The New Normal:
What Does It Mean For Services Businesses?

Introduction

A world unrecognizable from the one we knew mere months ago, the spread of Covid-19 has provoked an unprecedented paradigm shift in businesses across the globe. Caught in an unsteady balance between safety and survival, many organizations have been forced to redefine team dynamics, work patterns, and more as the situation evolves. Now, a safe workplace is a sanitized one; or one simply abandoned altogether in favor of more remote modes of communication. But as businesses settle into today's strange new normal, the conversation has already begun to shift towards an important question: What's next?

In this ebook, we look at the data from over 850 businesses gathered by PwC and an original Replicon survey to learn exactly what lies ahead for project-based organizations; their top challenges, and how they can best equip themselves for the way forward.
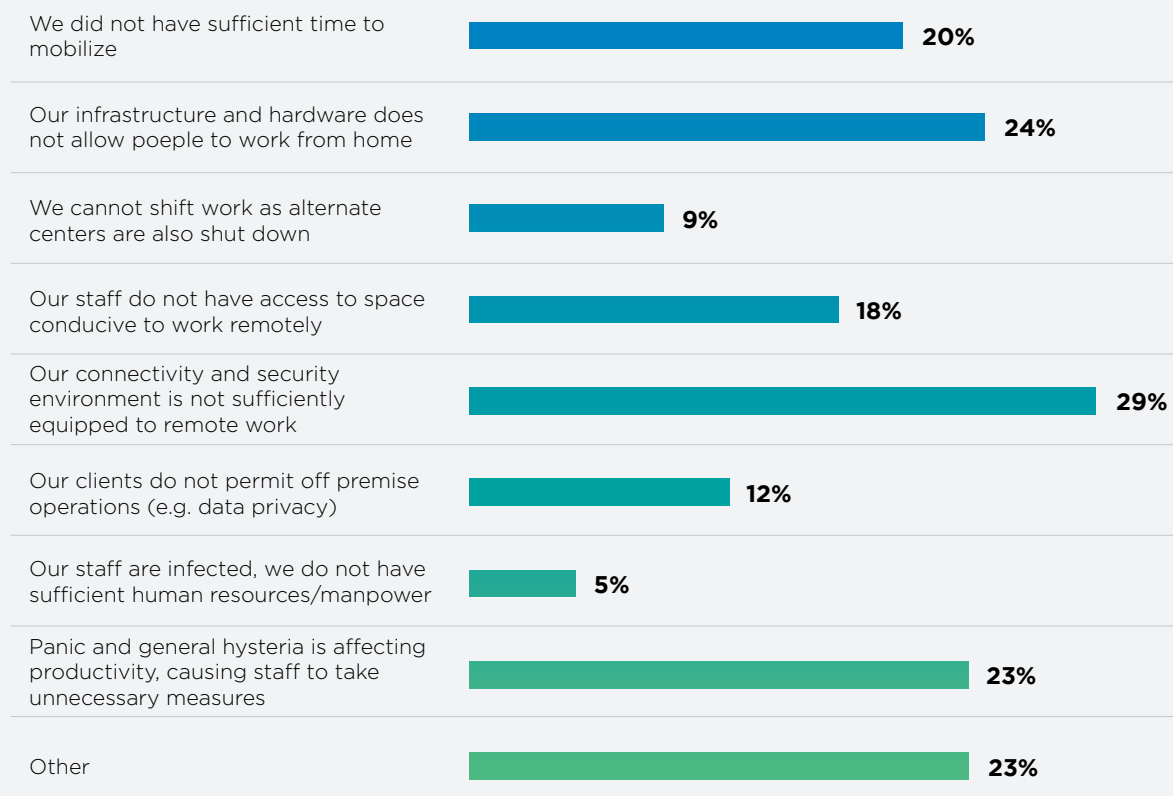
The biggest challenges to business continuity

When asked about the greatest challenge affecting business continuity planning (BCP), businesses responded with a plethora of concerns:

▸ The most common response, at 29%, was that their environment was simply not equipped for remote work.

▸ In second, at 24%, businesses reported similarly: that their infrastructure was unsuitable for allowing employees to work from home.

▸ Some (20%) found they lacked the time to mobilize properly, while others (12%) are contending with clients that will not allow off-site operations in the interest of data privacy.

