager Savings By Activity**

Managers worker Activities	Average minutes per week	Average percent decrease with Office 365/StaffHub
Create schedules for direct reports	1.4 hours (85.6 min)	15.5%
Assign tasks for direct reports	1.6 hours (95.7 min)	17.4%
Change or adjust schedule based on employee feedback	1.3 hours (78.4 min)	14%
Communicate with direct reports individually	2.2 hours (133.8 min)	19.6%
Communicate with direct reports across team	2.1 hour (126.9 min)	17.4%
Review company updates, information	1.6 hour (94.4 min)	16.4%
Peer communication within immediate team	2.4 hour (144.7 min)	14.9%
Peer communication outside immediate team	1.7 hour (103.4 min)	15.2%

Source: Forrester Research, Inc.

For the same 34,000 employee composite organization, Forrester calculated the potential savings. Surveyed managers reported saving 27 minutes per day because of Office 365. This benefit was also reduced by 50% since not all productivity gains translate into actual work being accomplished.

**TABLE 4**  
**Manager Time Savings**

Ref.	Metric	Calculation	Annual Benefit
B1	Number of managers	$A1 / 24$	609
B2	Annual hours saved	$(27 \text{ minutes} * 250 \text{ workdays}) / 60 \text{ minutes}$	112.50
B3	Hourly fully loaded cost	$\$52,000 / (2,000 \text{ work hours})$	\$26.00
B4	Total savings	$B1 * B2 * B3$	\$1,781,325
B5	Percent of benefit captured		50.0%
<b>Bt</b>	<b>Manager time savings</b>	<b><math>B4 * B5</math></b>	<b>\$890,663</b>

Source: Forrester Research, Inc.

#### REDUCED FRONTLINE WORKER TURNOVER AND ONBOARDING COSTS

Surveyed companies reported that frontline workers have higher employee satisfaction because of access to Office 365 tools and better communication which can increase a sense of belonging and engagement. The pre-Office 365 frontline worker turnover rate was 24%. With Office 365/StaffHub, organizations reported a turnover reduction of 8%. This resulted in an overall reduction in the number of new hires that need to be hired and trained and a corresponding reduction in onboarding costs. Additionally, frontline workers who have been around longer have more company information and background in their heads which enables them to do their jobs better and more productively.

**TABLE 4**  
**Reduced Onboarding Costs**

Ref.	Metric	Calculation	Annual Benefit
C1	Number of frontline workers	$=A1$	14,620
C2	Annual turnover before Office 365	$C1 * 24\%$	3,508
C3	Reduction in new hires need with Office 365	$C2 * 8.0\%$	280
C4	Average onboarding cost		\$2,425
<b>Ct</b>	<b>Reduced onboarding costs</b>	<b><math>C3 * C4</math></b>	<b>\$679,000</b>

Source: Forrester Research, Inc.

#### LOWER TOTAL COST OF OWNERSHIP

Interviewed and surveyed companies said that their technology-related total cost of ownership decreased. Contributing elements included reduced web-conferencing and telecommunication costs, eliminating previous identity and access management solutions, lower Microsoft license costs, and reduced IT support costs. Specifically, companies said that IT

support costs were 10.6% lower, non-Microsoft solution costs were down 16.8%, and Microsoft licensing costs were reduced 13.4%. Depending on a company's bring your own device (BYOD) policy, there may also be savings in this area.

For the financial model, Forrester included cost categories where absolute values were provided and used an average based on the average 34,000 employee composite organization. They are shown in Table 5 below.

<b>TABLE 5</b>			
<b>Lower Total Cost Of Ownership</b>			
<b>Ref.</b>	<b>Metric</b>	<b>Calculation</b>	<b>Annual Benefit</b>
D1	Eliminated web-conferencing solutions		\$45,377
D2	Eliminated long distance charges		\$26,994
D3	Other compliance and IdAM systems		\$84,786
<b>Dt</b>	<b>Lower total cost of ownership</b>	<b>D1+D2+D3</b>	<b>\$157,157</b>

Source: Forrester Research, Inc.

## IMPROVED SECURITY

Companies also reported that IT security improved because frontline workers were protected from phishing and other end point security attacks. This resulted in fewer data breaches and that the effort to remediate remaining ones was lower. The survey showed that breaches were reduced by 61%. The average remediation cost went from \$23,939 down to \$6,378. Additionally, better identity and access management for frontline workers can result in more secure and controlled access to company intellectual property and systems which brings a whole set of additional benefits.

<b>TABLE 6</b>			
<b>Reduced Security Remediation Costs</b>			
<b>Ref.</b>	<b>Metric</b>	<b>Calculation</b>	<b>Annual Benefit</b>
E1	Number of reduced breaches	39-15	24
E2	Reduced cost of remediation - eliminated breaches	E1*\$29,939	\$718,536
E3	Reduced cost of remediation - remaining breaches	15 breaches * \$6,378	\$95,670
<b>E4</b>	<b>Reduced security remediation costs</b>	<b>E2+E3</b>	<b>\$814,206</b>

Source: Forrester Research, Inc.

## CONCLUSION

From the interviewed and surveyed companies, Forrester could quantify a subset of the total benefits: reduced frontline worker and manager effort, improved frontline worker satisfaction and retention, lower technology TCO, and improved end user security. The total annual benefits for the 34,000-employee composite organization was \$13.6 million. They also reported that on average it took 71 man days to add Office 365 for frontline workers to an existing Office 365 deployment and that the month effort to manage the solutions and additional user support was 71 hours. Based on these costs and the list price for the frontline worker SKU, Forrester has concluded that the quantified benefits realized by making Office 365

available to frontline workers greatly exceeds the costs and that companies with a lot of frontline workers should see a net benefit by expanding Office 365 to the frontline.

Forrester also concluded that there are many additional benefits which may be even more important than the ones quantified in the study. With Office 365, frontline workers can work smarter which results in better business outcomes, improved engagement and satisfaction, and better sharing of ideas and best practices. The reader is encouraged to take these benefits into consideration as well as the quantified ones when considering the total impact Office 365 for frontline workers can have on their organization.

#### **DISCLOSURES**

The reader should be aware of the following:

- › The study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Microsoft Office 365.
- › Microsoft reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.

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#### **ABOUT TEI**

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