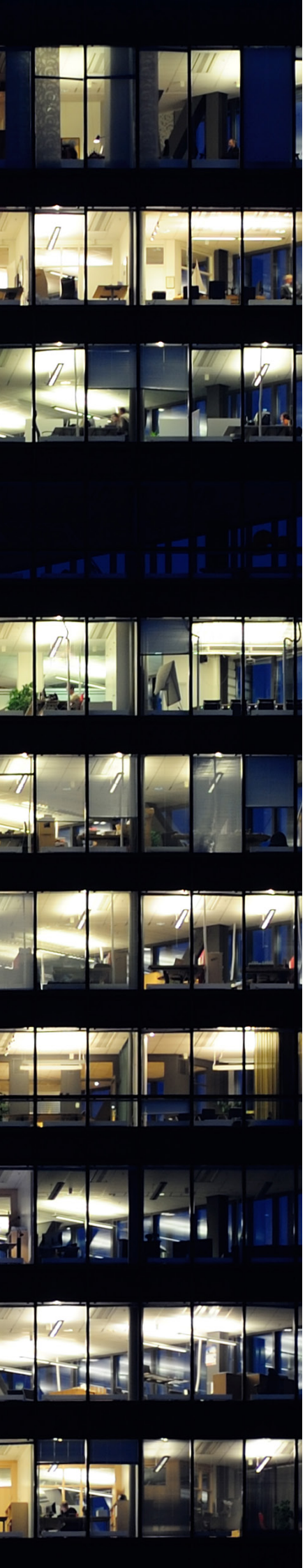
IS THE TECHNOLOGY REFRESH DEAD?

Efficient Technology Management®



Why employees are now responsible for their own workplace technology

Many employees across Australia and New Zealand are now adapting to a more permanent remote workplace model that depends on reliable, up-to-date technology. This also has implications for how obsolete technology is upgraded, with a shift toward employees being responsible for managing their own technology refresh, leading to the end of organisational technology refresh programs.

In the post-pandemic world, the way people expect to work has changed, putting pressure on enterprises to update their personalisation strategies. Enterprises that give people the agency to steer their own digital experiences will be the first to understand what their new wants and needs are, and the best way to enhance employee experience in the modern workplace.[1]

Technology refresh projects exist in every organisation across all industries. For IT teams, refresh programs can be hard to justify, difficult to plan and manage, and never seem to end. Since the 1990's, the pace of technological innovation has made it difficult for organisations to keep up.[2] Often, by the time things settle down, another wave of investment is required. These challenges are further compounded in a geographically dispersed workplace where the IT team can't physically replace technology at an employee's desk and must rely, to some extent, on the employee's ability to self-serve.

Despite the best planning, a traditional technology refresh program often involves business disruption as large volumes of assets are replaced simultaneously. In addition, the management and governance overhead of technology refresh projects is a substantial and repetitive cost when the technology is upgraded every three to four years.

Today, technology is more than a tool. It is a weapon in the war for talent. As technology is integrated into every aspect of daily life, people expect their workplace technology to perform at an optimum level and seamlessly enable them to work from home.

As companies embrace scalability and agility through empowering their employees to collaborate, accelerate and simplify the renewal of IT systems, it is now possible for IT teams to completely abolish organisational technology refresh projects.

To meet the needs of a technologically savvy and geographically dispersed workforce, organisations are increasingly ditching their cyclical technology refresh programs and moving to a continuous technology renewal model. This new model meets the needs of the now predominantly millennial workforce by allowing employees to equip themselves with the technology they need and to manage their own technology renewal.[3]

1. https://www.accenture.com/au-en/insights/technology/tech-vision-coronavirus-trends
2. https://link.springer.com/article/10.1007/s12599-008-0002-7
3. https://media.haworth.com/asset/89200/Millennial%20Series:%20Raising%20the%20bar:%20Australian%20Millennials%20in%20the%20Workplace

The drivers of technology refresh have changed

The next stage of the digital evolution has emerged. It features emotionally intelligent interfaces and hyper-intuitive cognitive capabilities from artificial intelligence (AI), transforming the way organisations operate.[4] New technologies are bridging the physical and digital worlds, raising issues around ethical technology and trust, and putting a focus on the convergence of finance and IT so that organisations can keep pace with technological change to remain agile and resilient into the future. This table outlines how technology drivers have changed within the past 18 months.

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Leaders across sectors now routinely elevate technology as a strategic business priority.[6] Technology is increasingly recognised as a strategic lever that can be used to differentiate business, attract the best talent, and drive innovation that gives companies a competitive edge. To achieve this, it must be highly personalised so that it enhances the individual productivity of each employee.