▸ While the bulk of BCP challenges fell into logistical territory, at least 23% struggled to maintain productivity as a result of sheer panic and general hysteria - highlighting the importance of protecting employee mental and emotional wellbeing during this unprecedented health crisis.

Needless to say, as most project-based organizations move towards remote modes of communication, this can introduce complications down the line - both in light of Covid-19, and in overall workplace modernization objectives.

What are your major BCP challenges?

Challenge	Percentage
We did not have sufficient time to mobilize	20%
Our infrastructure and hardware does not allow poeple to work from home	24%
We cannot shift work as alternate centers are also shut down	9%
Our staff do not have access to space conducive to work remotely	18%
Our connectivity and security environment is not sufficiently equipped to remote work	29%
Our clients do not permit off premise operations (e.g. data privacy)	12%
Our staff are infected, we do not have sufficient human resources/manpower	5%
Panic and general hysteria is affecting productivity, causing staff to take unnecessary measures	23%
Other	23%

Source: SSON Survey conducted March 10-13, 2020

# How are businesses planning to bring operations back to normal?

As companies consider how and when to reopen work sites, a return to "normal" as we know it may still be a ways off. When asked what measures they planned on implementing to begin bringing workers back, most approaches vacillated between modifications on-site and within their tools and ecosystems:

▸ Nearly half at 48% said they plan to accelerate digitalization, automation and other new ways of working, among other remote initiatives.

▸ 76% plan to change safety measures and requirements.

These findings only underscore the growing importance of digital transformation as a necessary step in workforce modernization. An attractive concept before, organizations may find that they have less of a choice in a post-coronavirus market; adapting out of necessity and implementing automation and intelligent workflows proactively before they find themselves falling behind.

Which of the following is your company planning to implement once you start to transition back to on-site work? Please select all that apply.

Change workplace safety measures and requirements (e.g. wearing masks, offering testing to workers)
76%
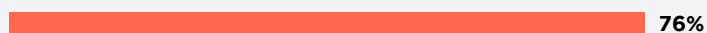
Reconfigure work sites to promote physical distancing
65%

Change shifts and/or alternate crews to reduce exposure
52%

Make remote work a permanent option for roles that allow it
49%

Accelerate automation and new ways of working
48%

Reduce real estate footprint (e.g. partial opening of offices, retail locations)
23%

Evaluate new tools to support workforce location tracking and contact tracing
23%

Source: PwC COVID-19 CFO Pulse Survey, 4 May 2020
Base: 867

www.pwc.com/gx/en/issues/crisis-solutions/covid-19/global-cfo-pulse.html

Either way, CFOs remain optimistic. A majority, at 70%, feel confident in their ability to provide a safe working environment for employees returning to the workplace, and 75% believe they have the capacity to meet customers' safety expectations as well. The success of these measures will naturally depend heavily on the comfort and appeasement of returning employees, and business leaders should anticipate objection, uneasiness, and uncertainty throughout the process. Many organizations (49%) are considering making remote work a permanent option for roles that support it.

## What does this mean for project-based organizations?

At Replicon, we asked over 150 services and project-based businesses from across the globe to name the greatest challenges they anticipated in managing a remote workforce, and the results were illuminating. The largest concerns were not so different from those we routinely saw pre-pandemic.

▸ At 31%, many believed that they may face issues with forecasting, future project and resource planning.

▸ Timesheet, billing, and payroll errors caused by manual processes (27%) also made the list.

▸ Tracking remote or WFH employee project time (21%) and lacking real-time insight into costs and billing (20%) followed close behind.

On the whole, services businesses are grappling with familiar concerns, exacerbated by a surging remote workforce. Despite 85% of CFOs anticipating a reduction in revenue as a result of the current crisis, efforts to advance digitalization and automation initiatives have not flagged - it's clear that owning complete visibility into ongoing project progress remains a top priority.

