COVID-19 Report

"New Normal" and Impacts in the US Market

Nomura Research Institute America, Inc

Research and Consulting Division

810 Seventh Avenue, 25th Floor
New York, NY 10019

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NRI

Share the Next Values!

Agenda

The "New Normal" in the US Market
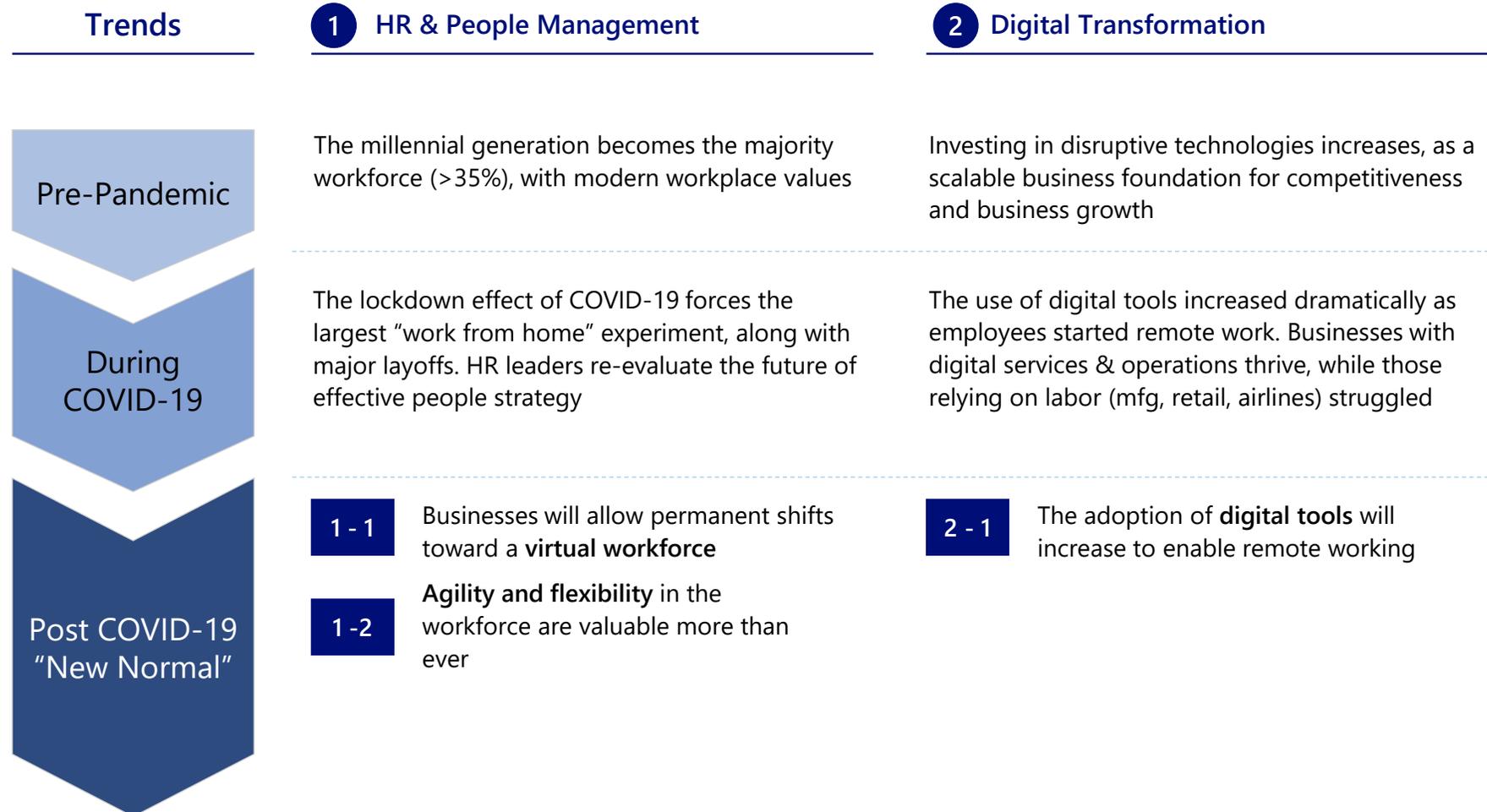
1. HR & People Management

2. Digital Transformation

About NRI

There are common themes and words used across the business landscape when considering the response and recovery from COVID-19

Resiliency

Collaboration

Virtual

Efficiency

Flexibility

Cloud

Social Impact

Strategy

Customer needs

Work from Home

Agility

Adapting

Supply Chain

Privacy

Digital Transformation

People

Security

Remote

COVID-19

Communication

Public Health

Employees

Automation

Technology

Notable trends have emerged and accelerated due to the global pandemic, establishing a shift towards the "New Normal" in the post COVID world

Trends	**1** HR & People Management	**2** Digital Transformation
Pre-Pandemic	The millennial generation becomes the majority workforce (>35%), with modern workplace values	Investing in disruptive technologies increases, as a scalable business foundation for competitiveness and business growth
During COVID-19	The lockdown effect of COVID-19 forces the largest "work from home" experiment, along with major layoffs. HR leaders re-evaluate the future of effective people strategy	The use of digital tools increased dramatically as employees started remote work. Businesses with digital services & operations thrive, while those relying on labor (mfg, retail, airlines) struggled
Post COVID-19 "New Normal"	**1 - 1** Businesses will allow permanent shifts toward a **virtual workforce** **1 -2** **Agility and flexibility** in the workforce are valuable more than ever	**2 - 1** The adoption of **digital tools** will increase to enable remote working

NRI can support businesses to consider the pandemic as a transformation opportunity, to lead the transition into the "New Normal"

Key Trends	Companies Leading Trends	Legacy Companies
1 - 1 Work from Home	• Seamlessly transitioned all corporate employees to remote work with no performance decrease • Implemented policies focused on employee mental health and scheduling flexibility	• Remote work success depends on job function, but generally successful • Considering mental health / flexibility policies, but generally not implemented
1 - 2 Business Agility & Flexibility	• Rapid roll-out of new strategic initiatives • Working closely with customers to respond to changing needs • Decision-making hierarchy has flattened	• Longer product development cycles makes quick shifts more difficult • Considering more distributed decision making model to improve agility
2 - 1 Digital Tools	• Companies typically had high adoption rate of digital tools pre-pandemic • Key business functions shifted to Cloud and/or SaaS model	• High adoption of Microsoft 365, conferencing and security tools • Some adoption of collaboration tools • No change in Cloud or SaaS strategy since pandemic

In the midst of the COVID-19 pandemic, the business landscape is changing daily and constantly evolving. During this time of uncertainty, executives must stay vigilant and keep up-to-date with the latest news and trends. NRIA can provide research and support to navigate clients through this crisis period, utilizing our expertise and wide range of service offerings.