How technology refresh drivers have changed

TRADITIONAL DRIVERS	POST-2020 DRIVERS
MOORE'S LAW Processing speed fuelled the development of richer applications that required constant hardware upgrades. Business application performance degraded over time as new functionality needed additional processing capacity, which impacted employee productivity as they struggled with systems that could not keep pace.	**THE WAR FOR TALENT** A more transient workforce that now has the option to effectively work anytime and anywhere means skilled employees prefer companies that offer the best environment and technology.
OPERATING SYSTEMS Inefficient resource management required more processing power to operate systems, otherwise performance declined over time.	**DEVICE PROLIFERATION** Employees now use between two and four workplace devices such as mobile phones, tablets, smart watches, and laptop computers that often interact with each other.
VENDOR SUPPORT Often, support is retracted for older versions of software. The risk of disruption caused by unsupported business applications creates a need to upgrade infrastructure even if there are no technical performance issues.	**EMPLOYEE EXPECTATIONS** In today's digitally connected world, employees expect the same frictionless experience at work that they already have on their personal devices at home.
TOTAL COST OF OWNERSHIP The overall cost to maintain older technology is greater than new technology, with one study showing it cost businesses up to US$1.8 trillion a year in lost productivity from outdated technology.[5] This doesn't include the high risk and extensive financial and reputational cost of a cybersecurity breach from technology vulnerabilities caused by ageing infrastructure.	**THE NOT-SO-NEW NORMAL** The decentralisation of workforces requires new levels of continuous connectivity. Managing distributed technology provides a new challenge for IT teams that must ensure employees stay connected and productive online.
TECHNOLOGY LIFE EXPECTANCY Before solid-state technology, computer components had a significantly shorter lifespan, so required frequent servicing.	**RISK** The proliferation of cyberthreats, as business data is increasingly distributed across more devices, requires constant vigilance to maintain the currency of technology and software security.

4. https://www2.deloitte.com/content/dam/Deloitte/cz/Documents/technology/DI_TechTrends2020.pdf
5. https://www.hrdive.com/news/outdated-tech-may-be-costing-us-employers-18t-thanks-to-repetitive-tasks/414819
6. https://www2.deloitte.com/content/dam/Deloitte/cz/Documents/technology/DI_TechTrends2020.pdf

The anatomy of a cyclical organisational technology refresh project

The basis of almost every technology refresh project has remained the same as it was 20 years ago, with the key risk being business disruption. For organisation-led refresh projects, there are seven key steps:

STEP 1

Evaluation

This step is not often accounted for in the refresh project but is usually the longest and most costly. Evaluation starts with an audit of existing technology to understand the scope and cost of the refresh required.

STEP 2

Planning

Technology refresh planning involves determining the logistical challenges of physically replacing technology and is one of the more complex projects that companies will undertake. A poorly planned refresh can be costly and cause ongoing business disruption.

STEP 3

Procurement

Procurement activities typically include negotiating with suppliers, and securing third-party support from system integrators, as well as finance for the program. This step involves a significant amount of time and effort from many parts of the organisation.

STEP 4

Design

Business technology refresh programs take careful design and technical planning to ensure the new environment is stable, manageable, and secure.

STEP 5

Staging and deployment

Physical equipment requires storage space as well as testing, imaging, and configuration facilities, with most organisations engaging third-party specialists. Deployment requires precise planning and schedules to ensure a smooth exchange of the old equipment for new technology.

STEP 6

Disposal

Older equipment undergoes an asset management process where data is wiped and the equipment is either returned if leased, refurbished, and sold, or disposed of according to appropriate environmental standards.

STEP 7

Post implementation support

The IT team must provide ongoing support during and after the transition until business-as-usual operations are stable.

The true cost of a cyclical technology refresh project

When planning organisational technology refresh projects, most companies do not account for the true cost of the program. External costs such as the technology itself and third-party service providers are usually well documented and form the basis of project budgeting. However, there are many hidden internal costs across the business that are often overlooked. For example, IT, finance, procurement, legal, project delivery and other teams spend significant time evaluating, planning, and implementing these programs, while managers and employees impacted by the change spend time on transition planning and are disrupted during the change. These costs are incurred by the organisation during every refresh cycle, every three to four years. The overall effect on the bottom line of companies is substantial.

There are many hidden costs within a cyclical technology refresh project.

