

## Digital Workplace Deep Dive Podcast Series

### Episode 35: The ROI on DEX – Is it Possible?

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Weston Morris: Welcome to the Digital Workplace Deep Dive. I'm your host, Weston Morris. I noticed this morning that seven of my last 12 podcasts had something to do with experience management. We've talked about the impact of security policies on remote worker experience, we've talked about the connection between employee experience and customer experience, that's a big topic, and we've had multiple topics on XLAs, how to measure experience. But I think we have skipped over an important topic: If you're a business leader, and you're considering deploying employee experience management, measuring and monitoring, going to all that effort, you have to be wondering, what is the return on investment? To dig into that, I'm very happy to have as a guest today Mark Banfield, the CEO of 1E, which you may know is the creator of Tachyon, a platform that monitors the digital experience of about 14 million PCs around the world as we speak. Mark, welcome to the podcast.

Mark Banfield: Hi Weston, delighted to be here.

WM: Now Mark, I've got your company's home page open right in front of me here, and right on the very first page there's a very simple question staring at me: What is DEX? Now I know that means Digital Employee Experience, but before we talk about the ROI of DEX, I think it might make sense for you to kind of lay some foundation. What do we actually mean by digital experience?

MB: Well, absolutely that's a great place to start. So employee experience is not something, it's not a new trend, not a trendy thing people are talking about now. It's always been perhaps the most differentiating thing that any company can do to differentiate themselves in their own market. And why is that? Because we know that happy employees, motivated employees, get better productive work done and ultimately create a better customer experience. Happy employees equals happy customers. So it's always been important, and if you look back over time, companies have always tried to find ways to create better experiences, whether it be free lunches in the office, or snacks, or whatever it may be, it's always been a very personal and high-profile thing for any organization. Digital employee experience isn't new either. It's always been vital, and enabling your users to perform their job through the technology you provide them is critical. It's important for users to be able to access the right kind of tools and technology they need to do their job in any kind of line of work. The reason it's now so vital is really because of the global pandemic and the move to hybrid work. And hybrid work is not something that is going away. I think that's pretty well accepted now, that that is going to be the way we work for the foreseeable future. Even recently, I saw an article where JP Morgan's CEO mentioned that they will reduce office space and actually will only need 60 desks for every 100 employees. So clearly hybrid work is, even in the largest companies in the world, and even in the smallest companies in the world, is a reality that we're facing. And when you move to a hybrid work environment, the stakes are higher when it comes to digital employee experience because there's more complexity, more things that can go wrong. That's the first thing. But the other thing is your entire relationship with an employee now and the experience they get from their job is an entirely digital experience. So actually managing that digital employee experience is critical. How are you engaging employees? How do you onboard them? How do you train them? How do they work with other employees? It's all digital. The device that the employee uses has replaced the office. So digital employee experience is about that. It's about creating the tools, technology, processes that allow organizations to continually improve the digital employee experience. And it's vitally important now because of the hybrid world we live in.

WM: I have to agree. I think that's a big aha moment that many enterprises came to the realization of coming through the pandemic, is that there really is a connection between customer experience - which has a real connection on return, dollars, bottom line - and employee experience. And we saw that especially with frontline workers. We were all needing to get supplies, toilet paper, sanitizer, panicking when we couldn't do that. We were so dependent on frontline workers and then of course if anyone needed medical help, which many did during the pandemic, those frontline workers in the health care space really were struggling as well. And if they had a bad experience because of the technology and the tools that were not working for them, that directly translated to a bad customer experience, or in this case patient experience. So, if everyone is believing this, that there's a strong connection mark between CX (customer experience) and EX (employee experience), why is it that there are so many failures in the ability to deploy a great digital employee experience program?

MB: I think that the number one reason is all to do with culture. I think in order to start to improve the digital employee experience and become really centered in how you make improvements there, you have to fundamentally, from an IT perspective, fundamentally shift and change the way you think about service provision of IT. For the longest time, IT has been fairly inward-looking inasmuch it's about SLAs, it's about providing the service and having the lights are all green, so the idea that my cloud environment is running fine, my network's running fine, my applications, my servers are running fine. The issue is that it leads to this concept of the watermelon effect. So on the outside everything is green, but you cut inside, and everything is red and bleeding. Because unfortunately, if you don't look at it from the user's point of view, you don't really know whether you've created a great experience. So you have to fundamentally change the way you think about how you deliver IT. You have to look at everything from the employee or the user experience, is the first thing. The second part of the culture equation is that it's no longer just solo anymore. The employee experience is everyone's job in an organization, and I think that there's probably not a boardroom of any company anywhere where the C-level group are not sitting there and are concerned and interested in trying to learn how they can improve the digital employee experience. It's a company-wide problem, it's not just an IT problem. So engaging other groups and having HR part of that conversation, the facilities people part of that conversation, even merging those teams together to create a holistic view or a human-centric approach, is actually critical. And I think that's where some organizations that aren't necessarily doing a great job at digital employee experience are, probably because they haven't made that leap of becoming user driven as opposed to SLA, service driven.

