

# The Telework Coalition

Telework Benchmarking Study  
Best Practices for Large-Scale Implementation in  
Public and Private Sector Organizations

2006



**TelCoa**

204 E. Street, N.E.  
Washington, DC 20002  
(202) 266-0046  
[www.telcoa.org](http://www.telcoa.org)

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West, Inc.



Lucent Technologies

Nortel



McKesson Health Solutions, LLC



International Financial Services Provider

Global Telecommunications Firm

Additional information about The Telework Coalition is contained in Appendix A.

## **Benchmarking Team**

**Cynthia de Lorenzi**

Chief Executive Officer  
PatriotNet, Inc.

**John Edwards**

Chairman and Treasurer  
The Telework Coalition, Inc.

**Jack Heacock**

Senior Vice President  
The Telework Coalition, Inc.

**Diane Heacock**

Market Research Specialist

**Harriet West**

Management Consultant

**Chuck Wilsker**

President and Chief Executive Officer  
The Telework Coalition, Inc.

## Executive Summary

The objective of this study is to identify the best practices of public and private sector organizations with large-scale telework programs to better understand how their programs were created and how they have grown. The criteria used to evaluate best practices include program development and administration, implementation, technology and equipment, and program evaluation.

Organizations were identified based on their reputation for having large, well-established telework programs. Thirteen organizations participated, including three public-sector organization and ten private-sector companies. The industries represented include finance, government, health care, science, technology, and telecommunications.

Data was gathered through telephone interviews with key representatives from those organizations willing and available to participate in the project. This study represents information gathered from 13 organizations which collectively have more than 77,000 teleworkers and nearly 60,000 additional mobile workers. The participating organizations' telework programs have been in place for an average of 10 years. Key findings related to the study criteria are as follows:

### Program Development and Administration

Several common themes emerged with regard to how the participating organizations' telework programs have changed over time and how they are administered today.

- Many of the programs have changed focus since they were initially introduced. Today, most are driven by facilities as a way to reduce the cost of underutilized real estate; however, business continuity is becoming increasingly important, especially for those organizations whose people and facilities were affected by catastrophic events like 9/11 and Hurricane Katrina.
- Recruitment and retention remains a key driver for many participating organizations, especially since flexibility is in high demand by today's workforce. However, human resources, which has been a common point of entry for telework, played a minimal role in program development and expansion within the participating organizations.
- Mobility – the ability to work anywhere – is becoming the trend for many of the participating organizations, typically those that already have a large number of teleworkers.
- In most cases, the participating organizations' telework programs are administered internally using a small core staff or a cross-functional team.
- All of the participating organizations have “formal” telework programs with written policies and procedures, but those organizations with the largest number of teleworkers stressed driving the decision down to the manager-employee level. Interestingly, those organizations transitioning to mobility indicated that these programs are very unstructured and viewed as “*just work.*”
- Internal resistance was fairly common at the outset for many of the participating organizations; however, resistance turned into support once management saw the benefits first-hand.

## Implementation

- Nearly all of the participating organizations' telework programs are voluntary. Only one organization is placing new hires directly into a full-time telework environment.
- Another common approach among the participants is that all jobs and employees are generally considered suitable for telework.
- The training programs vary widely for the participating organizations, ranging from none to several weeks of intensive remote training. The trend is towards on-line training and tools.
- Other best practices for successful implementation include linking telework to cost savings at the business unit level, taking a deliberate "grass roots" approach rather than imposing another corporate initiative on people, and obtaining union support and involvement from the outset.

## Technology and Equipment

- Virtually all of the organizations have standardized on a common set of technology solutions which include laptop computers, a Virtual Private Network (VPN) for secure remote access, and extended help desk support, which is often on a 24/7 basis and frequently outsourced.
- Many organizations are beginning to use Voice-over-Internet-Protocol (VoIP), a technology which enables users to make calls over the Internet. VoIP eliminates the need for a second phone line and significantly reduces long-distance charges, especially for international calls.
- File sharing and collaboration tools are also being used to a greater extent.

## Evaluation

Evaluation was an integral part of most of the participating organizations' telework programs; however, what was measured and how it is measured vary widely. The organizations generally measured participation, office space utilization, recruitment and retention, and/or the adequacy of training and supervisor support.

## Unexpected Consequences

The participating organizations reported a number of unexpected consequences resulting from their telework programs, including greater flexibility for employees to relocate to other parts of the country, greater ability to maintain business continuity in response to natural or man-made disasters, lower turn-over rates and better performance for teleworking employees, access to a larger number of qualified applicants, and fewer layoffs for teleworkers than their office-based counterparts.

***Regardless of sector or industry, the participating organizations expressed a common sentiment – Teleworking is nothing special. It is just the way they work and do business.***

# The Study

## Objectives of the Telework Benchmarking Study

Many organizations have successfully implemented small-scale telework pilot programs. However, few have been able to grow these programs on a large scale to include thousands of teleworkers. The objective of this study is to identify the best practices of public and private sector organizations with large-scale telework programs to better understand how their programs were created and how they have grown. Hopefully, other organizations, both large and small, will be able to use the information contained herein to help start new telework programs or enhance existing ones.