The shift from cyclical technology refresh to continuous technology renewal

The shift to remote work has also shifted the way employees view and interact with their personal and workplace technologies. Workplaces are evolving from location-centric to relationship-oriented.[7] People now evaluate their workplace technology needs based on what suits their working style, lifestyle, and personal technology engagement preferences. Most people are now accustomed to procuring and configuring their own technology.

This has opened new opportunities for organisations to enhance the employee experience while saving technology refresh costs and time, which enables the IT team to focus on higher value, strategic business activities.

Empowering every employee to select and manage the technology procurement process, from end to end, allows employees to align their technology with their individual needs to optimise productivity. Through remote management technologies, the imaging and installation of corporate applications can be automated on the employee's device. Logistics, finance, governance, and quality control can be automated throughout this process. Providing this level of ability to employees moves the organisation from the traditional, large-scale cyclical technology refresh approach to continuous technology renewal that drives greater process efficiencies and reduces cost.

The continuous technology renewal

STEP 1 The IT system automatically triggers a notification to the employee to upgrade their technology via the online portal.

STEP 2 The employee logs into a secure online portal that provides available technology options, including the potential to personally contribute to a more expensive device if they prefer. The employee orders their technology through the online portal.

STEP 3 The new technology is sent to the employee, along with set up instructions and a contact for IT support. Instructions are also provided to the employee about how to send their obsolete technology back to the organisation for refresh or disposal.

7. https://www2.deloitte.com/us/en/insights/focus/technology-and-the-future-of-work/tech-leaders-reimagining-work-workforce-workplace.html

Ultimately, continuous technology renewal delivers a simple, personalised online self-service experience for every employee. They will be notified when they are due to renew their technology and empowered to define their own modern workplace that supports their productivity needs.

Through this approach, technology becomes part of the cost of employment, not a back-office cost centre overhead. It also achieves more flexibility with financial management, which can be centrally managed or distributed to cost-centre owners.

New online tools have emerged to support organisations in their move toward continuous technology renewal. For example, an employee self-service platform such as TESMA® Portal, provides end-to-end automation of technology procurement that empowers the employee, reduces administrative time and cost, enables the organisation to align technology budgets more effectively with individual employees, and frees up the IT team for strategic business initiatives. Self-service portals such as this will increasingly drive the workplace of the future.

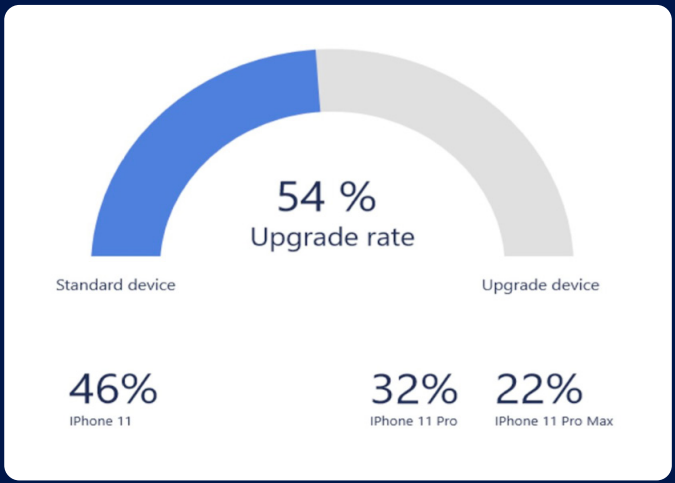
Organisations that can effectively use self-service capabilities to personalise technology and empower employees are likely to achieve higher levels of innovation and productivity, and will also be clear winners in the war for talent in the new digitised business environment.

TESMA® Portal - a digital workplace that drives engagement and empowers employees

According to a PwC survey, 78% of millennials believe having access to the technology they like at work makes them more effective.[8]

Giving people a choice about how and where they work, and the tools they use, helps organisations attract and retain employees. Through TESMA® Portal, organisations can transform the employee experience for ordering the technology they need for work, and provide access to ongoing support, wherever employees are located.

If your employees want a higher spec device, upgrades can easily be enabled with a personal surcharge that is automatically paid through the organisation's payroll. TESMA® Portal customers generally find a 54% upgrade rate, where employees choose to upgrade their workplace device over the base model offered. Because employees pay a surcharge, they can also use the device personally. We call this COPE (corporate-owned, personally enabled). It gives employees more freedom of choice and greater workplace satisfaction.



8. https://www.pwc.com/co/es/publicaciones/assets/millennials-at-work.pdf

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www.chg-meridian.com.au