Agenda

The "New Normal" in the US Market

1. HR & People Management

2. Digital Transformation

About NRI

1 HR & People Management

The pandemic has forced the largest "work from home" experiment globally, with positive results for an increasing shift towards a virtual workforce
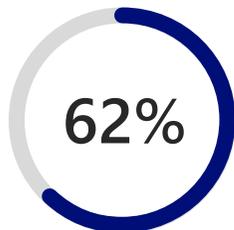
Survey for Hiring Managers on remote work during COVID-19

94% of hiring managers report their organizations utilize remote workers

56% say remote work has functioned better than expected

62% believe their workforces will be more remote than pre-pandemic estimates

Post COVID-19 Forecast & Benefit Estimates

Increasing shift

25 ~ 30% of the workforce will be working from home multiple days a week by end of 2021

Employer savings

A typical employer can potentially save an average **$11,000 per year** for every employee who works remotely half of the time, while employees can save between $2,500 to $4,000 a year

Climate change impact

Early signs of the global response to COVID-19 has resulted in a dramatic reduction in traffic, congestion, and pollution for a reduction in carbon footprint

Progressive tech companies have led and accelerated the shift to a virtual workforce, due to COVID-19 "stay-at-home" orders

Twitter CEO says staff can continue working from home (WFH) permanently

"We were uniquely positioned to respond quickly and allow folks to work from home given our emphasis on decentralization and supporting a distributed workforce capable of working from anywhere. The past few months have proven we can make that work. So if our employees are in a role and situation that enables them to work from home and they want to continue to do so forever, we will make that happen. If not, our offices will be their warm and welcoming selves, with some additional precautions, when we feel it's safe to return."

- **Jack Dorsey, Twitter CEO**
May 12, 2020

Company Profile

Name (HQ)	Twitter Inc. (San Francisco, CA)
Sector	Technology Services (Social Media)
Industry	Internet Software / Services
Financials	Rev: $3.5B, NI: $1.3B (2019), Market Cap $25B

Anticipated Benefits

✓ Smaller office footprint for potential cost savings
✓ Access to larger, nationwide talent pool without regional restrictions, with potential to offer less compensation
✓ Increased morale in employees, with personal benefits like reduced commute, flexibility, and comfort
✓ Note: Permanent WFH benefit also offered to Square employees

Similar Industry Responses

Facebook: 95% of workforce remote until 2021, ~50% likely permanent

Apple: extended policy for workers until early 2021

Microsoft: extended policy until January 2021

Google: allowing WFH until July 2021, $1,000 for home office equipment

Amazon: WFH extended into 2021, except for essential workers

Others: Square, Slack, Box, Dell, Zillow, Nationwide, Barclays, etc.

Although tech companies are leading the shift, some non-tech companies have publicly announced similar policies for teleworking
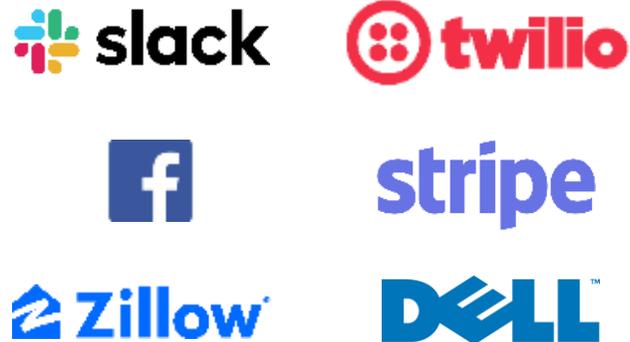
	Remote-Friendly Strategy	**Remote-First Strategy**
	• Hires remote positions while requiring / allowing employees to work together in-person • Often started as in-person organizations	• Design processes around remote employees • Office space is available to employees, and may require some workers to be physically present
Tech Companies	slack twilio Facebook stripe Zillow DELL	twitter Square coinbase vmware FUJITSU Quora shopify
Non-Tech Companies	TOYOTA SIEMENS Mondelēz International nielsen PSA GROUPE telenor	Nationwide Principal

Remote work policies are applicable to "eligible" employees, often corporate functions and staff, and does not apply to frontline employees in manufacturing and in-person service roles.

The companies cited potential benefits of remote work, while weighing risks

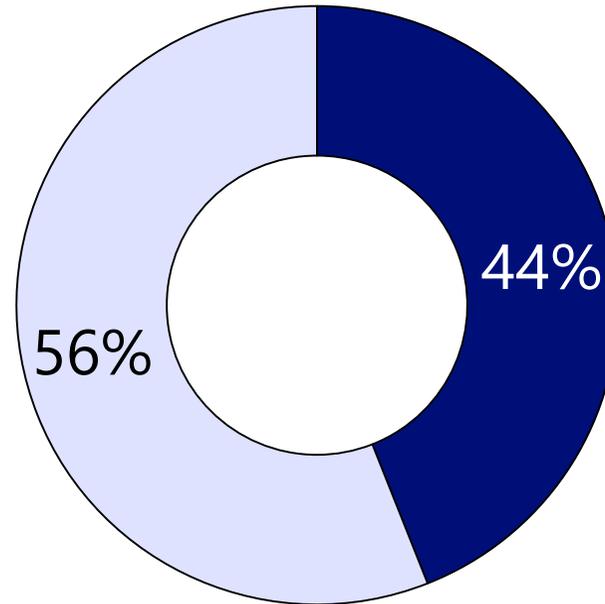| Category	Benefits	Risks
Employees	• Improves employee satisfaction • Increases productivity • Cuts down on wasted meetings • Increases flexibility • Increases access to employment • Potential to reduce cost of living	• Management mistrust • Team cohesiveness • It's not for everyone • Out of sight, out of mind mentality • Feel less connected to company • Co-worker jealousy
Corporate	• Reduces attrition • Reduces unscheduled absences • Cost savings (office space, perks, etc.) • Expands the talent pool nationwide • Potential for lower payroll expense	• Lack of innovation • Collaboration concerns • Speed and performance concerns • IT security issues • IT infrastructure changes
Other	• Environmentally friendly • Reduces traffic jams	• Economic inequality

However, working from home is only feasible for 44% of the US labor force

Unfavorable Industries

- Leisure & Hospitality
- Agricultural
- Construction
- Retail
- Manufacturing
- Medical services

Unfavorable Functions

- Production
- Service
- Construction
- Transportation
- Maintenance & Repair

Favorable Industries

- Information Technology
- Financial Services
- Professional & Business Services
- Public Administration

Favorable Functions

- Management, business & financial occupations
- Professional occupations
- Administrative support
- Marketing & sales

44%

56%

- Ability to telework
- Not able to telework

When the COVID-19 pandemic started spreading across the US, employees in favorable industries and functions were told by employers to work from home, while those in unfavorable positions were subject to layoffs and furloughs, except for essential workers.