## Methodology

For the purposes of this study, *teleworking* generally refers to employees working at home. However, as noted in the report, several participating organizations either have, or are in the process of, transitioning to broader scale *mobility* programs, enabling employees to work anywhere they want or need to including alternate corporate sites, client offices, hotels, or at home.

The selection of organizations was based on the following criteria:

- Size – organizations that have large, well-established telework programs; and
- Sector – public, private, and nonprofit organizations.

The study team identified nearly 30 organizations that were recognized for their outstanding telework programs. These organizations were identified based on the team's collective knowledge, a literature review, Internet research, and referrals from other sources. Thirteen organizations were included in this study based on the selection criteria and availability of the participating organizations.

The following critical success factors were used to evaluate best practices:

- Program Development and Administration;
- Implementation;
- Technology and Equipment; and
- Program Evaluation.

The study was conducted over a six-week period from January through early March 2006. Data was gathered through telephone interviews with key representatives from those organizations willing and available to participate in the project. The best practices contained in this report are not identified by specific organization in order to preserve the confidentiality of the participants.

Biographies for the benchmarking team are contained in Appendix B.

## Profile of Participating Organizations

This study represents information gathered from 13 organizations which collectively have more than 77,000 teleworkers and nearly 60,000 additional mobile workers. The participating organizations' telework programs have been in place from three to 20 or more years, with the average duration being 10 years.

The participating organizations included three public-sector organizations and ten private-sector companies. The industries represented include finance, government, health care, science, telecommunications, and technology. The study team was unable to identify any nonprofit organizations that met the selection criteria within the time frame of the study; hence, this sector is not represented.

Twelve of the participating organizations have employees and one uses independent contractors. The number of staff (either employees or independent contractors) at each participating organization ranges from less than 1,000 to more than 100,000. With the exception of two organizations, the number of teleworkers in each organization ranges from 1,100 to 20,000. Two organizations with less than 1,000 teleworkers were included in this study for the following reasons:

1. The percentage of teleworkers within these organizations is very high (50 to 60 percent); and
2. Both organizations are actively in the process of expanding their programs to thousands of additional employees.

## Key Findings

### Program Development and Administration

Several common themes emerged with regard to how the participating organizations' telework programs have changed over time and how they are administered today.

First, many of the programs have changed focus since their initial introduction. Today, most are driven by facilities as a way to reduce the cost of underutilized real estate. Cost savings are significant for those organizations that have reduced their real estate portfolio and an average annual cost savings of \$3,000 to \$10,000 per employee was reported. Two organizations reported annual cost savings of roughly \$200 million related to real estate reduction through telework.

For several participating organizations, business continuity is becoming an increasingly important driver, especially for those that have felt the direct effects of catastrophic events such as 9/11 and Hurricane Katrina. As noted by one participant, *"It's hard to quantify the value of knowing 90 percent of your management team has the capability to work remotely in the event of an emergency."*

Recruitment and retention remains a key driver for many participating organizations, particularly since flexibility is in high demand by today's workforce. Interestingly, human resources, which has been a common point of entry for telework, played a minimal role in program development and expansion within the participating organizations.

Mobility, the ability to work anywhere, is becoming the trend for many of the participating organizations – typically those that already have a large number of teleworkers. Much of this is driven by the global economy and concerns about business continuity.

In most cases, the participating organizations' telework programs are administered internally using a small core staff or a cross-functional team. All of the participating organizations have "formal" telework programs with written policies and procedures, but those organizations with the largest numbers of teleworkers stressed driving the decision down to the manager-employee level. Interestingly, those organizations transitioning to mobility indicated that these programs are very unstructured.

The telework programs were initially started for a variety of reasons, including:

- As a program initiated by the public relations department in response to the Clean Air Act.
- To reduce costs, especially those related to real estate.
- As a way to address employee recruitment and retention issues.
- To provide better work-life balance.
- As a family-friendly work option.
- To leverage technology and to provide new opportunities, access to people who were not previously available, and the chance to compete in new vertical markets.

Some of the programs started from the top down as cost-cutting initiatives of executive management, some from the bottom up at the behest of employees seeking greater flexibility, and others were initiated from human resources and managers who saw the opportunity to recruit from a wider labor pool and retain top talent. Some programs were started for multiple reasons.

The administration and focus of most of the programs changed as they developed and matured. For example:

- The telework program at one organization began more than 20 years ago in response to the Clean Air Act. The program, initially administered by the public relations department, is now run by a "*huge cross-functional team*" and all corporate programs have responsibility for implementation. Telework is considered, "*Part of our culture, our organizational DNA, and part of everyone's job.*"
- Another organization implemented its telework program 15 years ago in order to reduce costs. Although the program has grown to include thousands of teleworkers, the focus is now on mobility as a means of competing in the global economy and maintaining business continuity.
- One participating organization's telework program was started three years ago and was driven from the top down as a way to address employee recruitment and retention issues. The telework program has been so successful that it is now becoming a model for other business units and the corporation overall.

