



THE FUTURE OF WORK IN FINANCIAL SERVICES

How to Enable Location-Agnostic Work





The disruption brought on by the pandemic has led to a near-complete reliance on digital communications tools such as Microsoft Teams, Zoom, Slack and mobile applications to perform even basic business tasks. For regulated financial firms, which are obligated to preserve and monitor those communications, the shift to a remote work model requires a major reexamination of business operations. This includes efforts devoted to risk mitigation, cybersecurity and the enablement of modern communications technology.

For some firms, this new paradigm has led to an acceleration of an already-accepted path to digitizing the workplace. For others, it's been a complete upheaval. Either way, the path toward location-agnostic work for the balance of 2021 and beyond appears to be a given.

Looking forward, all financial firms are challenged with asking themselves where they go from here and what will happen when their workers return to the office. **What they may not have considered is how they might leverage this moment as an opportunity, recognizing that the fundamental nature of how we communicate and collaborate has been irreversibly transformed.**

Innovative financial firms are rethinking and reconfiguring their operations to prepare for the next normal. They are already seeking new technologies, redefining processes and revising supervisory protocols to be location agnostic. This modern way of operating enables employees to be equally productive, satisfied and effective regardless of whether they are in an office, at home or on the road — as long as communication is prioritized.

In response to an MIT survey of more than 350 HR leaders and employees in April 2020, 47% of respondents indicated the most meaningful action their organizations had taken to support the transition to remote work was frequent, high-quality communication.¹

IN THE NEWS

Salesforce declares the 9-to-5 office workday is dead in support of a future of flexible location and hours.²



This guide provides a detailed view of what's driving the shift to a lasting model of “work from anywhere,” and recommendations for taking advantage of these forces to manage risk and stay competitive.

1) <https://sloanreview.mit.edu/article/five-ways-leaders-can-support-remote-work/>

2) <https://www.theverge.com/2021/2/9/22275304/salesforce-remote-work-9-to-5-workday-is-dead-flex-coronavirus>

READY OR NOT

For financial services firms, the events of 2020 produced one of two reactions:

- 1 Firms unaccustomed to supporting remote work and digital communications platforms** had to rely on already-approved tools like email to communicate, or start using collaboration platforms without the necessary compliance and security protections in place. For these businesses, maintaining continuity in a time of great disruption was likely a more challenging endeavor.
- 2 Firms that had already invested in and adopted collaboration and communication platforms** were prepared to enable distributed workforces. They had gone through the appropriate governance protocols to make sure compliance and security risks had been addressed and were able to continue business seamlessly, no matter where their employees were located.

Firms that had already been enabling a more virtual workplace — prior to the pandemic — were likely driven by a couple transformative market disruptions.

The first was the push for information technology teams to move their businesses to the cloud to reduce cost and capitalize on the productivity advantages of collaboration platforms like Microsoft Teams. The benefits their businesses began to experience prior to the pandemic were stunning:

- Savings of up to 8 hours per user, per week, by having communications and collaborative features in one platform
- 17.7% improvement in time-to-decision, translating to a 3-year total savings of over \$450K
- Microsoft Teams payback period of less than six months following initial deployment

A Forrester Total Economic Impact™ Study Commissioned By Microsoft

The other disruption that early adopters have capitalized on is shifting demographics, and their ability to respond to the demands and preferences of a new generation of clients and employees.

Every working generation has its own preferences for how to communicate and get things done. Baby boomers, Gen X and even millennials have depended mostly on emails and in-person meetings for workplace communications, with text messages becoming increasingly popular among the latter two.

Generation Z workers — estimated to make up 30% of the workforce by 2030 — are true digital natives.³ They prefer the immediate feedback of 98% response rates and 90-second response times for chat messages over the 20% response rate and 90-minute response time of an email, which explains why many rarely use email.⁴ From their personal lives, Gen Z workers bring familiarity with integrated mobile applications such as WeChat and WhatsApp that offer the ability to communicate via voice and video, share content and transact with other users.

With over 1 billion users, WeChat has increasingly crept into workplaces beyond Asia, creating constant pressure for compliance teams to “say yes” to its use before clients take their business to those firms who already have.⁵

3) <https://blog.adobe.com/en/publish/2020/11/19/mind-blowing-stats-generation-z-2021.html#gs.tfcjbv>

4) <https://www.kenect.com/blog/why-text-messaging-gets-far-greater-open-response-and-engagement-rates-than-email>