The capability to telework heavily depends on the employee's function within the organization

Function	Typical trends during COVID	"New Normal"	Trend	Risks & Challenges
Executives	• Execs worked from home, focusing on crisis management and communication	Likely to return to office unless implementing remote workforce	—	Navigating new policies and employee satisfaction
Sales, Biz Dev, & Marketing	• Conventions, trade shows, client visits and business trips were cancelled • Sales and marketing activity resumed remotely	Less face-to-face meetings	↗	Closing deals and providing customer support virtually
HR & Administration	• Some essential businesses required onsite HR presence • Administrative work resumed remotely with availability of digital tools	Management of workplace policies & virtual workforce	↗	Limited human engagement & interaction
Finance & Accounting	• Majority of work resumed remotely with access to ERP and digital tools	Possibility to move to remote work	↗	Connectivity and accessibility to systems
Supply Chain	• Support for essential businesses required onsite presence • Other management and indirect support worked remotely	Possibility to move to remote work	—	Connectivity and accessibility to systems
Operations	• Management for essential workers required onsite support • Other indirect support staff worked remotely	Likely to be required onsite to support ops	—	Health and safety of customers & employees
Engineering & R&D	• Engineering work resumed remotely where possible • Confidential R&D projects were placed on hold due to limited access of facilities	Possibility to move to remote work	—	Connectivity and accessibility to systems
IT	• Majority of work resumed remotely supporting digital services, tools, and operations	Implementing and supporting more digital tools	↗	Increased resources to handle increased support
Frontline employees	• Essential workers continue work with new safety measures • Many nonessential workers were laid off or furloughed due to business closures	Gradual and slow rehiring of nonessential workers	—	Health and safety of customers & employees

↘ Likely to decrease   — Likely not to change   ↗ Likely to increase

In the last decade, several large US companies have shifted away from long-standing teleworking policies, with often insignificant impacts

Company (Year)	Statement	Details
yahoo! (2013)	"To become the absolute best place to work, communication and collaboration will be important, so we need to be working side-by-side. That is why it is critical that we are all present in our offices... Speed and quality are often sacrificed when we work from home., We need to be one Yahoo! and that starts with physically being together."	• Within her first year as Yahoo's new CEO, in Feb 2013, Marissa Mayer banned working from home through a memo to all staff • Mayer sited that she felt employees were often abusing the right to work from home, using bad excuses like bad traffic, bad weather, etc. • It is estimated more than a third of staff left within a year. 2 years later, workers claimed Yahoo had softened their stance and they occasionally work from home and some do not have a desk in the office.
IBM (2017)	"IBM had decided to "co-locate" the US marketing department... which meant that all teams would now work together, "shoulder to shoulder," from one of six different locations... Employees who worked primarily from home would be required to commute, and employees who worked remotely... would be required to either move or look for another job"	• As of 2009, 40% of IBM's 386,000 global employees worked from home, reducing office space by 78m sq ft and saving $100m annually • In 2017, IBM announced it was dismantling its popular decades-old remote work program to bring employees back into its offices, a move it says will improve collaboration and accelerate the pace of work • Employees were reportedly upset, starting to look for new jobs, stopping contribution to long-term projects, and theorizing whether IBM was using co-location as a downsizing effort
♥aetna™ (2016)	"The company, which believes its generous work-at-home policy is harming collaboration, will be requiring managers who live within 50 miles of an office to start working in the office next year, according to several employees. Over time more rank-and-file employees will be brought back into the office."	• A longtime promoter of remote working to potential employees, Aetna claimed 43% of its employees telecommuted in 2016, also boasting $78 million per year savings on getting rid of 2.7 million sq ft of office space • Aetna spokesman said the changes to the policy are being done with the goal of increasing collaboration and driving innovation • The changes to the policy were announced in parallel with plan for layoffs and an early retirement package

These companies were facing challenges when announcing to reduce or eliminate work from home, and often citing reasons to improve collaboration and innovation. Yet after the announcements, the companies were met with disgruntled employees and insignificant impacts.

With remote work increasing, companies have turned to employee monitoring tools to reduce productivity loss

What is employee monitoring?

Employee monitoring, or "corporate surveillance" tools enable stealth monitoring, live video feeds, keyboard tracking, optical character recognition, keystroke recording, or location tracking on corporate computers and mobile devices. A 2018 Gartner report revealed that of 239 large corporations, 50% were monitoring the content of employee emails and social media accounts... A year later an Accenture survey of C-suite executives reported that 62% of their organizations were leveraging new tools to collect data on their employees. These tools can help employers to monitor their employees to ensure they are being productive and efficient.
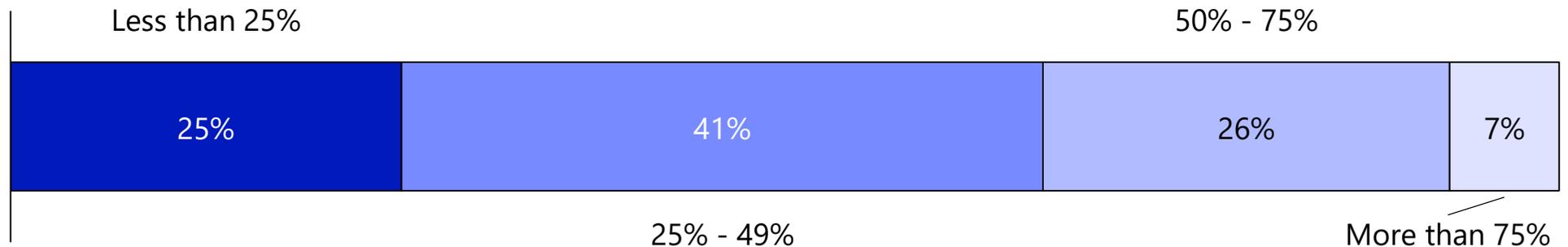
Impact

- Surveillance threatens the trust between the employer and employee – leading to increased attrition
- Mishandling of data can lead to poor management decisions
- Employees are more likely to be dissatisfied, and stressed out – leading to inefficiencies
- Risk of legal ramifications related to employee's right to privacy
- Rifts in company culture and reputation

Recommendations

- Be transparent with employees about what is being monitored and why
- Make sure the metrics being tracked are relevant and necessary
- Use the tool as motivation and not just a method of oppression
- Sympathize under external circumstances
- Ensure monitoring is equal among employees and eliminate any discrimination
- Treat your employees with respect, and decrease monitoring where possible

Employers must consider the best strategy to allow working from home

Survey results from managers, anticipated remote workforce, post pandemic:

Less than 25%   50% - 75%

25%	41%	26%	7%

25% - 49%   More than 75%

Considerations for employers:

- 82% of employers will continue flexibility at a greater scale post pandemic
- Employers must remain empathetic during the pandemic, to those caring for the elderly and children
- Even without implementing a permanent remote-first or remote-friendly strategy, employers must consider the infrastructure and tools needed to allow remote work for future needs
- In many company situations, a hybrid strategy of office and remote workers, or a number of days remote out of the week may be an optimal option

Companies can take 4 key steps to build a successful work from home program

1

Define the work and expectations

Not every job is suitable for remote work, nor is every employee well-suited to work from home. Remote workers should have a self-starting attitude, maturity, ability to communicate and collaborate, and a commitment to their work. It's critical to define clear expectations of behavior and work to be accomplished.

2

Investment in technology

Technology plays a big role in the success of remote teams, allowing full, easy access to information and resources one would have in the office. Examples of tools are intranet, file sharing, remote access software, client management system, video conferencing, and communication apps. The company needs to analyze the combination of software which will be the most effective in each situation.

3

Test remote work (or use results from COVID performance)

Conducting a test case is a way to determine how remote operations might work for the company. A trial-run can generate questions that need to be answered, identify software needs, and training documentation to be developed. Employees should be encouraged to share feedback and observations for opportunities to improve.

4

Building remote into the culture

When getting started with telecommuting, schedule regular check-in calls or in-person meetings. Communicate often with transparency and set cultural guidelines or policies on work habits, availability, and communication channels. Arrange for in-person meetings and team-building events throughout the year to increase collaboration and teamwork.

