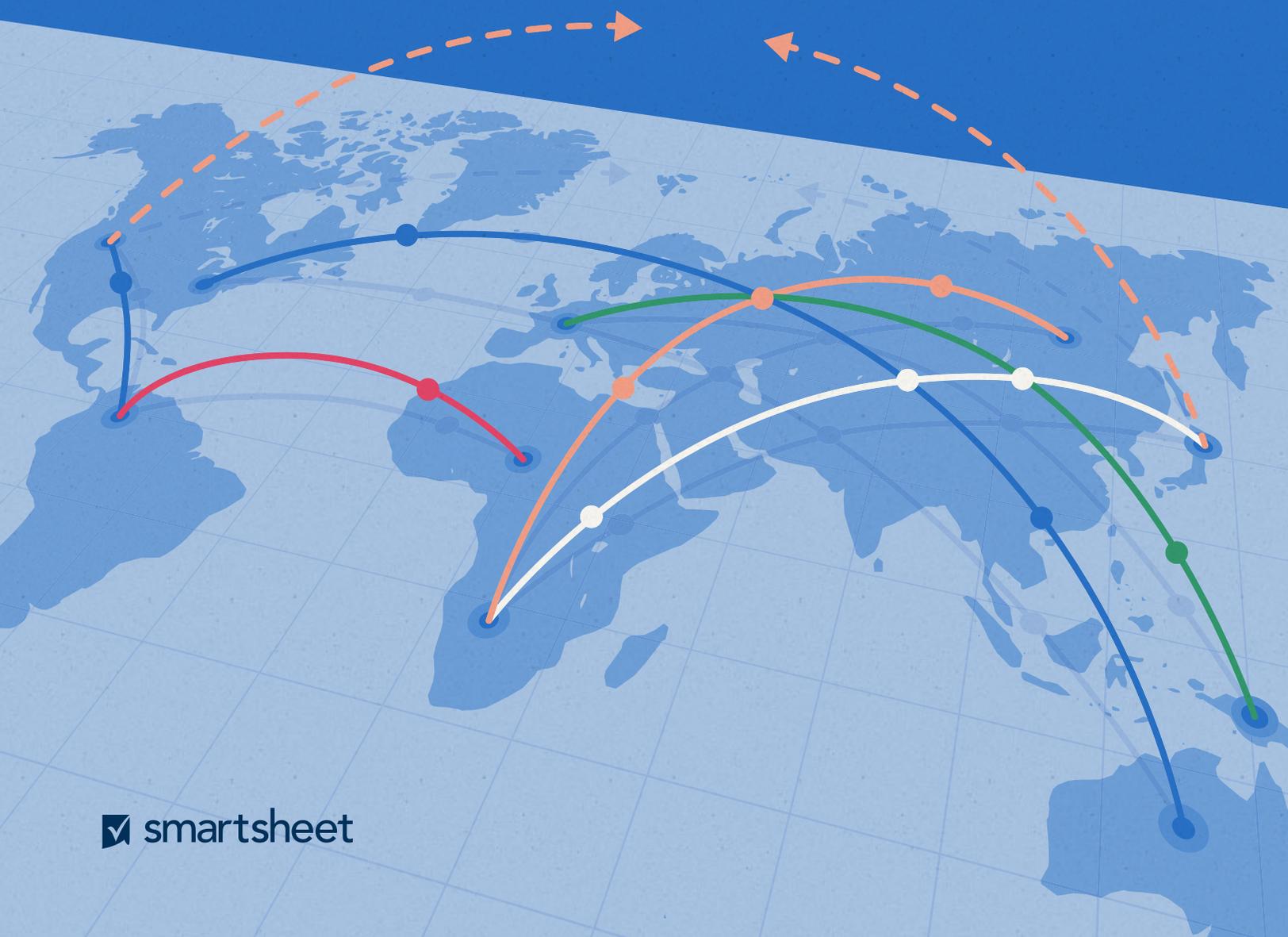


A SMARTSHEET REPORT:

How to Unlock the Potential of Your Distributed Workforce



New collaborative technologies. A tightening labor market. A globally connected economy. A younger generation shifting expectations in the workplace. The rising cost of doing business in cities around the world.