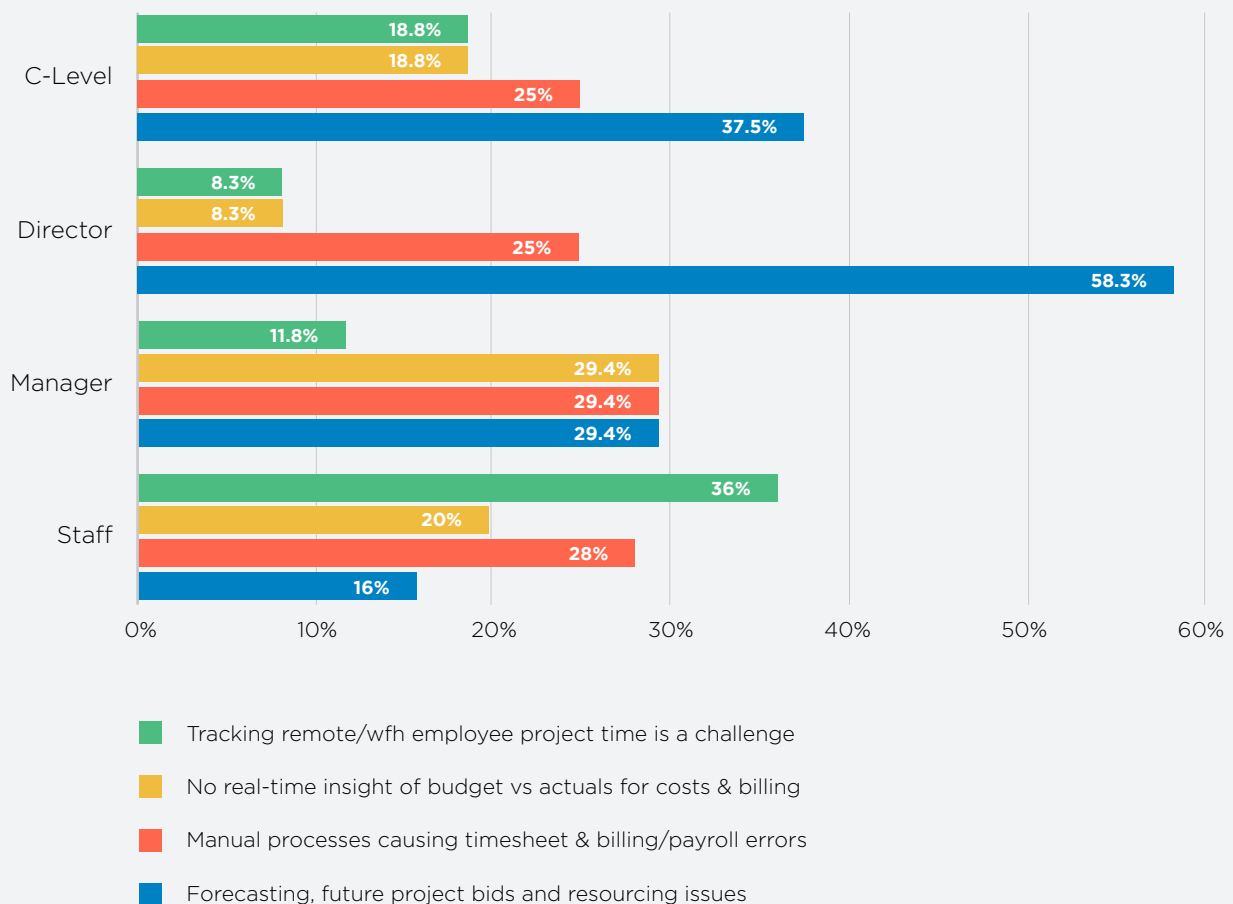## Top Global Challenge Around Managing Projects With Remote Workers

- Forecasting, future project bids and resourcing issues
- Manual processes causing timesheet & billing/payroll errors
- No real-time insight of budget vs actuals for costs & billing
- Tracking remote/wfh employee project time is a challenge

21.4%
31.4%
27.1%
20%
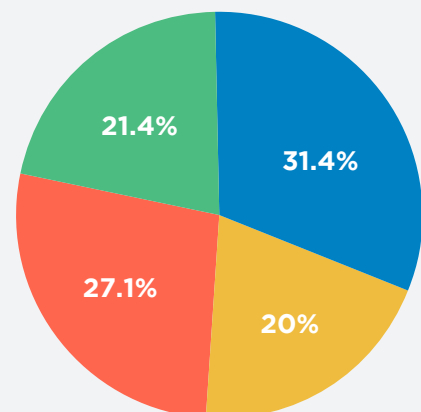
The top challenge around managing projects with remote workers - business leaders vs. middle managers

Examining the who, where, and what of these challenges provides further insight into project-based business prerogatives as they evaluate next steps. When respondents were separated into their respective designations, C-level (37%) and senior leadership (58%) overwhelmingly identified future project bids and resourcing issues as the greatest project management challenge with remote workers. Staff, on the other hand, ranked the tracking of project time on top. With each position playing an equally important role in a services organization, CFOs and other business leaders will have to consider these competing concerns and priorities from each level for a successful recovery process moving forward.