1 HR & People Management

As businesses are disrupted by COVID-19, flexibility and agility in the workforce are key to sustain a competitive advantage

Technological innovation, uncertainty, and unforeseen events like COVID-19 are forcing companies to adapt quickly to change

"**2 out of 3** CEOs believe that agility is the new business currency"

Workplace Flexibility	Workplace Agility
• Workplace flexibility emphasizes the willingness and ability to rapidly adapt to change, such as with the COVID-19 pandemic • Flexibility is a strategy of responding to changing circumstances and expectations, as well as the unique demands of each situation • Employees who approach their jobs with a flexible mindset are typically more highly valued by employers than those with a rigid mindset • Flexibility is often "give and take" between the employer and employee, to get the job done	• Workplace agility can be measured by having the right mindset, tools, and processes to respond to business needs and demands • Organizational agility is a competitive advantage, adapting to new competitors, new technology, and sudden shifts in the market and customer needs • Agile employees have the ability to work quickly, seamlessly, and cohesively in teams • Digital transformations are helping make workplace agility a possibility to maintain productivity and efficiency

Zoom has proven to be flexible and agile during the pandemic, quickly responding and pivoting resources to resolve user's privacy concerns

Zoom Wraps Up 90-Day Security and Privacy Agenda

"As March came to a close, we realized that our singular mission to deliver frictionless video communications to hundreds of millions of daily meeting participants needed to include an equal focus on security and privacy – areas where we needed to do more"

- Eric Yuan, Zoom CEO, responding to privacy backlash identified on expanded usage

Company Profile

Name (HQ)	Zoom Video Communications (San Jose, CA)
Sector	Technology Services (Video Conferencing)
Industry	Internet Software / Services
Financials	Rev: $622M, NI: $21M (2019), Market Cap $70B

Problem Statement

- Zoom's daily meeting participants grew to more than 200 million in March, from a previous maximum of 10 million prior to COVID-19
- Users identified privacy concerns, reporting unidentified individuals invading corporate and school sessions, or "Zoombombing"
- Companies like SpaceX banned employees from using the app, citing "significant privacy and security concerns"
- Zoom's stock dropped 24% within 2 weeks of its most recent high in late March

Solution and Benefits

- ✓ On April 1, Zoom responded by freezing all new features for 90 days to work on security issues, and offering end-to-end encryption for all users (not only paying customers)
- ✓ The company established processes and plans to tackle any future security issues which may arise, as it continues to scale rapidly
- ✓ Zoom reported 169% growth in Q1, posting $328M in revenue
- ✓ In Q2, Zoom shattered App Store download record in US (94m)
- ✓ Zoom's stock (ZM) is up 268% at the end of Q2, June 30

Agile methodology is typically associated with tech companies, but it is also a strategic mindset applicable across the organization in all industries

HR goes Agile: a case study in BBVA

" 'HR Goes Agile'. That was the headline of a recent issue of Harvard Business Review on talent management. Further than any academic paper, this is already a reality in BBVA. In fact, we may well be the first company with over 100.000 employees to execute a complete (all team), transversal (holding and countries) transformation of the HR function into a new Agile organization and governance model."

Company Profile

Name (HQ)	Banco Bilbao Vizcaya Argentaria (Spain)
Sector	Financial Services (Banking)
Industry	Financial Services
Financials	Rev: €24.5B, NI: €3.5B (2019), Market Cap $24B

Problem Statement

- Clear strategic vision, but slow execution while new competitors entering market were moving at high speeds
- Needed a new way of working, collaborating, and creating new solutions – decided to implement agile in development teams
- The rest of the organization was following traditional model and constrained by silos, creating friction between agile and non-agile teams

Solution and Benefits

- ✓ BBVA decided to transform the HR, Talent & Culture function into a fully agile organization and governance model
- ✓ The team was reorganized into 4 different groups, serving internal customers, defining policies and strategy, solutions development, and employee experience
- ✓ Leaders focus on giving strategic guidance to teams, helping them remove barriers, and acting as coaches, while execution teams are put in the center of the organization
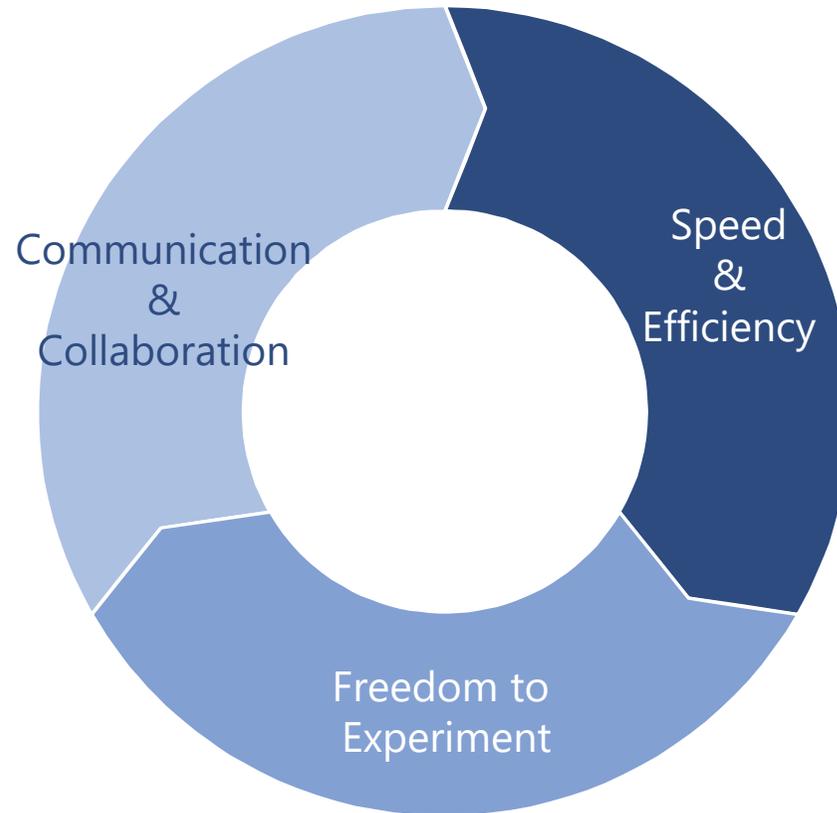- ✓ Teams benefited from increased visibility, empowerment, and accountability

Source) BBVA, Harvard Business Review

Organizational agility has key traits and characteristics for competitive advantage

	Traits & Description		Advantage
Quick to Adapt	• The ability to respond or complete an initiative in a fraction of the time it traditionally takes, while being accurate; there's little room for error when the timeline is shorter and the demands are higher	▶	**Meets stakeholder's changing needs**
Stability	• The organization's strategic directions and plans are stable, and provides clear guidance for what matters • The strategy serves to define priorities and inform decision-making at every level of the organization	▶	**Clear mission and values**
Decisiveness	• Decision-making and governance is distributed, rather than flowing down a hierarchy • Decision-making is easier and becomes second nature in agile workplaces, largely based on available data and insights	▶	**Quicker actions turning into results**
Efficiency	• Agile companies save money by making smarter, timelier decisions and avoid costly mistakes • Rapid feedback loops in smaller increments to learn from failures and respond to changes or new demands	▶	**Lower overall costs**