- Another participating organization's telework program has evolved since the early 1990s. The program originated from the bottom up to provide a better work-life balance and improve recruitment and retention. The organization has thousands of teleworkers but the focus is now on *100 percent mobility*, primarily for business continuity reasons.
- One program began in 1995 as a one-year pilot to provide a family-friendly work option. However, the focus has since changed to alleviating commuting problems and now to meeting business continuity needs. The program, which was originally administered by the payroll department, is now run by the office of the organization's top executive with staff support from human resources and information technology.

One of the common thoughts shared by the participants was that teleworking is a crucial and significant part of their business continuity programs. Several organizations have employees in New York City whose primary place of employment was destroyed, damaged, or inaccessible on 9/11, but they were able to continue working from home or an alternate location thanks to their telework programs. Telework also played a significant role in one organization's continuity of operations in the wake of Hurricanes Katrina and Rita, which displaced more than 500 of the company's employees. Some employees evacuated on Sunday and were literally back to work on Monday, working remotely from other locations.

Other common factors among the participants include:

- Most of the telework programs are formal and involve a written agreement or application between the employee and manager.
- Regardless of the formal structure of the programs, the majority of the employees have agreements with their direct managers, and it is these managers who have the last word concerning who may telework, when, where, and how.
- The need for mobility is a key factor for many organizations, especially those competing in a global economy.
- Support from information technology staff plays a very important role in the success of these programs by assuring smooth operations and the availability of up-to-date technical capabilities.
- The need for open lines of communication between managers and upper management, managers and other managers, and managers and employees is critical.

Finally, internal resistance was fairly common at the outset for many of the participating organizations. This was visible at several levels, but it was most common at the executive level, where telework was seen as a change to the organizational culture, and among mid-level managers who felt threatened by the loss of control and had the idea there would be a sharp drop in their direct reports' productivity. This resistance is both typical and to be expected. However, this resistance turned into support once management saw the benefits first-hand. Another factor that broke down any residual resistance for several of the participants was the evolution to a global economy that required both mobility and flexibility.

In time, and the duration varied, the participating organizations clearly repeated a common message: Teleworking is nothing special. It is just the way they do business and the way they work.

## **Implementation**

### *Early Stages*

Senior management had different opinions about the idea of telework when it was first presented. These opinions ranged from total support to serious concerns such as the traditional “out of sight, out of mind.” A lack of understanding about how employees working at home would be supported, particularly from an information technology perspective, was another concern.

A common way of addressing this issue was to assemble a cross-functional team made up of representatives from senior management, human resources, information technology, facilities, mid-level managers, and staff. A pilot program was usually the initial outcome. In no instances was there resistance to the program once the organizational benefits were realized.

One participant credits union support and involvement from the outset with the success of its program. Another participating organization reported that good press coverage was fed back internally. “*Good press helps managers get into the right frame of mind.*”

In several cases, these cross-functional teams were subsequently disbanded after the pilot was conducted, and responsibility for administering the programs then shifted to a small number of internal staff who support the program, usually in addition to other duties.

### *Employee Participation*

Most of the participating organizations’ telework programs are voluntary, with the following exceptions:

1. One of the organization’s facilities was being shut down and the physical workplace was being eliminated. In this case, teleworking was the only option.
2. One organization indicated that an increased emphasis on business continuity may give rise to some mandatory telework situations.
3. One organization is hiring all new employees as full-time teleworkers.

At most of the participating organizations, virtually all jobs and employees are considered suitable for telework unless proven otherwise. This is contradictory to the approach of determining *if* jobs and employees are eligible to telework.

### *Training*

Nearly all of the participating organizations required training in one form or another. The conditions and length of these training programs varies from two hours to several weeks. Most training is required before employees enter the telework program; however, some organizations allow their employees to begin teleworking, and then complete the training at a convenient time thereafter.

One organization initially outsourced its training program before bringing it in-house as a cost savings measure. Some organizations require face-to-face training followed by on-line training. Almost all of the organizations have an initial face-to-face meeting between new employees and a representative from the information technology department to familiarize the employee with the technologies used including the computer, means of remote access, and security. The trend for most of the participants is towards on-line training and tools.

Several participating organizations provide on-line tools for managers to help them manage remote workers. Although some manager training is still being provided, the general consensus is that good managers can manage regardless of where their employees are. As one participant stated, *"If a manager can't manage beyond line of sight, she or he probably won't make it in the corporate world."*

## **Technology and Equipment**

Laptop computers are the *"tool of choice"* for teleworkers and mobile workers. Nearly all of the participating organizations provide laptop computers and docking stations to their employees, the exceptions are situations where employees work at home or at a fixed office location exclusively. One organization that currently uses desktop computers is transitioning to laptops to enable mobility and business continuity.