Top Challenge Around Managing Projects With Remote Workers by Title

C-Level
- 18.8%
- 18.8%
- 25%
- 37.5%

Director
- 8.3%
- 8.3%
- 25%
- 58.3%

Manager
- 11.8%
- 29.4%
- 29.4%
- 29.4%

Staff
- 36%
- 20%
- 28%
- 16%

- Tracking remote/wfh employee project time is a challenge
- No real-time insight of budget vs actuals for costs & billing
- Manual processes causing timesheet & billing/payroll errors
- Forecasting, future project bids and resourcing issues

The top challenge around managing projects with remote workers, by business size, and region
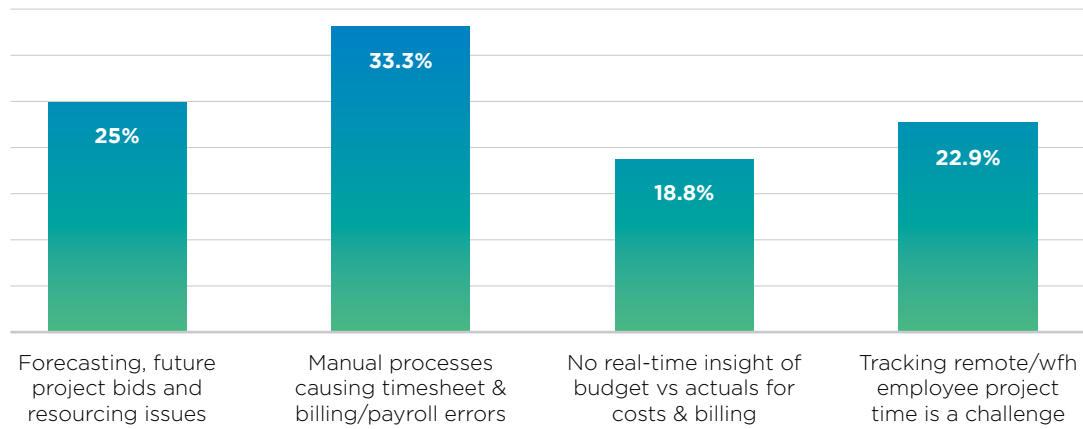
Looking at businesses based on size, the survey reveals more valuable perspectives. Again, forecasting and resource planning figure prominently as a top challenge in managing projects remotely; in this instance especially among small (37%) and mid-market (34%) companies. At the enterprise level, however, remote project time tracking and errors caused by manual processes tie the highest at 31%. Historically, the larger a global business, the more time data becomes separated into numerous siloes, making it difficult to track project time and avoid timesheet, billing, and payroll errors. These mistakes can have huge implications, made all the worse by the current crisis affecting revenue.

Top Challenge Around Managing Projects With Remote Workers by Business Segment

Business Segment		
Large Enterprises		
	Tracking remote/wfh employee project time	31.3%
	No real-time insight of budget vs actuals	18.8%
	Manual processes causing timesheet & billing/payroll errors	31.3%
	Forecasting, future project bids and resourcing issues	18.8%
Medium-sized Firms		
	Tracking remote/wfh employee project time	21.1%
	No real-time insight of budget vs actuals	18.4%
	Manual processes causing timesheet & billing/payroll errors	26.3%
	Forecasting, future project bids and resourcing issues	34.2%
Small Businesses		
	Tracking remote/wfh employee project time	12.5%
	No real-time insight of budget vs actuals	25%
	Manual processes causing timesheet & billing/payroll errors	25%
	Forecasting, future project bids and resourcing issues	37.5%