There are 3 pillars to building an agile culture within the organization's employees

Communication & Collaboration:

- Break down the silos between team and departments
- Create opportunities for regular ideas and knowledge sharing

Communication & Collaboration

Speed & Efficiency

Freedom to Experiment

Speed & Efficiency:

- Constantly make every job and process as simple as possible
- Use technology to help employees get more done in less time
- Remove unnecessary bureaucracy to decision-making

Freedom to Experiment:
- Determine what risks are necessary and what failures are acceptable
- Help every person in the company feel they should contribute to innovation

Roles, not jobs, are suitable for flexibility and agility in an organization

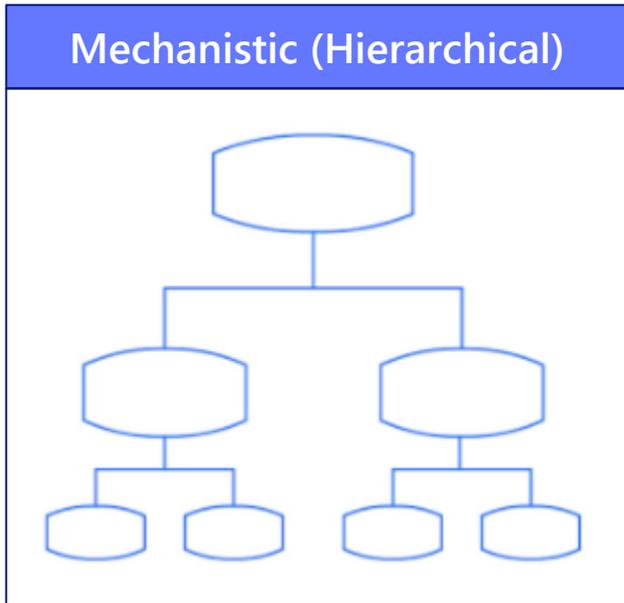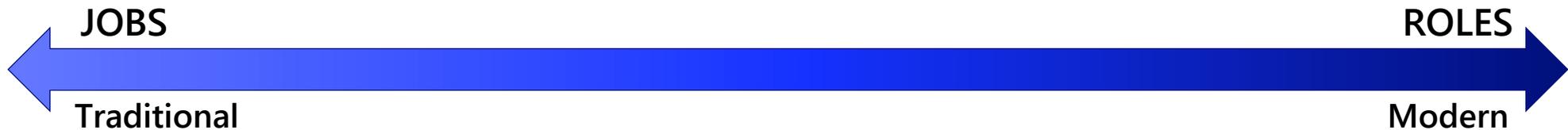| Jobs		Roles
Jobs are rigid	↔	Roles are **flexible**
Jobs are associated with a person	↔	Roles are associated with a **flexible process**
Jobs are task driven	↔	Roles our **results driven**
Jobs relate to a hierarchy	↔	Roles can be **used anywhere**
Jobs focus on a hierarchy of control	↔	Roles focus on the **execution** of a process
Jobs are applied to a permanent workforce	↔	Roles can be applied to a **flexible** or **permanent workforce**
Jobs are more difficult to recruit	↔	Roles are **easier to develop people**
Jobs focus on task execution	↔	Roles focus on **value** to the organization

Jobs are often bound by job descriptions and task-oriented, which do not allow for change and flexibility. Jobs follow hierarchical decision-making, often slow with bureaucracy
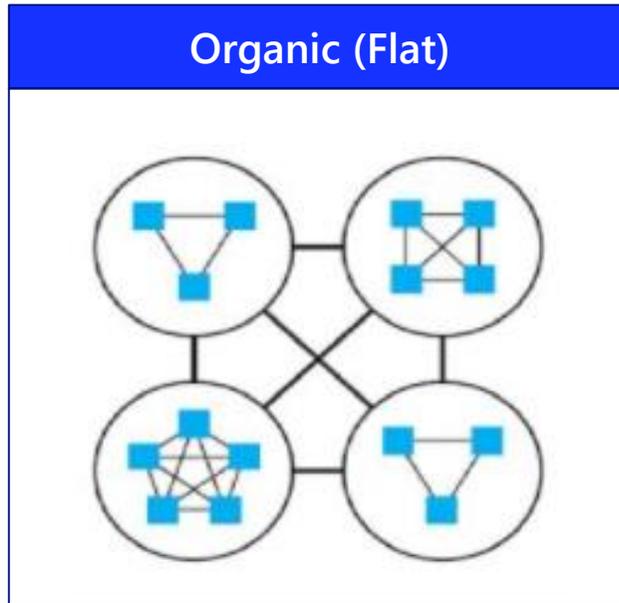
Roles are flexible, accountable, and results driven, which can adapt to the changing needs of the company.

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Modern organizational structures offer flexibility for rapid change, while promoting networking and collaboration

Traditional   Modern

Mechanistic (Hierarchical)

- High specialization
- Rigid departmentalization
- Clear chain of command
- Narrow spans of control
- Centralization
- High formalization

Organic (Flat)

- Cross-functional teams
- Cross-hierarchical teams
- Free flow of information
- Wide spans of control
- Decentralization
- Low formalization

Holacracy (Circle)

SUPER-CIRCLE
One that contains sub-circles. This could be Marketing.

ROLE
A task related to a function. This could be Social Media Producer.

SUB-CIRCLE
Each is dedicated to a function. This could be Digital Advertising.

- Modular org structure (circles)
- Autonomy for self-managed teams and individuals
- Distributed decision-making
- Purpose and results-driven promoting productivity
- Formalization depends on circle

Source) Harvard Business Review, Essentials of Organizational Behavior, Various Sources, NRI Analysis

Companies are adopting modern organizational structures for agility and innovation

Organic Case - Whirlpool

Name	Whirlpool (Founded 1911)
Industry	Home Appliances
Financials	Rev: $20.4B, NI: $1.2B (2019)
Employees	100,000+ worldwide

Actions Taken

- Launched initiative called Winning Workplace, focusing on tools, environment, and culture
- Tools: Google Apps technology suite and modern tools
- Environment: Office space designed for collaboration
- Culture: Dropped traditional job titles and grouped employees into 4 categories: leading self, leading others, leading function, and leading enterprise

Benefits

- Flatter structure encouraging leadership at all levels
- Work from anywhere flexibility with the right tools
- Workplace culture that prizes innovation and experimentation
- Attracting, developing and retaining talented people who believe improving lives and making a difference matters

Holacracy Case - Zappos

Name	Zappos (Founded 1999)
Industry	Retail (Apparel & Footwear)
Financials	Owned subsidiary of Amazon
Employees	1,500

Actions Taken

- Adopted Holacracy as a tool in 2014, to allow employees to deliver exceptional customer service by quickly acting on customer feedback
- Reduced managers and hierachy significantly, rather have leaders to hold others accountable
- All employees are self-managed and self-organized, within the company vision, rules, and guidelines

Benefits

- Faster, creative decisions improving customer satisfaction
- Static job descriptions and corporate titles became dynamic roles and responsibilities that were transparent and evolved as the organization changes
- Smaller, incremental decisions replaced large scale re-orgs so the organization could respond quickly to a shifting environment and maintained agility while growing