5) <https://www.chinainternetwatch.com/31608/wechat-statistics/>

GETTING TO YES

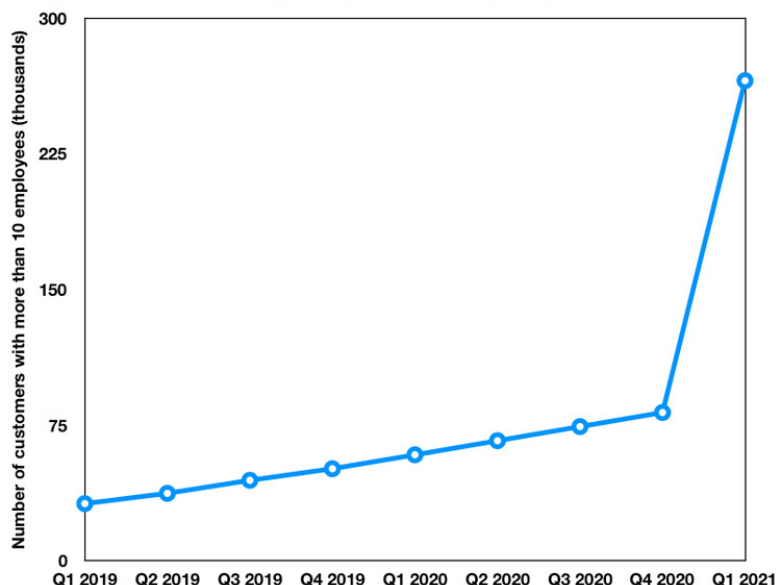
For regulated firms, the pandemic has not made it any easier for compliance teams to say yes to new communications tools. But that hasn't stopped employees from asking to use the latest apps or devices. Workers simply need to get work done, and absent other guidance or training, they will resort to using the tool that is easiest to access or is most familiar to them.

Nowhere is this dynamic better illustrated than in the case of Zoom. The conferencing platform's daily meeting participants in December 2019 averaged around 10 million. By April 2020, just four months later, that number had grown to more than 300 million—a whopping 2,900% increase.⁶ Face-to-face meetings in conference rooms, around the water cooler, or at the local coffee shop suddenly disappeared, giving rise to other means to share content, review the firm's business, or directly engage with customers.

The simple, intuitive access of Zoom ignited demand from users and led enterprises to pressure Zoom to prioritize and address security exposures. Within a span of six months, Zoom became ubiquitous; the Kleenex of business video conferencing.



**Zoom's business customers
(January 2019 - January 2021)**



The number of customers with more than 10 employees increased from about 82,000 at the end of October 2020 to north of 265,000 at the end of January 2021.⁷

27 major organizations including Google, Apple, PayPal, American Express, Aetna, Facebook, Hartford, Slack, Mastercard, Nationwide and Capital One have extended their remote work policies into mid-2021, while Microsoft, Twitter and others are adopting more permanent work from home postures.⁸

6) <https://www.theverge.com/2020/4/23/21232401/zoom-300-million-users-growth-coronavirus-pandemic-security-privacy-concerns-response>

7) <https://markets.businessinsider.com/news/stocks/zoom-expects-200-revenue-300-profit-growth-5-charts-2020-6-1029277092>

8) <https://www.flexjobs.com/blog/post/companies-switching-remote-work-long-term/>



BEST PRACTICES FOR ENABLING "WORK FROM ANYWHERE"

Organizations looking to execute an effective work-from-anywhere strategy can learn from the firms that began their journey prior to 2020. Undergoing a rapid transformation to a work-from-anywhere staff entails a multitude of adjustments in management processes, measurement systems and operational and cost analyses.

Inevitably, some staff will be more comfortable and skilled with new communications tools than others, and many functions will never be as conducive as others in maintaining the same productivity level as they realized in the office.

However, financial services firms possess a high potential for remote work (i.e., low potential productivity loss). This is due to their large percentage of skilled knowledge workers, existing technology investments and the overall digitization of the industry.

So, how can financial services firms transition to a location-agnostic future of work and take advantage of the opportunities it provides, while managing the risks? Here are a few key considerations:

◆ **Make security an essential concern**

Most firms now have established safeguards covering the use of home computers, unsecured Wi-Fi networks, and personal mobile devices. Auditing those items regularly for potential vulnerabilities is critical, especially considering that 90% of companies have faced cyberattacks since the beginning of the pandemic.⁹

◆ **Understand your communications gaps**

In-person meetings will return at some point, but they need to be replaced with an alternative in the short term. Taking inventory of features offered by currently supported technologies will determine to what extent they are a reasonable substitute for in-person meetings, and where additional tools are needed.

Of 100 global organizations surveyed by KPMG, only 27% plan to require employees to return to the office as soon as regulations allow.¹⁰

◆ **Empower governance councils to select new technologies**

In financial services, the mantra has always been to disable or prohibit tools and features that were perceived to be risky or expensive to govern. Given the increased pace of innovation, that risk/cost/benefit calculation will need to be revisited. Risks and costs also rise if remote workers are ineffective, or if the firm is not leveraging the productivity benefits that digital collaboration tools provide. Cross-functional governance councils are increasingly being leveraged to ensure that firms are making decisions to allow or prohibit new networks based on potential benefits to the firm, today's market conditions, and advances in technology.