Most organizations have standardized on one or two types of laptops, making equipment repair and replacement easier. Computers are typically replaced every three years. Laptops are generally not considered an extra cost for equipping a teleworker; rather, they are already included in the cost for equipping an employee.

A secure VPN is the most common means of remote network access. Secure ID tokens are frequently used for an additional layer of security. Thin client remote access applications are becoming more popular, especially where greater security is a concern.

Help desk support ranges from normal business hours to 24/7. The latter is more frequent with global organizations that operate across many time zones. Extended business hour help desk support is provided by some organizations. About half of the participating organizations outsource their help desk support.

Many organizations are beginning to use VoIP, a technology which enables the user to make telephone calls over the Internet. VoIP eliminates the need for a second phone line and significantly reduces long-distance charges, especially for international calls.

The use of desktop collaboration tools, including video conferencing and file sharing applications, is growing among participants.

The cost to set up an employee's home office can be as much as \$1,500, but is often less than \$1,000. The participating organizations are more likely to pay for equipment if the employee gives up their office space. Some organizations provide furniture or a furniture allowance to help equip home offices for employees who give up their office space; however, this is the exception, rather than the rule.

Broadband Internet access is usually required as part of a home office set up. The majority of organizations contribute to this cost if the employee gives up office space.

Many mobile workers look for broadband availability in hotels when traveling, and one organization requires that employees only stay in hotels with wireless broadband Internet access.

Wireless Internet access over cell service is growing in popularity, as is the use of mobile devices such as Blackberries, PDA's, and Internet-enabled cell phones.

## **Program Evaluation**

Program evaluation is an integral part of most of the participating organizations' telework programs; however, what is measured and how it is measured vary widely. Among those things measured by the participants are:

- Employee participation.
- Employee satisfaction.
- Office space utilization.
- Recruitment and retention.
- Adequacy of training and supervisor support.

The organizations typically use the program evaluation results to gain or reinforce across-the-board acceptance of teleworking (e.g., increased employee participation, increased employee satisfaction, higher than expected employee retention, and considerable cost savings from lower real estate needs).

Several organizations reported they do no separate measurement at all or that they have not done so in recent years. These organizations tend to treat telework as a normal business practice, not a separate program.

## **Unexpected Consequences**

When asked about what unexpected consequences, good or not so good, telework has had on their organizations, the participants offered the following:

- Business continuity and being prepared for disasters such as 9/11 and Hurricane Katrina.
- Greater employee mobility.
- Less likelihood of full-time teleworkers being laid off in the event of a reduction in force because they do not occupy office space.
- Lower labor turnover rates.
- Easier to recruit for and fill telework positions.
- Greater sense of pride among employees.
- Generally higher employee performance ratings.
- High level of participation by employees and acceptance by management.
- Increased productivity.
- Real estate savings.

The only thing reported as a “not so good” consequence is an occasional feeling of being disconnected. The organizations reported very few incidences where an employee did not like the teleworking arrangement.

Illustrative examples from the participating organizations related to program development and administration, implementation, technology and equipment, program evaluation, and unexpected consequences are contained in Appendix C.

## Appendix A. About The Telework Coalition

Headquartered in Washington, DC, The Telework Coalition, or TelCoa ([www.telcoa.org](http://www.telcoa.org)), promotes, encourages, and enables virtual, mobile, and distributed work through research, education, technology, and legislation by focusing the efforts of companies, governments at all levels, non-profits, and individuals around this common interest.

To achieve these goals, TelCoa supports and promotes the use of existing and emerging technologies, services, applications and business models.

TelCoa, through its Advisory Board, works with subject matter experts with decade's of collective experience to help find solutions to issues that arise and are of concern to both individuals and organizations with interests in this area.

### Who Is The Telework Coalition?

- We are incorporated and recognized by the IRS as a not-for-profit organization.
- We are a membership organization representing those interested and involved in virtual, mobile, and distributed work, also known as telework.
- We currently receive approximately 300,000 hits per month to our Web site.
- We work with technology providers to help them make their products and services more suitable for use by virtual, mobile, and distributed workers.
- We advise elected legislators, their staff, and other officials, at all levels of government, concerning legislation that will either offer new incentives to employers and employees to help the adoption and growth of telework, or remove barriers, whether on the federal, state or local level, that affect the growth of telework.
- We work with other organizations and individuals to help develop and find new employment opportunities, both full and part time, for rural workers, older workers, and the disabled for whom commuting is inconvenient, impractical, and sometimes impossible.
- We work with employers in both the public and private sectors to help build awareness of the benefits they will realize by implementing telework programs.
- We work with call centers that have seen the outsourcing of American customer service jobs offshore due to cost to help bring many of those jobs back onshore to companies with at-home agents and a business model that is cost competitive.
- We promote nationwide broadband Internet deployment, both wired and wireless, because it is essential for efficient and effective telework.
- We hold conferences and seminars to build awareness of the role telework plays in dealing with current and future events that can and will affect our lives, society, and businesses. The topics

of these events range from environmental issues such as poor air quality, to traffic congestion and transit strikes, to hurricanes, pandemics, acts of terror, earthquakes, and floods.