Legend:
- Tracking remote/wfh employee project time is a challenge
- No real-time insight of budget vs actuals for costs & billing
- Manual processes causing timesheet & billing/payroll errors
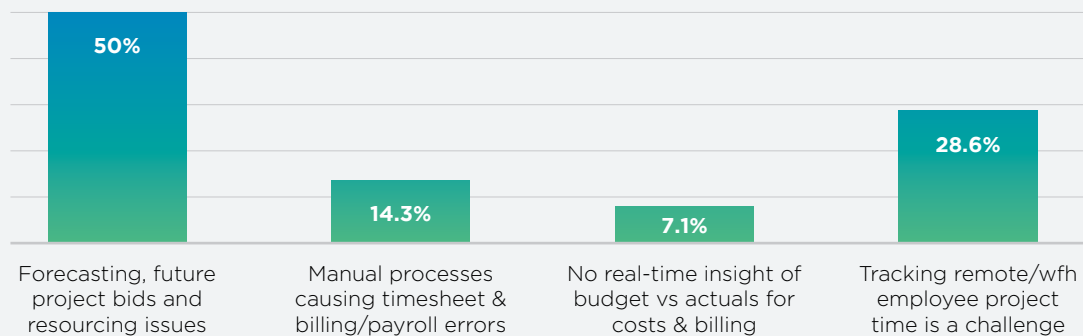- Forecasting, future project bids and resourcing issues

The same survey with respect to global regions tells yet another story. In North America, Europe, and the Asia-Pacific, impressions differ greatly. Each challenge listed is more or less balanced in North America, with one-third of respondents reporting the most concern with manual project time tracking processes causing errors, while half of those surveyed in Europe claiming forecasting, future project bids and resource planning hold the most risk. In the Asia-Pacific region, on the other hand, 50% claimed their greatest challenge around managing projects remotely was no real-time visibility into estimates versus actuals. As globalization continues to increase across industries, organizations with locations and teams spread throughout multiple regions will face many such challenges that require them to carefully anticipate, plan, and solve for.
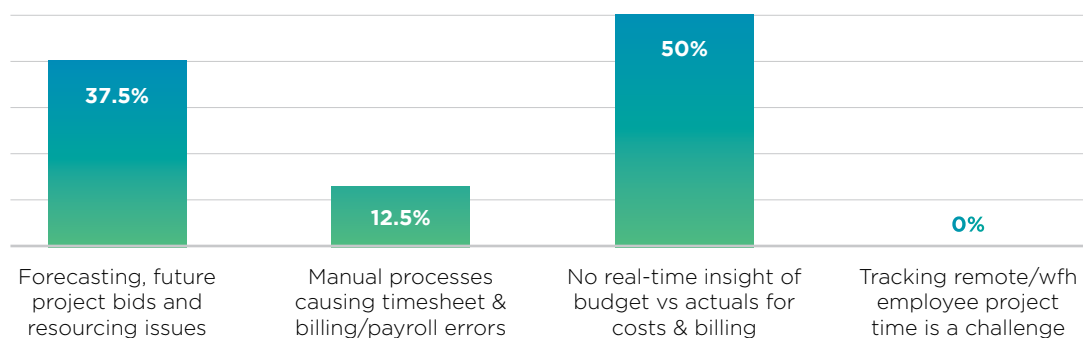
Top Challenge Around Managing Projects With Remote Workers for North America

Forecasting, future project bids and resourcing issues	Manual processes causing timesheet & billing/payroll errors	No real-time insight of budget vs actuals for costs & billing	Tracking remote/wfh employee project time is a challenge
25%	33.3%	18.8%	22.9%

Top Challenge Around Managing Projects With Remote Workers for Europe

Forecasting, future project bids and resourcing issues	Manual processes causing timesheet & billing/payroll errors	No real-time insight of budget vs actuals for costs & billing	Tracking remote/wfh employee project time is a challenge
50%	14.3%	7.1%	28.6%

Top Challenge Around Managing Projects With Remote Workers for Asia-Pacific

Forecasting, future project bids and resourcing issues	Manual processes causing timesheet & billing/payroll errors	No real-time insight of budget vs actuals for costs & billing	Tracking remote/wfh employee project time is a challenge
37.5%	12.5%	50%	0%

Accommodating the new normal: A services and project-based business transformation

What can we take from all of this data? Business continuity planning suffered from inadequate remote environments and infrastructure, but there was no distinct consensus on the greatest challenge facing remote project management. As confident as CFOs were in returning to normal, the path seems worryingly nonlinear.

Fortunately, the solution is simple. **Each** of these challenges are important in ensuring a successful recovery process, and those businesses recognizing the importance of a complete **digital transformation** have cracked the code. Here are some fundamental capabilities services leaders should consider on the path to a post-covid-19 normal:

1. **Cloud-based and configurable SaaS** - Organizations leveraging SaaS are well aware of the advantages a cloud delivery model can enable. Configurable options allow services organizations to localize to requirements, scale, and offer enhanced security. Combined, SaaS and configurability are a powerful asset to businesses across the globe, and doubly so for those struggling to transition to a remote workforce.