Part pressure, part incentive, these forces and others are propelling the continued evolution of modern work. As some professions emerge and grow, others disappear. And in a world where everything from supply chains to workflows are global, today's workforce is becoming more distributed.

Whether it's opening an office in a new city to expand the organization's footprint or offering work-life flexibility to better compete for talent, there's no doubt that more companies today are building teams of people who not only don't sit right next to each other, but may in fact live hundreds or thousands of miles apart. An estimated 43% of working Americans now work from home at least part of the time.¹ Add to that a growing reliance on outside partners and vendors, and you have a complex new work dynamic that spans buildings, borders, and time zones.



of all working Americans work off-site at least part of the time.¹

Yet people still have a fundamental need to feel connected to their work, their company, their colleagues, and their leadership. They want to know they can be effective and have an impact. And no matter how established a company is or how strong their lines of business, no company can afford to have a disengaged workforce.

There are a lot of variables involved in the changing state of the U.S. workforce, and the overall equation can be difficult for some companies to balance. Creating an effective distributed team means evolving everything from your tools to your company's culture — and figuring out a way to manage that team once it's in place.

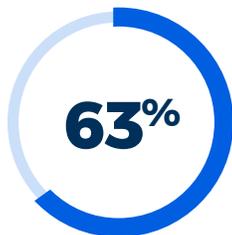
How can you make the transition to effective distributed teams, and do it successfully? At Smartsheet, we know how challenging this shift can be, because we've been living it ourselves.

1. Gallup, 2017. *State of the American Workplace*.

The challenges and benefits of far-flung teams

For larger organizations today, shifting to a distributed workforce that includes branch or satellite offices, flexible hours, and remote work arrangements is still optional, but barely. There is no doubt that the workplace is changing, and keeping up is becoming a competitive differentiator. A younger generation of workers is putting a premium on its ability to balance work and life, and find a sense of fulfillment in both worlds. A recent FlexJobs survey² found that 76% of millennials would take a pay cut for more flextime, and Gallup³ found that 63% of millennials believed that having more flexible hours would be reason enough to change jobs. Low unemployment and a lack of key skills is forcing many employers to open up their employee playbooks and embrace new styles and arrangements to better attract workers who increasingly insist on flexibility.

Making this work can be challenging. Transparency and accountability can be difficult across distances, since it's more difficult to see who's working on what, and when. The nuances of working across time zones remain the same as always, necessitating sensitivity when scheduling meetings around the edges of the work day. In the evolving new workplace, communication and relationship building require an intentional, inclusive approach – and some companies are destined to fall short. According to one study by Harvard Business School and Boston Consulting Group⁴, most companies acknowledge that employees are increasingly expecting remote and flexible work, but only 30% of companies are fully prepared for this trend.



of millennials believed that having more flexible hours would be reason enough to change jobs.³

Yet while organizations feel unprepared and even reluctant to engage with workers remotely, there is a growing body of evidence that remote workers can actually be more productive⁵ than their in-house counterparts, in part because of reduced stress, and in part because they appear to work harder to prove that the flexible arrangement works for the business. Technology at least is keeping up; an ever-growing menu of solutions exists that truly enables teams to come together from anywhere.

Tapping into the benefits of a distributed workforce requires you to prepare your people, your culture, and your tools. With the right mindset, processes, and technologies in place, organizations can overcome the barriers and build a successful, engaged team that is capable of working together effectively – and even achieving new heights of productivity. Here's a look at five keys to successfully transforming your organization.



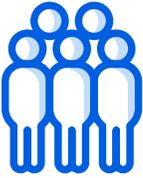
Focused on improving the lives of hundreds of millions of people around the world, The Task Force for Global Health needed a way to consolidate information, standardize reporting, and visualize research and program data for partners and donors. The organization adopted Smartsheet to help them manage the complexity of tracking and reporting on nearly 200 research projects in 55 countries.

2. FlexJobs, Sept., 2018. *FlexJobs 2018 Annual Survey: Workers Believe a More Flexible or Remote Job Can Help Save Money, Reduce Stress, and More.*

3. Gallup, 2019. *How Millennials Want to Work and Live.*

4. BCG, Harvard Business School, May 2019. *Future Positive: How Companies Can Tap Into Employee Optimism to Navigate Tomorrow's Workplace.*

5. Forbes, May 2019. *Here's Why Remote Workers are More Productive Than In-House Teams.*



No. 1: Changing the culture

Effectively running geographically dispersed teams that include both on-premises and remote workers requires a shift in the mindset of the organization.