WM: Well those are great insights, things to avoid. Can you give me a list of some things that you see in enterprises that are successful in actually getting a digital experience program?

MB: I think there's a couple of things that ones who are doing very well are doing. The first thing they're doing is they're focusing on solving issues in real time. So one of the things that will really create a bad experience for a user is if things go wrong on their device and they just can't get it fixed. It could be problems with an application, it could be problems within the device itself, it could be something to do with a drive or a VPN or a network connectivity, it could be anything, frankly. Being able to identify those issues in real time and resolve them immediately at the moment that it matters is critical. And the organizations that are doing very well are the ones who are focusing on that. They are realizing that actually there's that remediation. It's about automation and remediation and it's about fixing issues for users. So I'd say that's the number one thing. Organizations that are winning in this area are doing that very well. And they're doing it at scale.

WM: Thanks for those insights, Mark. I'm just wondering for our listeners if you have any real-world examples that could help us understand that problem about culture, focusing on SLAs, and making those changes where people have failed to do that.

MB: There's a couple that spring to mind. A very large telecommunication provider, very large customer for us, interestingly runs somewhere in the region of about 10,000 automations each week. Each time they're running an automation, they are impacting the user's experience. It could be they're clearing the cache on Teams because Teams is crashing. It could be something to do with a drive or a VPN, could be something to do with a memory problem, could be anything really around the experience on the device. And by running that automation 10,000 times a week, that's 10,000 moments that matter where you're improving the experience for an employee. That's the first thing. The second thing you're doing, of course, is you're reducing and perhaps eliminating the need for that user to call into IT to resolve the issue. So by having this autonomous approach, you can actually have a pretty powerful impact into the user's experience. And actually they may not even know that you've improved the experience. You're doing it without them knowing. So that's one example of how one customer's doing that. A very large pharmaceutical company using the Tachyon platform extensively, has more than 100,000 devices and users on that platform. And one of the things they talk about is that it's like having a specialist technician anywhere you want, whenever you want. And actually one of the things that they're able to do with Tachyon is by creating these automations and fixes that allow you to improve things on the device, fix issues when they happen, remediate problems, actually has allowed them to reduce their dependency on their Level Two technicians and it's allowed them to automate more and more. So there's a double benefit there. First off, they're impacting and improving the employee's experience, but they're also reducing the dependency they have on Level Two technicians, which of course is a reduction in cost. So in both those examples, they fundamentally changed this culture about how they think about user experience. In the latter example, the pharmaceutical company, they actually have committed completely to a hybrid working model and called it "Choice with Responsibility." Employees have the choice of where they work, and it's their responsibility to say how they're gonna get their job done, where they're gonna get it done, when they're gonna get it done. And having the Tachyon platform has really enabled that organization to make that a reality. You can imagine users there coming in through different networks, from a home network, a different Wi-Fi network, a coffee shop. There's a multitude of things that can go wrong at any time, and having the ability to rapidly remediate issues as they arise is really powerful and actually creates a way better experience for the employee and controls costs for the company.

WM: As I hear you describe those two real-world examples, Mark, I think the first one I'm thinking about with the telecom company, there's a direct connection with the customer experience. I think we've all had the experience where we've called our ISP provider, our phone provider, and perhaps got the runaround, or they said I can't answer that question right now, the computer's down, or I have to transfer you to someone else, and then I gotta explain my question all over again. And that's because their underlying workspace toolset isn't running properly. It isn't effective. And you're preventing that from happening and therefore giving a good experience. Your second example, you're looking at another example of ROI from the cost side of things, just eliminating that expensive level of support by resolving things automatically. Those are two key things we want to understand a little bit better. If you could give us additional examples of how we actually can get ROI by providing digital experience monitoring and management and then proactively solving problems, I think that would be helpful to us as well.