- We provide members and sponsoring organizations recognition both through networking with our contacts and on our Website.
- We establish relationships with local and national print and electronic media to help build awareness of newsworthy telework-related events and new products and services.
- We provide opportunities to organizations and individuals to publish telework related white papers and case studies on our Website.
- We provide opportunities to members to join committees and suggest, plan, and direct events and policy initiatives.

## Appendix B. Benchmarking Team Biographies

**Cynthia H. de Lorenzi** is the Chief Executive Officer of Patriot Computer Group, Inc. (PCG) and its subsidiary PatriotNet, Inc. PCG and PatriotNet, are a woman-owned set of technology companies dedicated to providing technology solutions, resources, consulting products and services, and programs for the implementation and expansion of telework programs for any size business or corporate environment.

Cynthia is a member of The Telework Coalition Board of Directors and chairs the organization's membership committee. She also serves on the Board of Directors of Community Business Partnership, the TelecomHub, and the Washington Bureau for Internet Service Providers Advocacy, as well as co-chairing the Northern Virginia Technology Council's Information Technology and Telecommunication Committee.

**John Edwards** is President and Chief Executive Officer of the TeleworkNetwork and Telework Analytics, Inc., telework consulting and software companies. John is also the Vice President of Business Developments for TeleTrips Inc. ([www.TeleTrips.com](http://www.TeleTrips.com)), the vehicle mobile emissions reduction tracking certification service. John is the Chairman of the Board and a co-founder of The Telework Coalition and he chairs the Northern Virginia Technology Council's Telecommuting Task Force. John is also a member of the Association of Contingency Planners.

John is a faculty member at the USDA Graduate School where he teaches courses on the implementation of telework programs and managing remote workforces. More than 500 federal managers have attended these courses in the past five years. He has also been a guest lecturer at American University and the Johns Hopkins University graduate studies series.

John served as President of the International Telework Association and Council between 2000 and 2001 and as President of the Mid-Atlantic Telecommuting Advisory Council from 1997 to 1999. He also chaired the Metropolitan Washington Council of Governments Telecommuting Ad-Hoc Group between 1999 and 2000 and he co-chaired the National Environmental Policy Institute Smart Growth and Telework Working Group in 1999. John served on the national and Washington metropolitan region steering committees for the eCommute pilot, a nationwide federally-funded initiative designed to expand teleworking through emissions reduction and trading. John is a former Director of Commuter Choice™ Initiatives, an EPA program to encourage commuting alternatives other than driving.

John has been quoted in *Inc. Magazine*, *The Washington Post*, *New York Times*, *Washington Business Journal*, *HR Executive*, *Kiplinger's Personal Finance*, and *Voice of Technology*. He has appeared on Fox News, WAMU's Tech Thursday, WMAL, NortelNetwork Webcast, WRC's Technology Edge Report, and WTOP's Sprawl & Crawl.

**Diane Heacock** is a Marketing Research Specialist. She has 25 years experience with new product rollout program design and management, sales and marketing administration, and national and regional event planning. Diane has been recognized for market research survey excellence and implementation while working with Qualitative Marketing in San Jose, California with companies such as Phillips and Symantec.

**Jack Heacock** is the Senior Vice President of The Telework Coalition. Jack is known for his “integrated approaches” to mobility and the “new ways of working.” He has served as the general manager of a nation-wide cable industry call center network, built new and refurbished historical railroad infrastructure facilities, and designed and implemented human resources and payroll systems for billion dollar organizations.

Jack served as the President of the International Telework Association and Council from January 1998 to November 1999. During the last decade, Jack has addressed more than 50 professional conferences and has been recognized with *Call Center Magazine’s* “Pioneer Award,” as well as the Japan Telework Association’s “International Award.” He wrote the foreword, prepared financial models, and contributed anecdotal stories to the book *Home Workplace*, and is frequently quoted on workplace mobility and telework success stories in the *Wall Street Journal*, *BusinessWeek* and other national and regional publications.

Jack is a combat service veteran and has been awarded the Bronze Star, Purple Heart, multiple Air Medals, and other commendations.

**Harriet West** is a management consultant with more than 10 years of experience providing telework training and technical assistance.

Harriet led the development and implementation of one of the nation’s most successful regional telework programs on behalf of the Metropolitan Washington Council of Governments from 1995 to 2000. During that time, her team worked with more than 500 private and public sector employers in the Washington metropolitan region to help them start or expand telework programs. She also conceptualized, designed, and managed the *Washington Metropolitan Telework Demonstration Project*, a two-year initiative involving eight public, private, and nonprofit sector organizations. This well-documented study, conducted between 1997 and 1999, showed employer cost-savings of nearly \$2.5 million over a six-month period through reduced office space, enhanced employee retention, and relocation cost avoidance.

Harriet serves on The Telework Coalition’s Board of Directors and she is a member of the Institute of Management Consultants.