Technology has been transforming business operations for decades, but at their core, companies are still fundamentally about people. Any major shift in an organization starts with people and behaviors, rather than tools. How do you approach the mindset of a distributed workforce so that people are productive and feel connected no matter where they're sitting?

People who work remotely or in smaller satellite offices think about this all the time. They go into meetings and find the organizer did not book them a conference room. Remote workers open up their calendar items and find there's no video conference or dial in available. Coworkers will instant message or email on a daily basis with the proverbial question: Are you in the office today?

It goes to show that you can have the tools, but if you don't consider the people you're trying to connect with, the tools don't matter.

This is the mental shift required to operate a distributed team. Everyone needs to work with the entire team in mind, blending the in-office culture with the empowerment that comes with being able to work with anyone, anywhere, at any time.

Shifting your mindset in this way brings a host of new details to light. Time zones, for example, can work either against you or for you. The technology you use can either bring people together or create silos. Facilities, policies, and even the organization's benefits packages have to be examined to ensure they work for everybody and empower the distributed team to function as one.

In the end, the key is to create an environment where the entire organization is mindful of all these scenarios employees are facing, one that prioritizes inclusion, connections, and collaboration.



No. 2: Upgrading your tools

Technology is a major driver of the shift to distributed teams, so it's essential to empower people with the right tools.

In a distributed workforce, tools are critical – but they need to be the right tools. Being intentional about drawing in remote workers is about creating a virtual workplace where everyone is participating. Getting the tech right is key.



We were introduced to Smartsheet as a possible tool that would help us manage the complexity of tracking and reporting on a very large number of projects, over a very large number of countries. I'm always a skeptic about any kind of new software, but we've had a great experience with the product, and I have to say at this point that we're really dependent on it."

—Patrick Lammie,
PhD, Senior Scientist
at The Task Force

In this regard, most companies fall somewhere along a maturity curve. “Less than three years ago at Smartsheet, we were a one-office company with a strong on-premises mentality,” says Kara Hamilton, the Chief People and Culture Officer at Smartsheet. “As a result, video conferencing had not been a priority and we were behind that curve. We didn’t have high-definition conferencing systems in all of our meeting spaces, and we lacked consistency in the tools we used for collaboration. We realized early on that this was a major hurdle to the connected workforce we envisioned.”

The reason technology is so important is that it’s instrumental in creating a sense of community and connection, and enables all team members to feel drawn into meetings and team processes, so they’re not just spectators.

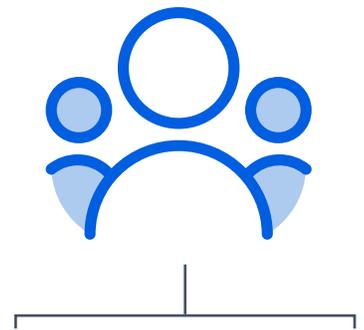
In a modern organization, the toolset should include a collaborative work management (CWM) platform that empowers teams to easily collaborate, and provides visibility into projects, processes, and milestones. The right tool will provide a single source of truth, and empower workers to easily share information and results via reporting and dashboards. And the best-in-breed CWM platforms now include conversation functionality within the context of work – closing the geographical gap so that people all over the world can work together in real time.

The big challenge is in overcoming the friction involved with getting those tools into the hands of users. A decade ago, remote employees generally had to VPN into on-premises software. A help desk call to walk a retail employee through the process of setting up a VPN and connecting back to the mothership could be a painful one indeed. In today’s world of SaaS-based applications, it’s much easier. With the right solution, employees can use any computer, anywhere, to connect to their work with very low friction.

At Smartsheet, 95% of employees can do their entire job with nothing more than a computer and two-factor authentication, according to Hamilton. For some employees in the field, much of their work can be performed via a smartphone using the Smartsheet mobile app.