MB: There's four examples of where DEX really pays off. And actually I would urge anyone listening to download the report that we did with Forrester, where we actually went and analyzed this with real-world customers and got some real statistics, some summary statistics on what that impact can be. The first is, when you do implement DEX properly and you implement something like the Tachyon platform, the first instance is around fewer disruptions. What we found in the report that we ran is that you have as much as six times fewer disruptions than you would if you didn't implement this kind of DEX strategy. So that's the first one. The second is around a better remote working experience. So the customers and the organizations we spoke to talked about 56% improvement in the remote work experience, as told to them by their employees, their users. The third area is all around satisfaction. So, a 33% improvement or higher employee satisfaction from those organizations that have implemented Tachyon or a DEX strategy, and the last is around retention. So, a 62% retention rate from employees if you really do implement this DEX vision. And of course we all know about the Great Resignation and the impact it's having on organizations, and one of the things we talk about is the butterfly effect. It might not be the thing that makes someone leave a job, the fact that they couldn't use their technology well and they couldn't get their job done because it was cumbersome and tricky, but it's sort of like, it's a contributing factor. And it could be the straw that breaks the camel's back, so to speak. So certainly improving that experience actually does have a really positive impact on your ability to retain employees. As we know, you give them the right tools and things to do their job, they do great work, they're happy, they're doing productive work, they create a great customer experience as well.

WM: Mark, even before the pandemic, you mentioned speaking with a pharmaceutical company in the US, and they were talking about the challenge they had with their research scientists, a very specific role. Of course this was before the pandemic, before it even got crazier, but they said their research scientists are getting phone calls weekly from competitors saying come work for us. I know people aren't gonna move just because their PC isn't working well, but they brought this up as being a real problem, that it was a contributing factor. And then it just got worse during the pandemic, where now it's not just specific roles, but pretty much any role in the company has this notion of hey, my remote work experience or now this hybrid work experience is bad, I wanna do something different. You had some additional examples you'd like to share on how ROI is possible with the digital experience, cause I think this is such an interesting topic, Mark.

MB: The challenge is, if you don't have an automated way to remediate issues such as the way that I've been talking about, what happens is you end up in a situation where first off, you're gonna have a bad experience for the employee, as we've talked about. But more importantly, you end up with a huge cost to your IT service desk. And one organization I spoke to recently, a very large organization in the government area, 200,000 employees, actually saved somewhere around 70 million dollars in the last year on their service desk by call avoidance. And they attributed a lot of that savings to the Tachyon platform because we're able to automate and remediate these issues. The reality is if you have one user with a problem, like a problem with a collaboration tool or Zoom or Teams or something else on the device, whatever it might be, it's likely that many people are experiencing that problem. So one of the powers of Tachyon is that we have a concept called Guaranteed State. So what you do is you identify something that could be going wrong, something that's crashing, an application or something. And you create a rule that sits in the agent on the device that is a Guaranteed State. It continually looks to see whether that's a problem. And if it sees any change in what it's expecting, it remediates immediately. Very, very powerful. Because the speed with which you can then do that for many, many users is critical, and it really allows you to drive down your costs. Ultimately, from an IT perspective, first off you wanna create a compelling and a wonderful digital employee experience. But you need to also show that you can get the payback. And the payback is that you're able to scale without scaling your internal IT costs

continually. And that's really the key takeaway here. A lot of digital employee projects talk about the importance around sentiment and looking at the data to tell you what's happening to a user's environment. Very few solutions talk about actually remediating the issues in real time. And that's the bit where I think at 1E we really have got something highly differentiating. And we're seeing tremendous value in the companies that we sell to.

WM: I think we're getting a clear picture here that the foundation is super important to actually measure the experience. That may require some additional technology. You can't just rely on people, your service desk data. There's a lot of people who suffer in silence and never call or only call when they're ready to explode. So once we're doing this, once we're measuring the experience, and now I may have a score if we're talking about an XLA, we're saying your experience score is 6.2. Yay! But what do I do with that? How do I go beyond just having another dashboard that's giving me a score to actually getting to some real ROI?