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Agenda

The "New Normal" in the US Market

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About NRI

2 Digital Transformation

2-1. Adoption of digital tools

Digital tools are imperative for enabling a virtual, flexible, and agile workforce for the post-COVID workplace

Workplace Characteristic	How do digital tools support?
Virtual (Remote)	• Digital tools like VPN and cloud-based software allow employees to **securely access resources** and **simulate working in the office** from anywhere with an internet connection, whether it is from home, coffee shop, airport, or hotel • Productivity and communication tools like video conferencing and instant messaging facilitate **easy collaboration** between employees and keep everyone on task
Flexible	• The tools mentioned above enable employees to **seamlessly transition** work between offices and remote locations • Business and enterprise tools allow for **flexible changes** to meet the needs of internal and external demands through interfaces and configurations
Agile	• Real-time data can be aggregated across digital tools and made accessible for **business insights** and **rapid analysis** to support **strategic decision making** • Productivity and task management tools allow **quick pivots** in priorities in reaction to sudden shifts in the market or customer needs • Digitization and automation are **increasing productivity and efficiency** in the agile workplace

COVID-19 has already accelerated the adoption of digital tools providing a substitute for physical presence

Video Conferencing

169%

revenue growth in Q1 to $328 million

Zoom's daily meeting participants grew to more than 200 million in March, from a previous maximum of 10 million prior to COVID-19.

Employees forced to work from home for social distancing increased usage of video conferencing tools to meet and collaborate.

HR & Payroll Software

29%

growth in instances from January to March

ADP provides HR & payroll software, facilitating direct deposit payments for employees.

With employees asked to abstain from coming into the office and avoiding the potential spread of the virus from handling or mailing of checks, payroll software adoption will likely be permanent.

eSignature

59%

increase in billings for fiscal Q1 to $342 million

DocuSign added 10,000 new direct customers and 58,000 new self-onboarded customers during Q1.

The pandemic forced social distancing measures, requiring businesses to adopt electronic signature technology over in-person signatures, especially in real-estate and banking industries.

Businesses can leverage a wide array of digital tools to optimize its remote work operations for employees (1 / 4)

Category	Type	Description	Notable Vendors
Security & Accessibility	**VPN** (Virtual Private Network)	VPN solutions provide employees access to a secure end-to-end encrypted connection to the company's network, including network drives and enterprise software (ERP)	CISCO AnyConnect, FortiClient Endpoint Protection
	SSO (Single Sign-On) **& MFA** (Multi-Factor Authentication)	SSO is an authentication scheme allowing a user to login with one ID & password to many software systems. MFA is an authentication method in which a user is granted access only after successfully presenting two or more factors to an auth. mechanism	okta, Ping ID, DUO, onelogin
Communication & Collaboration	Video Conferencing	Video conferencing allow for online meetings with high quality video and audio, including built-in features such as chat, screen sharing, and recording	zoom, GoToMeeting, Cisco webex, Microsoft Teams

Businesses can leverage a wide array of digital tools to optimize its remote work operations for employees (2 / 4)

Category	Type	Description	Notable Vendors
Communication & Collaboration	Instant Messaging	Corporate instant messaging tools promote communication as an informal collaboration hub which can replace traditional emails. These tools can make conversations easier to track, improve teamwork, and help maintain company culture	slack, Cisco Jabber, Skype for Business, Google Chat
Productivity	Cloud Storage	Cloud storage stores data on the internet through a cloud computing provider who manages and operates data storage as a service. It's delivered on demand with just-in-time capacity and costs, and eliminates buying and managing your own data storage infrastructure	box, Google Drive, OneDrive, Dropbox
Productivity	Work & Task Management	SaaS designed to improve team collaboration and work management, helping teams manage projects and tasks in one tool. Teams can create projects, assign work to teammates, specify deadlines, and communicate about tasks directly	asana, monday.com, Trello, smartsheet

Businesses can leverage a wide array of digital tools to optimize its remote work operations for employees (3 / 4)

Category	Type	Description	Notable Vendors
Sales & Marketing	**CRM** (Customer Relationship Management)	CRM allows companies to manage and analyze its interactions with past, current and potential customers. It uses data on the interaction history to improve business relationships with customers, specifically focusing on retention and driving sales growth	salesforce, Microsoft Dynamics CRM, ORACLE CRM ON DEMAND, zendesk
HR & People Management	**HCM** (Human Capital Management)	HCM software support a variety of HR and people management functions: Payroll, timesheets, time off requests, hiring / firing, recruiting, onboarding, performance management, career advancement, etc	ADP, workday, SAP SuccessFactors, CERIDIAN
	LMS (Learning Management System)	A learning management system (LMS) is a software application for the administration, documentation, tracking, reporting, automation and delivery of educational courses, training programs, or learning and development programs	docebo, CONVERGENCE TRAINING, SAP Litmos

Businesses can leverage a wide array of digital tools to optimize its remote work operations for employees (4 / 4)

Category	Type	Description	Notable Vendors
Finance & Accounting, Supply Chain	**Cloud ERP** (Enterprise Resource Planning)	Cloud ERP is Software as a Service (SaaS) that allows users to access Enterprise Resource Planning (ERP) software over the internet. Cloud ERP gives companies access to their business-critical applications at any time from any location.	SAP S/4 HANA; Microsoft Dynamics; ORACLE Integrated Cloud Applications & Platform Services
Data	**Data Visualization & BI** (Business Intelligence)	BI encompasses variety of tools that enable organizations to collect data from internal systems and external sources, prepare it for analysis, develop and run queries, and create reports, dashboards and data visualizations for actionable insights	tableau; Power BI; DOMO; looker
Documents & Contracts	**Electronic Signature**	Online electronic signature tools manage the entire document signing process including data collection, authentication, workflow, collaboration, signing, and secure storage. Digital signatures are encrypted and a complete audit trail is maintained	DocuSign; HELLOSIGN a Dropbox Company; Adobe Sign

As remote work continues, the information security and data privacy challenges and risks are growing for businesses

Cyber Attacks Increasing

200,000+

weekly coronavirus related cyberattacks detected by threat prevention software in April

- All types of cyberattacks were up 34% from March to April, reported by Check Point
- **Web:** Threat actors registered fake domains and distributed malicious apps impersonating Zoom, Microsoft Teams, etc.
- **Mobile:** One threat actor used a large international corporation's Mobile Device Management (MDM) system to distribute malware to more than 75% of its managed mobile devices
- **Cloud:** Increased reliance on public cloud storage because of the pandemic led to an increase attacks targeting sensitive cloud workloads and data

"Today, a growing number of organizations are urging work from home adoption to enhance productivity and stay profitable amidst the coronavirus pandemic. Fortunately, technologies such as cloud computing and collaboration tools allow people to use virtually any business application instantly from distributed locations. Despite the numerous benefits businesses leverage in remote working strategies, **protecting fluid perimeters from soaring cybersecurity risks has become a significant challenge for enterprises**. Most companies are ill-prepared in supporting work from home approaches, exposing themselves to risks such as insecure home network setups, coronavirus-themed scams, and vendor risks. Securing a distributed workforce requires synergy from both the organization and its remote workers to reduce risks."