9) <https://securityboulevard.com/2020/11/90-of-companies-faced-increased-cyberattacks-during-covid-19/>

10) <https://advisory.kpmg.us/content/dam/advisory/en/pdfs/2020/return-to-work-infographic.pdf>

◆ **Leverage your power users**

Interacting with suddenly remote colleagues can be a big adjustment for tightly knit workgroups with high interdependencies, and for those inexperienced with that digital platform. Experienced remote power users can coach those less familiar on how to accomplish key tasks, share productivity tips and the best approaches to find critical information. Training programs should reflect the specific set of features that each approved communications and collaboration tool provides, as well as the role of the individual as a regulated vs. non-regulated, client-facing vs. back-office employee, etc.

After COVID-19, 69% of financial services firms expect to have 60% of their workforce working from home at least once per week, up from 29% prior to the pandemic.¹¹

◆ **Update communications policies**

Given today's dependence on digital collaboration and messaging technologies, now is a good time to reopen the debate between compliance, legal and IT about how the firm should be governing content in a world of voice, video, whiteboards and persistent chats. While there are no easy answers or a one-size-fits-all policy set, waiting for explicit regulatory guidance to determine which technology to embrace is no longer a viable strategy. Ensuring that communications and retention policies reflect where business is happening today will also dramatically reduce the effort in inspecting content for possible policy infractions later.

◆ **Assume a mobility-first posture**

Employees roaming freely from home, on the road or in the office are tethered by one thing — their mobile device. Every collaboration platform, video conferencing tool, social media channel or functionally specific workflow application like Wrike, Jira or Confluence is now mobile-enabled and has an integrated messaging or chat feature. Companies will continue to follow both corporate owned and bring-your-own-device (BYOD) policies in the short term. It's critical to take steps to close any mobility gap that exists to ensure mobile usage policies are clearly defined.

The events of 2020 produced a 10% jump in the average daily usage of our mobile devices in the U.S.¹²

◆ **Prioritize work-life balance**

Working from anywhere can easily blur the line between home and work. Meeting overload and Zoom fatigue are now common ailments, and four in five workers find it difficult to shut down in the evenings.¹³ Firms supporting work-from-anywhere policies should continue to monitor recent research for best practices to ensure employees retain headspace, avoid burnout and maintain a healthy balance between their home and work lives.

For more information on the future of work in financial services, watch an on-demand keynote presentation from Peter Wannamacher, Principal Forrester Analyst, from the [Smash Innovation Exchange Virtual Conference](#).

11) <https://www.pwc.com/us/en/industries/financial-services/library/balancing-remote-and-in-office-work.html>

12) <https://www.marketingcharts.com/digital/mobile-phone-114746>

13) <https://www.forbes.com/sites/chriswestfall/2020/10/08/mental-health-leadership-survey-reveals-80-of-remote-workers-would-quit-their-jobs-for-this>



HOW SMARSH CAN HELP

Each of these recommendations will help you reset and be prepared for the inevitable changes we'll see in communications in the years ahead. There's one additional best practice we recommend:

◆ **Future-proof compliance with a modern capture and archiving solution**

Every collaboration, conferencing and messaging application produces a growing volume and variety of electronic communications data. Regulated firms need a dependable, robust solution to ensure that business communications from distributed work teams can be captured, preserved and produced when required.

Smarsh has worked with financial services organizations of all sizes for 20 years. As communications preferences have drastically changed and the regulatory landscape has evolved, Smarsh has made ongoing innovations to help clients manage compliance, mitigate risk and stay competitive. Smarsh solutions are purpose-built to adapt to the latest methods of communication, scale as business and technology require, and help organizations efficiently and effectively manage compliance, supervision and e-discovery processes—no matter where the workforce is located.

As the business world has reacted to a worldwide pandemic by abruptly shifting to a remote work environment, Smarsh can help financial services organizations lay the groundwork for a “work-from-anywhere” future.



Smarsh® is the recognized global leader in electronic communications archiving solutions for regulated organizations. The Smarsh Connected Suite provides innovative capture, archiving, e-discovery, and supervision solutions across the industry's widest breadth of communication channels.

Scalable for organizations of all sizes, the Smarsh platform provides customers with compliance built on confidence. It enables them to strategically future-proof as new communication channels are adopted, and to realize more insight and value from the data in their archive. Customers strengthen their compliance and e-discovery initiatives, and benefit from the productive use of email, social media, mobile/text messaging, instant messaging and collaboration, web, and voice channels.

Smarsh serves a global client base that spans the top banks in North America and Europe, along with leading brokerage firms, insurers, and registered investment advisors. Smarsh also enables federal and state government agencies to meet their public records and e-discovery requirements. For more information, visit www.smarsh.com.

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