❝ I look at moving to the cloud as a basic requirement to run a business, irrespective of size to take care of the growth, and the ability to keep growing. **❞**

Srinivasan Suresh Kumar
Controller and Director of Global Operations, Systech

2. **Mobile-first technology** - Ensuring that remote and mobile workers on projects can be tracked with 100% visibility is crucial. Allowing for employees everywhere to capture accurate, up-to-date information makes all the difference - rather than waiting for data to come in, team members can reference real-time data to enhance collaboration, and managers can use the information they receive as it happens and use it to create the biggest impact on productivity.

> **❝** We needed a solution that offered mobile access and enabled real-time insight into time and attendance, not only for payroll purposes but to track time against projects. **❞**
>
> **Ankur Dharmani**
> **Architecture and Infrastructure Manager, 2degrees**

3. **Plug and play capabilities to simplify digitalization** - Organizations of all sizes rely on a number of systems such as payroll, HRMS, CRM, ERP, and more to keep things running smoothly day after day - and they need to play nice with each other. The ability to share critical employee project time and cost data within this ecosystem, whether it is cloud or on-prem, enables services businesses to streamline project and resource planning, billing, and revenue recognition.

> **❝** Leveraging Replicon, we were able to develop a mobile, employee-friendly, front-end solution, without having to make any changes to our backend systems or incur any downtime on our other systems. **❞**
>
> **Olcay Yilmaz**
> **Finance Director, Siemens Rail Automation**

4. **Resource productivity and utilization** - Effectively maximizing resource utilization within a services organization is among the most critical components of a successful business. Knowing who is available with the right skill set for the job can make or break any given project before it even begins. This way high-value resources can be mapped to high-revenue projects, and ensure an overall reduction in bench time for resources across the board.

> With the insight that we are getting, we can have productive discussions with employees about how work is performed, which drives additional efficiencies.
>
> **Tanja van Tuijn**
> **Professional Services Manager, CompuGroup Medical**

5. **Advanced analytics** - Both holistic and granular representations of project data help businesses understand trends within key metrics such as WIP, utilization, margins, and more. Configurable reports can provide a consolidated view of the progress, metrics, and productivity to help manage budgets, costs, and resources without painstakingly searching for the information across departments and team members.

> As far as we're concerned, Replicon is the single source of truth for Qual IT data.
>
> **Ranui Robertson**
> **Delivery Consultant, Qual IT**

6. **Real-time project metrics** - Real-time visibility into key metrics and ongoing project progress allows project managers to lead team members in the right direction based on data comparing estimated costs to the actual numbers, and ensures the client remains on the same page from start to finish.

> " Time tracking with Replicon helps us budget effectively for new projects, which helps us be more profitable. "

Justin Goldsmith
Head of Development, James Hay Partnership

There is still much work to be done before the world can return to business as usual - or some semblance of it - and companies can resume functioning at 100%. Answering the question of what's next will be of the utmost importance in the coming months as businesses transition into the recovery phase. It's clear that nothing short of a digital transformation will enable businesses to pave the way forward; that taking steps to implement a rigorous workplace modernization strategy through automation and intelligent workflows will provide the leverage needed to stay ahead of the curve. The challenges are many, but looking at the numbers tell us each one is equal in importance, and businesses can take action starting today to address each one as we move forward into the new normal.

About Replicon

Replicon, the Time Intelligence™ company, has over 20 years of industry leadership and is pioneering a new approach to time management. Time Intelligence elevates time as a strategic asset within an organization, to improve operational productivity, performance, and profitability.

Replicon's Time Intelligence Platform offers solutions for global time and gross pay compliance, enterprise time management for ERP, professional services automation, and an SDK for continued development - expanding the company's award-winning portfolio of cloud-based products, including complete solution sets for client billing, project costing, and time and attendance.

Replicon supports thousands of customers across 70 countries, with over 400 employees around the globe including the United States, Canada, India, Australia, and the United Kingdom.

Want to try it for your business?

Get your free trial now. Free one-on-one support is available throughout the trial: www.replicon.com/free-trial or contact us.

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