- AT&T Information Security Consultant

The potential costs of a data privacy breach extend beyond financial losses

Real costs to the business

$3.92m Average total cost of a data breach to a business (in millions USD)

$150 Average cost per record lost

Financial

The estimated costs include detection and escalation, notification, response, and business losses

Losing credibility

Customers may feel their personal information is not safe in the hands of the company, resulting in declining business reputation

Damaged stakeholder relationships

Other stakeholders like investors, partners, and employees may lose faith in the business and decide to part ways

Recent notable data breaches

twitter (July 2020)

- Attackers targeted 130 high-profile accounts, successfully breaching 45 to send scam messages, collecting $115k in bitcoin before being stopped
- High-profile accounts include Barack Obama, Jeff Bezos, Joe Biden, & Elon Musk
- The breach is suspected to have started with targeting a Twitter employee

Nintendo (April 2020)

- 300,000 Nintendo accounts have been breached up to June 9
- Personal information and payment services were exposed, with some accounts making fraudulent purchases or missing funds
- The company notified affected accounts and is requesting users to set up two-factor authentication

Marriott (March 2020)

- Personal information of 5.2 million guests exposed, including contact details, loyalty account info, preferences, etc.
- Marriott notified affected guests and offered enrollment in personal information monitoring services

Businesses must continuously assess and improve on mitigating the security risks associated with a growing virtual workforce

Remote Access Policies

- Many businesses do not have robust remote access policies, which often require outside audits to evaluate security risks companies face
- General work from home and remote work policies on computer and internet use can help, and these policies can be enforced with both technical and administrative controls
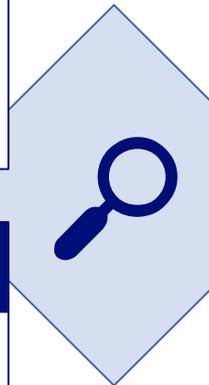
Separate Personal & Work Data

- Employees should not use personal devices for work and vice versa without proper security measures
- Mobile device management (MDM) apps allow companies to create gated access to data and perform remote locks or wipes if devices are lost or stolen

Establish Secure Environment

- Set up and require VPN for remote work. Reliable VPNs offer end-to-end data encryption and shield IP addresses to increase security on connections
- Public Wi-Fi networks introduce significant security risks and should be avoided
- Set up MFA to validate user login attempts

Employee Education

- Users remain unaware of the potential security risks of their actions or how these actions could compromise their employers' networks
- Employers must establish training and education programs informing all employees of security best practices and provide the tools and support to put them into operation

- Only **19%** of survey respondents indicated nearly all (75 – 100%) of employees accessed networked through VPN
- Only **48%** of survey respondents indicated MFA was enabled on e-mail and mission critical applications
- Only **14%** of survey respondents indicated that nearly all (75 – 100%) of company issued devices had MDM solutions installed

The COVID-19 pandemic crisis has intensified and sped up the migration of business applications to the cloud

What businesses are saying...

- While cloud adoption was already on the rise, quick decision-making and a change in working patterns is forcing new thinking on application management. The pandemic has built confidence and a realization that organizations need to **utilize cloud computing** to be **more agile and more flexible**
- Those organizations that had already **widely adopted cloud infrastructure** and software-as-a-service [SaaS] applications were able to **respond relatively easily** to the pandemic, taking full advantage of the unique scalability of cloud technologies. For others, there has been an uncomfortable realization that cloud provides not only competitive advantages, but also business security

Business needs

- Tools to accelerate digital transformations towards increased flexible working and integration of services, replacing old processes and legacy technologies to save costs and improve performance and security
- Continuity and workforce enablement, mainly in accessing resources, data assets, and applications quickly without delays through VPN

Shift to Cloud ERP

- **Cost Benefits.** Reduced maintenance of on-prem hardware and flexible cost structure
- **Access.** Secure remote access with scalable bandwidth and computing power for faster access to transaction interfaces and data
- **IT Agility.** Continuous and automated upgrades, accessible and extensible connections

Public Cloud ERP adoption is increasing rapidly with highly anticipated benefits

Public Cloud ERP adoption
(companies with > 1,000 employees)

Region	%
NA	32%
LATAM	36%
EMEA	31%
MEE	29%
APJ	36%
GC	37%
Global	**34%**

CA 31%

US 33%

MX 36%

Benefits of Cloud ERP

- Save costs
- Complete data security
- Flexibility & ease of access

- Streamline business operations
- Pay-as-you-go model
- Faster ROI
- 99.9% uptime

Despite the disruption caused by the pandemic, FedEx is continuing to virtually deploy Oracle Cloud ERP throughout the organization

FedEx brings its innovative spirit to the back office using Oracle Cloud

"By quickly focusing on how we could deploy the applications and train people remotely, we experienced very few issues and got everything up and running properly… Modernizing our back office in the cloud is giving FedEx Services the innovations we need to outpace change, and the financial resiliency we require to help withstand any future shocks that threaten to prevent us from our mission of doing the extraordinary every day in service to our customers."

- **Chris Wood**
VP of Business Transformation, FedEx Services

Company Profile

Name (HQ)	FedEx Corp (Memphis, TN)
Sector	Transportation (Logistics)
Industry	Air Freight / Couriers
Financials	Rev: $69.2B, NI: $2.9B (2019), Market Cap $43B

Problem Statement

- FedEx utilizes tech-fueled innovation to not only deliver packages, but improve customer's access to information about the package
- The company wanted to apply the same innovation spirit to back-office experiences in finance and supply chain functions
- The DICE (Digital Innovation Center of Excellence) group was formed, implementing a large-scale move to cloud applications to make breakthrough efficiency gains

Solution and Benefits

- ✓ FedEx chose Oracle Cloud ERP, EPM, SCM, and Analytics to create a unified platform to support both organic and acquired growth
- ✓ Oracle Cloud's suite of applications gives FedEx seamless integration across all company's cloud applications and a common data format to run advanced analytics and artificial intelligence
- ✓ Oracle Cloud ERP platform has been deployed in 25 countries, increasing to 50 by end of 2020
- ✓ During the pandemic, FedEx's DICE team quickly adapted to a virtual deployment and support model which proved successful under the circumstances

Agenda

The "New Normal" in the US Market

1. HR & People Management

2. Digital Transformation

About NRI

Business Overview

Research and Consulting Division offers a wide variety of services, from industry and trend researches to strategy consulting, in order to meet the needs of every client.