To make the most of a SaaS environment, it’s important to equip your people to be successful. Spend the money to outfit remote and field employees with machines, cameras, monitors, headsets – go above and beyond to give them tools that are equivalent to what is provided in the office, so they can set up an effective space for work. Give them tools that are easy to learn and use, and powerful and flexible enough to allow them to design their own workflows – building in simple automated reminders, creating dashboards, and spinning up repeatable project flows – all without help from IT. The best tools are the ones that everyone wants to use.

Over the past few years, the technology ecosystem has evolved, and enabling your distributed workforce has become much more practical; it’s a lever anybody can pull with very little effort.



Best-in-breed CWM platforms now include conversation functionality within the context of work, closing the geographical gap so that people all over the world can work together in real time.



No. 3: Keeping it personal

From a leadership perspective, being available through a variety of means is important, and so is facetime. Don't underestimate the value of a two-minute video chat.

It's easy for branch offices and remote workers to feel like second-class citizens. The "all hands" meetings always happen at the headquarters. Team-building events and offsites are usually located there, too. The distributed team is always dialing in or missing out.

To overcome this, executives and managers need to invest in those relationships and be available for teams in the field. This includes regular conversations, having the same kinds of meetings and one-on-ones with all team members, and really investing in face time when you're in proximity.

"It really is the human side of thinking about it," says Gene Farrell, Chief Product Officer at Smartsheet, whose organization extends from Seattle to Boston, London, and Edinburgh. "I've had people who worked 100% in the field. Every morning when I sat down and my IM showed I was there, I would get a chat, I'd get a video call; just a quick two-minute catch up. And that connectedness, not letting them feel forgotten – it's huge."

Today, leaders of global teams have many tools at their disposal to stay connected across distances. Video conference, chat, and of course good old-fashioned phone calls make keeping up with teams and their needs seamless, no matter where they are or what office they're in.

In addition, there are many tools available today that provide real-time visibility into projects, milestones, roadblocks, and issues. Getting those kinds of reports automatically can ensure that management and executive leadership are able to keep their finger on the pulse of the organization without relying on proactive reporting from team members. Automated workflows can ensure that projects stay on track across distances and time zones.

Whatever routine or channel you choose, the key to making it all work optimally is building relationships so team members feel comfortable reaching out. To that end, being connected remotely is important, but leaders should also go and visit. Team activities, dinners, coffee klatches, happy hours, one-on-ones, and other direct conversations have a way of changing relationships and lowering barriers, which means those important IMs or phone calls come in sooner and more frequently.

Visits to remote offices should involve more than a quick tour. If you have routine meetings, like a staff meeting, run those from the remote office with the headquarters staff joining remotely. Center the meetings out of that office, and do your normal office hours there. Take the time to be visible and let them see how you engage and work.



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—Gene Farrell,
Chief Product Officer
at Smartsheet

If you're planning to be there for a few days, it's a good practice to block an afternoon to do an All-Hands Meeting or a Q&A. Again, it's about being intentional in creating connections and getting people to feel like they're part of something that's bigger.

By making this a priority, leaders can not only ensure their remote team members stay connected, they can actually provide a level of undivided attention that even people in the home office might not always get.



No. 4: Coming together

When remote workers can build relationships with co-workers in person, it makes it much easier to maintain their working relationships across distances.

Just as relationships between leaders and their teams is important, it's equally imperative to be intentional about bringing team members together so they feel connected with each other.

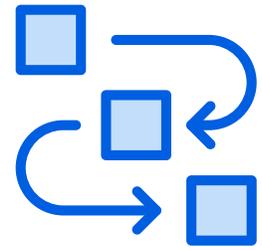
"When you don't come together, you can almost forget the company and its culture is larger than the few people you work with every day — especially when you're an individual contributor," says Jeff de Ruyter, senior director of strategic accounts at Smartsheet.

To the extent it's feasible, organizations should create periodic team events so everyone can spend time getting to know each other — a combination of socializing, team building, and work. Usually it's good to do that around the rhythm of the business, whether it's the annual fiscal cycle, holidays, the launch of a new campaign, or a quarterly review.

"At Smartsheet, we have an annual event for our sales teams that is really about kicking off the year, understanding new programs, and making sure everyone is connecting with leadership," says de Ruyter. Employees fly in from all over the country and the U.K. "It's a huge opportunity, and something we want to invest in each year."