**Chuck Wilsker** is the co-founder, President, and Chief Executive Officer of The Telework Coalition. Chuck is involved in many aspects of telework ranging from examining how it plays an integral part in business continuity planning to how it enables older, rural, and disabled workers to integrate into the workforce.

Chuck is President of the Capitol Telecommunications Professionals, a member of the Internet Society and the Association of Contingency Planners, and he serves on the Advisory Committee for the National Task Force on Community Preparedness and Response. He is also a project team member of the “Occupational Safety and Health Training for Teleworkers” program being developed by Harrington Software Associates.

Chuck was the Executive Director of the International Telework Association and Council from 2000 to 2002, and he is a member and Past President of the Mid-Atlantic Telecommuting Advisory Council. He also chaired the Telework Task Force at the Greater Washington Board of Trade and served on the planning committee for the Washington Area Conference on Telework from 2000

through 2005. He also served on the national and Washington metropolitan region steering committees for the eCommute pilot, a nationwide federally-funded initiative designed to expand teleworking through emissions reduction and trading.

Chuck has addressed many organizations on the topics of teleworking including the National Institute of Science and Technology, the Council of Scientific Society Presidents, and the Peace Corps. He has been the featured guest on radio and television interview shows and he co-hosted two popular call-in radio shows which addressed business and technology issues. He recently appeared on ABC's World News Tonight to discuss telework and the New York City transit system strike. He has written many articles on teleworking and is often quoted in local and national press, including *The Washington Post*, *USAToday*, the *Wall Street Journal*, *Federal Computer Week*, *Government Computer News*, and *ABCNews.com*.

## Appendix C. Illustrative Examples From Participating Organizations

Following are illustrative examples reported by the participating organizations.

### Program Development and Administration

- The telework program at one participating organization began more than 20 years ago in response to the Clean Air Act. The program, initially administered by the public relations department, reached a point where it *“Just sat there. It didn’t grow, but it didn’t go away either.”*

The focus shifted to real estate savings several years ago when the organization realized it could reduce its office space needs through telework. The program is now administered by a *“huge cross-functional team”* and all corporate programs have responsibility for implementation. The organization has always operated in a remote fashion, but now it’s *“Part of our culture, our organizational DNA. This is part of everyone’s job.”*

The telework program has been viewed favorably from the outset. Information technology and facilities have been supportive; however, human resources was resistant. The organization’s telework program is *“As informal as a formal program can be.”* All decisions are driven down to the manager level. The organization uses the *“minimum structure necessary to manage risk.”* The program has grown informally below the radar screen. The program for thousands of teleworkers is administered by two employees and a Web site.

- Another organization implemented its telework program 15 years ago in order to reduce costs. Although the program has grown to include thousands of teleworkers, the focus is now on **mobility**. *“Our people are mobile and we don’t care where they work. They used to be in our office or at home, but now they are all over the place. They can’t be defined as office workers or teleworkers.”* The organization is not adding new teleworkers at this point; rather, the growth is in people who are going mobile.

The telework program is very structured with all kinds of policies and procedures, but the mobility program is very unstructured. The only structure that does exist is provisioning of technology and the relationship and understanding between the manager and the employee. The mobility program is structured like a **“university quadrangle”** between buildings and functions. *“We let people walk where they will until performance patterns are established – but still meet their bottom-line results and goals. We allow them to be mobile and to be connected with their manager, but they have to deliver against their performance platform. So, we are trying to create an efficient infrastructure and our offices are very under-utilized. We are going to reconfigure our office portfolio to put a tighter envelope in place. We want to reduce costs, and at the same time completely reconfigure and give each of our workers the envelope of services they need for success where ever they may chose to work.”*

The mobility program is driven by facilities, with information technology providing the enabling technology. Real estate cost savings is the business driver. The goal is to have 70 percent of employees mobile by 2009.

But, cutting costs and reducing space are not enough. Execution is important. The program must also enhance employee satisfaction, employee productivity, and customer satisfaction. All

departments, agencies, and groups will be expected to fully support workplace mobility – *“This will be an all-out effort to include the whole company.”*

The program is administered internally and funding comes from real estate savings. *“Mobility is not what is driving the savings. It just happened. People like mobility. They go through the process, and initially, it can be problematic. But, once they get used to not coming into the office, they don’t want to go back.”*

- One participating organization’s telework program was started three years ago and was driven from the top-down as a way to address employee recruitment and retention issues. The telework program has been so successful that it is now becoming a model for other business units and the corporation overall.

*“We were rebels out of the box to the company model.”* Initially, there was some skepticism from within regarding client service, risk management, and technical support; however, those issues have been adequately addressed and now the program is a success. The program is continually expanding and all new employees are direct hires into telework.

The program is administered as a separate business unit that reports to the general manager of business. All other business units and departments support the program at this point. It impacts every facet of the business. One person manages the telework program, and two other staff members provide technical training and support.