Industry and Technology Research

- Conduct analysis on all major industries such as retail, finance, electronics, IT, telecommunications, energy, automotive, and heavy industry

Trend Watching

- Provide trend reports for major global companies
- Monitor trends related to startups and venture capital in the US

M&A Consultation

- Provide consultation on M&A operations
- Support target company selection and deal-making
- Due diligence and financial valuation

Market Analysis

- Support major Asian and Japanese companies' expansion to the US
- Market opportunity analysis in Latin America
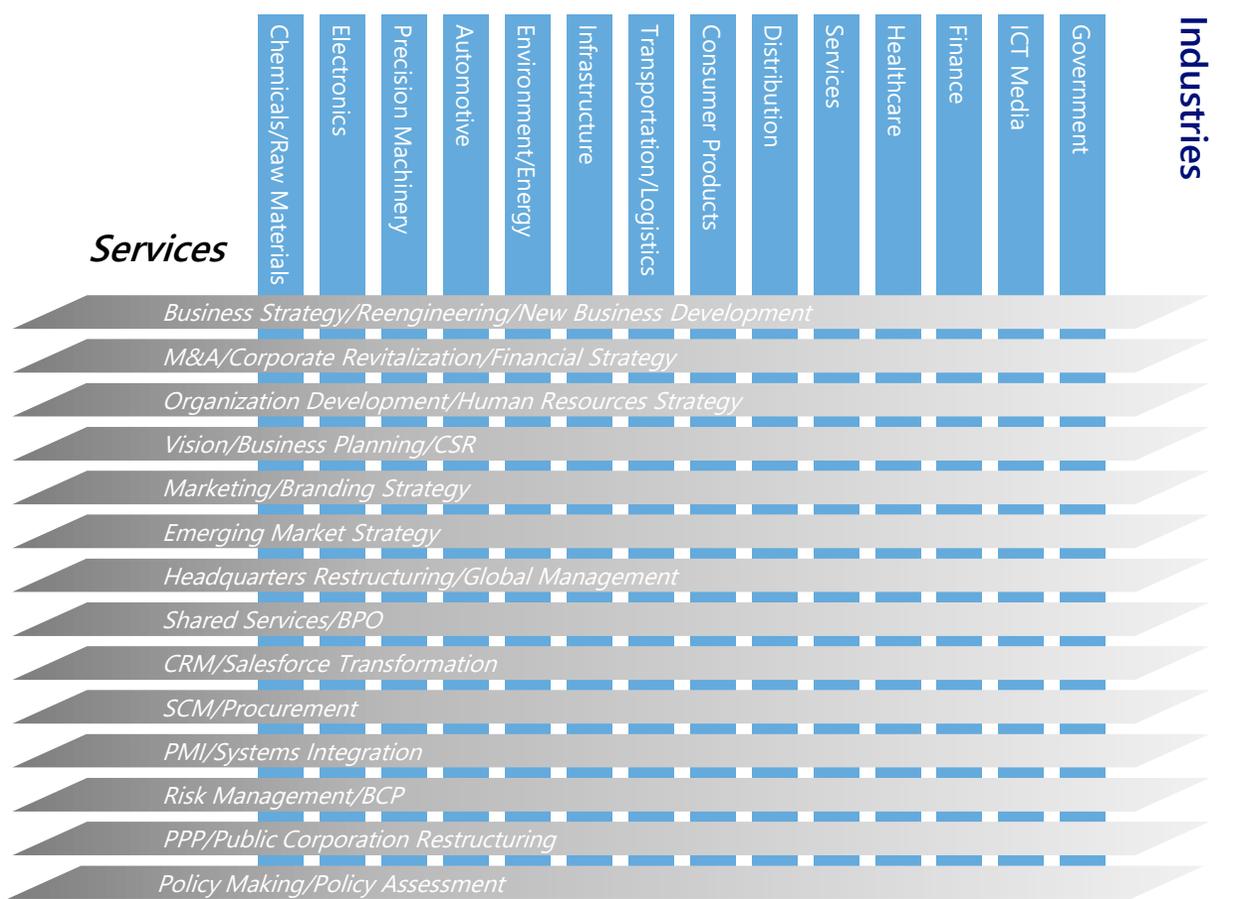
New Business Development

- Find new business opportunities in diverse industries
- Conduct feasibility studies for potential business items

Business Consulting

- Strategy formulation and operation innovation
- Competitor analysis of diverse business functions

Consulting Coverage in NRIA

NRIA leverages NRI group's global and comprehensive knowledge to develop and expand its services primarily in Americas.

Industries: Chemicals/Raw Materials, Electronics, Precision Machinery, Automotive, Environment/Energy, Infrastructure, Transportation/Logistics, Consumer Products, Distribution, Services, Healthcare, Finance, ICT Media, Government

Services:
- Business Strategy/Reengineering/New Business Development
- M&A/Corporate Revitalization/Financial Strategy
- Organization Development/Human Resources Strategy
- Vision/Business Planning/CSR
- Marketing/Branding Strategy
- Emerging Market Strategy
- Headquarters Restructuring/Global Management
- Shared Services/BPO
- CRM/Salesforce Transformation
- SCM/Procurement
- PMI/Systems Integration
- Risk Management/BCP
- PPP/Public Corporation Restructuring
- Policy Making/Policy Assessment

- NRI's expertise covers the entire spectrum of industries (including policy support for government agencies)
- NRI provides end-to-end solutions, from strategy formulation to implementation.
- NRI has an excellent reputation n the manufacturing sector, especially in the automotive, energy, and infrastructure industries.

Snapshot of Past Projects

Energy & Infrastructure

- US natural gas market research
- Oil & Gas market entrance strategy
- Global construction market research and business expansion planning
- US smart grid market entry strategy
- Urban energy infrastructure development strategy

ICT & Advanced Technology

- Analysis of tech start-ups
- Emerging technology trend report
- US financial institution's social media strategy
- Telematics and M2M module market study
- Insight mission for US tech companies

Automotive & Manufacturing

- Evaluation of R&D competitiveness
- M&A of aerospace parts company in the US
- Automobile semiconductor trend study
- M&A of auto parts company in Mexico
- M&A of food ingredient company

Finance Industry

- Insurance market trend analysis
- Benchmarking study of US banks' cost reduction strategy
- US fintech market trend analysis
- US financial solution market entrance strategy development

Latin America

- Business Environment assessment
- Market entry and expansion strategy
- Business environment and national policy assessment
- Infrastructure development strategy
- Investment promotion in Asia

Healthcare & Retail

- US pharmaceutical marketing and business expansion supports
- US medical tourism market research
- US healthcare market entry strategy
- E-commerce and retail strategic business planning in the US
- US Electronic retail store trend analysis

NRIA differentiator vs traditional consultancies

Global Reach	**We operate a global network** ■ Our strategy network is strong around the world with professionals in 13 countries ■ We draw upon NRI's unrivaled global reach to apply local knowledge and insights
Competitive fees	**We offer competitive fees** ■ Our global team can support all engagements without revenue conflict
Industry knowledge & outside perspective	**We have a foundation of industry knowledge** from which we start, yet focus on value and question the status quo as if outsiders ■ Accessible to global knowledge database and ready to leverage it
Rigor & Pace	**We work efficiently and at speed** ■ NRI DNA getting job done with quality on time underlies to all engagements ■ Our established reputation in global market has proven records
Flexible support	**Only firm to truly respond to client's needs** ■ NRI defines the scope of engagements based on the true client's needs ■ Flexible support from a piece of program to end-to-end

Authors (Research and Consulting Division)

Review & Editor

Yujiro Taki, Co-Head of Division
✉ *yujiro.taki@nria.com*
☎ *+1-212-636-0500*

Authors

Chris Fujiyoshi, Manager
✉ *chris.fujiyoshi@nria.com*
☎ *+1-310-600-0956*

Sho Tsujimura, Senior Consultant
✉ *sho.tsujimura@nria.com*
☎ *+1-718-675-9862*

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