For many organizations, bringing everyone together at once simply isn't possible, but there are a variety of other touch points that can give distributed team members exposure to one another and help forge those relationships over time.

When it comes to the overall tenure of an employee, the most important time to begin doing this is during the onboarding process. They're joining a team, and as a purpose-driven organization, you want new employees to feel that connection.



As a company that builds some of the world's leading brands, Ogilvy teams work with a huge volume and variety of data and assets across departments and stakeholders. Smartsheet vastly improved how projects are managed at the agency, resulting in not only on-time, high-quality deliverables to clients, but also clearer communication among clients and agency team members.

The first 45 days are really important to any employee's experience. The Bureau of Labor Statistics (BLS) reports⁶ that more than 20% of workers leave their new employer within the first 45 days. That kind of turnover is expensive (25% of their annual salary, according to the BLS) and time-consuming. Further, a poor onboarding experience can leave an employee – even one who works at headquarters, let alone a remote worker – feeling disconnected and uninvested.



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On the flip side, if you can make a deep connection with a new employee during this time, there is a much better chance for a new team member to feel invested in the business, connect with their teams, and be successful in their role. By bringing new employees in for a few days, you've laid that foundation and they're able to keep those relationships and build on them. Using a collaborative work management platform to manage a consistent and thorough onboarding process is the best way to ensure this.

From there, enabling individual employees to visit other offices can also provide the exposure necessary to build relationships and keep the employee feeling connected to the broader organization. Whenever there is a business reason for an employee to spend time in a different office – and perhaps even if there's not a business reason – it's a worthwhile investment.



No. 5: Blazing the trail

Some organizations are learning as they go, or may have a culture that is resistant to remote work. But if you're going to transform, you have to start somewhere.

Over the past two years, Smartsheet grew its Boston office from a handful of people to more than 300, and has opened new locations in Edinburgh and London, with another opening soon in Sydney. Along the way, the company has opened up culturally and hired key executives in remote locations.

"In each case, we listened and did our homework," says Hamilton. "But we also took leaps of faith. Fortunately, those have turned out to be good bets." And those experiences have given the organization more confidence to form the cultural behaviors and cultural motion that propels a global, distributed enterprise. "The biggest lesson we learned was in facing the fact that we were behind – and making the commitment to do something about it."



Everybody now has the same view of what we're supposed to do; all the oars are in the water going the same way. Before, we never knew what was around the corner; [with Smartsheet], we're all planning for the same thing and we all have the same line of sight to it."

–Mame McCutchin,
Program Director at Ogilvy

6. Bureau of Labor Statistics, Oct. 2019. *Job Openings and Labor Turnover Summary*.

There are going to be lessons along the way. You could choose an office in the wrong location, unable to recruit the team you want. The investment might not pencil out, or an individual leader might not work out. Setbacks are inevitable, which makes it all the more critical that you set yourself up for success as you create your borderless team by following change-management principles:

- Present a solid business case to stakeholders.
- Provide effective resources, including a collaborative work management platform that is easy for anyone to quickly learn.
- Communicate clear expectations, and facilitate ongoing communication and collaboration across the remote team.
- Fearlessly review, revise, and continuously improve processes, resources, and measurement — and celebrate successes.

Changing a culture, workflow, and an organizational dynamic can be a major undertaking, but it won't happen without that first step.

Increasingly, for many companies, opening new offices is a strategic imperative. For others, attracting and retaining the best talent means offering flexible hours and work-from-home or work-from-anywhere options. With 43% of all U.S. employees working off-site at least part of the time⁷, keeping remote teams on-task and engaged is a problem worth solving — and fast.

About Smartsheet

Smartsheet (NYSE: SMAR) is a leading collaborative work management (CWM) platform that empowers distributed organizations to plan, capture, manage, automate, and report on work at scale, enabling them to move faster, drive innovation, and achieve more. An extensible platform backed by enterprise-grade security, Smartsheet is used by more than 75% of the companies in the Fortune 500 to implement, manage, and automate processes across a broad array of use cases.

Visit www.smartsheet.com to learn more.



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7. Gallup, 2017. *State of the American Workplace*