The organization has closed down two facilities and they are in the process of closing down a third. The attrition rate has dropped from 30 percent to 10 percent, lowering recruitment and retention costs. Hiring full-time teleworkers has enabled the organization to lower its overhead costs and expand into new markets where it would not have been competitive in the past. Additionally, the organization has reduced salary costs by 10 percent for new employees hired directly into the telework program. The program contributes much more than it costs, so savings go to the bottom line.

- Another participating organization’s telework program has evolved since the early 1990s. The program originated from the bottom up to provide a better work-life balance and improve recruitment and retention. The organization has thousands of teleworkers, but the focus is now on **100 percent mobility**, primarily for business continuity reasons. The organization’s definition has also evolved to include

**Fixed Addressed** and **Free Addressed** workers. **Fixed Addressed** refers to those employees who work in a space with their name on it because various issues anchor them to their offices. **Free Addressed** includes employees who work at home on a full-time basis, those who work at client sites, and “corridor workers” who work at a campus or complex but move around as needed to collaborate with various project teams. Employees who work at client sites and corridor workers also work at home from one to five days per week.

Initially top management took the *“We won’t stop the program”* approach, but now they support it 100 percent. All of the resistance issues have gone away with the global economy. Many of the organizations’ teams are not in the same city or country. *“If you have a laptop, VoIP with a headset, and high speed, you can telework anywhere.”*

The program is administered by a cross-functional team which includes human resources, information technology, facilities, sales and marketing, and legal. Early on, the program was driven by sales and marketing, but administration has shifted to real estate and human resources within the past several years.

- One participating organization's program began in 1995 as a one-year pilot program. The original basis for the program was to provide a family-friendly work option; however, the driver has changed over time from an environmental solution (i.e., reducing air pollution) to mitigating commuting problems, to meeting continuity of business needs.

The program, which was originally administered by the payroll department, is now run by the office of the organization's top executive with staff support from human resources and information technology.

- One participating organization formed a **SWAT Team**, staffed with experienced leaders across function lines and profit centers, to initially develop and administer its program. These were people who wanted to be involved in a growing area where the company was leveraging technology to provide new opportunities, access to people who were not previously available, and the chance to compete in new vertical markets. The structure is now evolving into a dedicated profit and loss center, but many of the **SWAT Team** members have moved from their previous assignments to the new organization.
- At one participating organization whose focus is on mobility, program administration is driven down to managers and their direct report.

## Implementation

- At one participating organization, they assume all jobs are teleworkable unless proven otherwise. Participation is voluntary unless a building is being shut down. All decisions are made at the manager-employee level.
- At one organization the program is voluntary and all employees are eligible if they are in "good standing" (i.e., performance objectives are met). The "job function code" determines whether an employee will be **Fixed Address**. All other employees fall into the **Free Address** category and approvals to telework are easy to obtain.
- The program is also voluntary at another participating organization and all employees are eligible to telework. Selection starts with the premise that everyone is potentially mobile. When employees exhibit that they can work mobile, they do not come into the office all of the time. Employees are able to create their own work patterns.
- At another participating organization, all new employees are direct hires into telework.
- One participating organization's program is completely voluntary now; however, an increased emphasis on business continuity may create the need for some mandatory telework situations.

- One organization requires employees to be “*fully trained*” in their position before they are eligible for telework. Then, selection is based on performance and seniority. The training process takes two years to complete.

The training programs vary widely, ranging from none to several weeks of intensive remote training. The trend is towards on-line training and tools.

- One organization provides face-to-face and Web-based training. The training, which is roughly two hours in length, covers security, home office safety, and ergonomics. They also provide on-line tools for managers to help them manage remote workers.
- At several participating organizations, telework training was offered but has been discontinued. Instead, the organizations now post tips and best practices on their Web sites and provide information in response to specific questions. These organizations do not consider telework to be anything special. They assume a good employee at the office is a good employee at home. *“If a manager can’t manage beyond line of site, she or he probably won’t make it in the corporate world.”*
- At one organization, training used to be done in the employees’ homes to set up and demonstrate the equipment. Now, they ship all of the equipment to the employee’s home and train the employee remotely through a DVD demonstration showing how to set up the equipment and an ergonomic work station. This is followed by several additional weeks of remote training which covers new employee orientation, supervisor-mentor introductions, and the resolution of technical problems, as well as specific company training. The format for training includes one-on-one calls, conference calls, Web meetings, and self-paced Web training.

Other best practices contributing to successful implementation include:

- One organization directly links telework to cost savings at the business-unit level by driving real estate cost savings down to line managers, who can use related cost savings to meet budget projections.
- Another organization put a lot of thought into changing the culture to grow telework using a “*grass roots*” approach rather than imposing another corporate program upon people. *“It may look like we’re sitting back doing nothing, but it’s all done very deliberately.”* They also get external press about the program and feed that back internally. *“Good press helps management get into the right frame of mind.”*
- One participating organization credits union support and involvement from the outset with the success of its program.