MB: It comes down to, there's an element of a culture mindset here of constant improvement. I'm a big believer that the great organizations come out of who they are, they have a culture of constant improvement. They're always looking at, how do I improve, how do I create a better experience? That's the approach you're gonna have to take here. So the score is an indication of what kind of level of experience you're providing. What you do next is the most important thing, is, how do you improve that? Now, if you can monitor and manage the user's experience, digital employee experience, and if you can analyze the way that they're doing things and collect that data, you can start to look at ways that you can improve that overall employee experience. Fixing problems is a critical part of it because actually fixing issues on devices and in users' environments is critical because otherwise they can't do their job and costs go up, as we've been talking about. But start taking preventative measures around how they're using different services on the device, how can you improve that based upon the collection of data you're getting back? That's the key. That's how you look at the score and say, okay, I'm gonna take a user from a 6 to a 7 to an 8 or whatever it might be, I need to use these things, I'm noticing that they're using these applications more regularly and that's a challenge for them, and I can now make recommendations and things like that. It's the analytics that's gonna become quite important here.

WM: That kind of comes back to your very first statement about why people fail, is that they don't take the culture or the organization into account.

MB: That's right.

WM: So it's always technology plus something. Technology, and we have to figure out how we change how we use it, and having an organization in place to make use of it, I like that. Well I think maybe to wrap up here, Mark, if you could give our listeners maybe, what do you see as a logical first step for an enterprise that's maybe just now dipping their toe into the water of employee experience management?

MB: Yeah, absolutely. And maybe the way I'll frame that is to talk about something that we've sort of been pioneering here. So you're probably familiar with Maslow's hierarchy of needs, hierarchy of human needs. He was a psychologist. And of course he talks about the very basic level, there's certain things you need as humans, light, food, water, etcetera. But then you go all the way through the pyramid or the hierarchy of needs, up to like self-actualization, things like that. We've kind of taken that framework and created like what we call the DEX hierarchy of needs. And it's split into two areas. The first is around basic needs that you require in order to function. So you start at a basic level. It's connected devices, it's responsive devices, it's secure devices or secure data, it's a line of business applications and access to

those applications. Basic things that any employee in any industry must have, the basic requirements in order to do their job. If we look to the top end of the pyramid, and you'll see this if you look at our website, I'll talk about that in a minute, the top part of the pyramid is around digital empathy. And that's a term we're starting to use more and more. Digital empathy is about IT starting to become more empathetic towards their users. So looking at everything from the user point of view, from this human-centric point of view. And when we talk about the hierarchy of needs around digital empathy, we talk about modern collaboration tooling, providing users with the ability to collaborate. Gone are the days, it seems lately, gone are the days where we sit in offices having meetings. Most of our meetings these days are done through collaboration tools. So having tooling that's very good, always available, is critical. The other area when it comes to empathy is all about autonomous remediation. We've talked about that a lot today. In an autonomous fashion, how do you remediate at scale? And the last is about user empowerment and creating an environment where users feel empowered and they can do their job to the best of their ability. So an additional empathy part of this hierarchy of needs is required for growth. The first part is just about basic needs, you just need that in order to function. Where the differentiation is gonna come for companies is if they follow this hierarchy of needs around digital empathy, where it's required for growth. That's where you're gonna get that differentiation. So the first thing I would recommend for anyone wanting to look at DEX is to almost perform a bit of an assessment in their own business of how well do they stack up against those things I just talked about in the hierarchy of needs. That would be a good way of starting, to say, do we really have the ability to support our users remotely in a hybrid work environment? The second thing I would suggest anyone to do is that there's an absolute wealth of information on our website. If you go on our website, it's at 1E.com, you'll find so much information. You can download the Forrester report I was talking about earlier, it's a very interesting report about the impact of DEX and how people are thinking through DEX strategies. There's also a number of great customer testimony videos on the website, and I always think it's great to hear real customers talk about how they've transformed their digital employee experience with the use of 1E. And I think that's a really good base to start as well.

WM: Well, I will include a link to that in the show notes, I think there'll be a lot of interest in the research you did with Forrester. Thanks for those two tips, Mark. I'm gonna be honest here, I'm probably gonna steal your use of the DEX hierarchy of needs. I like that as a model of assessing where an enterprise is, and coming out of that, you can say here's where I need to start and that's where I'm probably gonna see my first return on investment. So just giving you fair warning on that. Thanks so much for your time and expertise today, Mark, it's been so great chatting with you.

MB: Thank you very, very much, it was a delight to be here.

WM: You've been listening to Mark Banfield, the CEO of 1E, as he shares some of the lessons learned and best practices that his company has developed as they work with customers around the world to measure and improve employee experience. This is the Digital Workplace Deep Dive. I'm your host, Weston Morris.