## **Technology and Equipment**

- One participating organization provides all of its employees with laptop computers. It’s information technology department has standardized on two types of laptops, which are usually replaced every three years. If an employee gives up office space, the organization provides additional equipment if it is wanted or needed. The average set-up cost is less than \$1,000. Remote access is provided through a secure VPN and all employees receive the same help desk

support on a 24/7 basis. “Changes in technology have driven telework more than telework has driven technology changes.”

- Another participating organization provides laptops and reliable VPN service for remote access. Laptops are the “**tool of choice**.” The replacement cycle of equipment is about every three years and is the same for mobile workers and inside employees. File sharing and collaboration tools are critical to make telework and remote work possible. The organization is standardizing on VoIP technology. Help desk support is available 24/7 and is provided in-house.
- One participating organization provides its full-time teleworkers with a desktop computer, an ergonomic chair, file sharing and collaboration tools, broadband Internet connection, and instant messaging. Computer equipment is replaced every three years. Remote access is provided by a secure VPN, and in-house help desk support is provided 24/7.
- One organization provides a **mobility tool kit**, which includes broadband Internet access, a telephone, and personal computing items including a laptop, keyboard, monitor and docking station, and a WLAN card (for wireless connections). They also provide VoIP so there is no need for the employee to have a second telephone line. The only initial set-up costs for teleworkers is broadband Internet access. All other costs would be incurred anyway. Computer equipment is replaced every three years. Remote access is provided through a VPN. Help desk support is provided during regular business hours for teleworkers.
- One organization is transitioning from desk-top computers to laptops across all departments to enable mobility and increase business continuity capability.
- Another organization is exploring the use of collaboration tools as a way to address the current requirement for teleworkers to come into the office one day per week.
- At one participating organization, employees are given a “**mobility solution**,” which includes all of the tools necessary to work remotely – cell phone, laptop computer with docking station, and VoIP. There are no additional costs since these tools are considered the cost of setting up a new employee.
- One participating organization provides *all* employees with laptop computers, giving everyone in the organization the ability to work remotely. Employees whose jobs are suitable to telework are then eligible to do so through an application process. There are four levels available – full-time (four to five days per week), expanded (two to three days per week), limited (one day per week), or episodic (on an as-needed basis). Each functional unit sets the maximum level of participation. Then the employee and manager determine at which level the employee will participate. Eighty-nine percent of the organizations employees participate at some level.
- One organization has established a \$1,000 budgetary limit and a list of equipment the employee may purchase on the company’s procurement card. Items include a desk, ergonomic chair, laptop computer, telephone line, and a print/copy/scan/fax machine.

## Program Evaluation

- One organization conducts an anonymous, statistically valid survey each year. The main thing they track is participation; however, they also measure other things from year-to-year, including productivity, business continuity, employee retention, and real estate usage. They used to conduct the survey by telephone, but they now use a Web-based format and find they get good accuracy for 10 percent of the cost.
- One participating organization's evaluation process includes three components – a survey, an observation process to look at what its people are doing compared to data that is gathered, and tracking square footage utilization. The organization was surprised to find how few people are actually in the office and they are now provisioning for better use of space.
- Another organization conducts a quarterly evaluation to determine if training is adequate and if supervisors are receiving adequate support.
- One participating organization's evaluation process includes several components, such as monitoring recruitment and retention and real estate usage, as well as conducting an annual employee survey.
- One organization has a well-established performance baseline so it is easy to evaluate performance when employees are working out of the office.

## Unexpected Consequences

- Several organizations indicated their employees are free to relocate to other parts of the country (e.g., to be closer to family). Some have moved to rural areas, while others have moved to urban centers. At one organization, employees who have relocated may have to move back at their own expense if there is a management change and their new manager does not buy into the program. This has not happened; however, it is the understanding agreed upon in advance if an employee wants to relocate.
- Telework played a significant role in one participating organization's continuity of operations in the wake of Hurricanes Katrina and Rita, which displaced more than 500 of the company's employees. Some employees evacuated on Sunday and were literally back to work on Monday, working remotely from other locations. Business continuity will play an even more important role in the future of this organization's telework program, especially with concerns about the avian flu and future hurricanes.
- More than one participating organization reported that employees who work in an office are more likely to be laid off than a full-time teleworkers because their work space adds to real estate costs while there are no office expenses for someone working at home full-time.
- One participating organization is not pushing telework, in part, because it is too limiting. The telework program has lots of people sitting at home; whereas, people in the mobility program have been given "permission to work" anywhere they want. *"The number of people working at home has declined, but the number of mobile workers is exploding."*

- One participating organization reported that their full-time teleworkers had the lowest turnover rate. Generally, teleworkers rated marginally higher than the average employee rating, but the *“best of the best”* tended to be home-based workers.
- Another participating organization reported receiving only one application in response to a job opening in a western state. However, they were flooded with applications when the same job was posted as a telework position.
- The benefits of one participant’s mobility program include world-wide availability, continuity of operations, and no weather-related shut downs (except for manufacturing facilities).