



SMB and Midmarket Hybrid work is here to stay – not so fast, says the data

The industry is abuzz with hybrid work discussions, home office, safe return to the office, shared space, meeting room, and hot desk. Although most agree that hybrid work is here to stay, many cannot ascertain the trend's longevity because forecasts tend to be very wrong in volatile times: the companies that issue them revise them frequently. Forecasts extrapolate from current conditions – an approach that works well when current conditions vary from previous periods only incrementally, which doesn't work when the present is changing in ways that don't follow clear, recent patterns. To understand the hybrid work trend, Techaisle surveyed 2096 US SMBs and midmarket firms with employee sizes from 1 to 5000. The results are fascinating.

58% of employees within the US SMB and midmarket firms expect to work from home at least till the end of 2021, in sharp contrast to pre-pandemic in 2019 when 29% of small business (1-99) employees, 9% of employees within midmarket firms (100-999), and 7% within upper-midmarket firms (1000-4999), who worked from home. However, the work from home trend may not play out in the longer term. Encouraged by the increasing rate of vaccinations and economic recovery, 61% to 67% of firms plan to bring back all employees to the office by early 2022. Only 22% are planning for a phased or staggered approach to re-opening offices as soon as it is safe to do so. Higher employee size businesses are likely to be more aggressive in their re-opening plans than the smaller businesses. 11% of firms will most likely permanently adopt an approach allowing some of their employees to work from home indefinitely.

97% of mainstream businesses (1 to 5000 employees) feel unprepared to having a long-term remote and hybrid workforce work environment. Between 17% and 44% of small businesses to upper midmarket firms' IT staff is challenged in identifying and deploying hybrid workplace.

Regardless of the plans to bring employees back to the office in 2022, SMBs are planning to invest in processes, products, and policies to support remote and hybrid workforce. However, small businesses (1-99), midmarket firms (100-999), and upper midmarket firms (1000-4999) are taking different approaches to investments. Overall, 45% of firms are providing better hardware equipment (PCs, devices, peripherals, accessories) to their employees, including a refresh of PCs. Small businesses are establishing greater flexibility in work hours, and upper midmarket firms are enabling better security and employee experience. 47% of firms are flexible in letting employees work from home one or two days a week, similar to pre-pandemic levels.

Hybrid work is challenging

Better hardware equipment is an essential component of remote work, but remote work enablement extends beyond hardware to applications, solutions, and work habits. While the "co-modal" user represents a specific problem for SMB IT staff, the challenges of supporting a hybrid workforce go well beyond the device. 46% of the mainstream businesses are facing challenges in providing remote IT support. The IT staff is experiencing a steep rise in support tickets because of insufficient/unreliable network bandwidth / spotty Wi-Fi of remote workers, further reducing the IT staff's efficiency. The C-suite, confronted by the new reality and IT staff constrained by budgets, feels compelled to bring the employees back to the offices as soon as possible. Work from home has been challenging too. Employees' work-life conflict, inability to maintain company culture, unproductive meeting participation, absence of mentorships, overworked employees, and unintended creation of additional workload for productive employees are top concerns of business executives.

Office windows, walls, and common area couches did not define the workspace in 2020. The increased capability of the cloud and mobile technology – laptops, smartphones, and tablets – made it possible for client-facing employees, such as salesmen, adjustors, and field support workers, to move their workspaces to home. Most large enterprises are renowned for their physical workspaces, in which employees can collaborate and innovate. Many enterprises are planning to bring back employees to the office. SMBs are thinking along the same lines. Driving innovation is one of the top SMB business challenges. But, innovation does not happen in isolation.

Future is return to office

However, bringing the employees back to the office is also concerning and is pre-occupying business executives' minds. Most are concerned about a localized outbreak at the office. 40% of businesses are worried about employees' safety when returning to the office, which opens up newer opportunities for IT vendors such as Cisco, Dell, Poly, Citrix, HP, VMware, and Lenovo. Each of these has developed solutions for empowering the safe use of office workspaces and work devices. 58% of mainstream businesses plan to purchase office collaboration tools such as conference room devices, whereas only 15% plan to buy remote collaboration devices such as headsets and video cameras. The two datasets combined further indicate that the remote work is reaching a saturation point. Return to office is the future.

Call to action

IT suppliers' should emphasize less on hybrid work, build a market position on co-modal work, and underscore the collaboration continuum. Return to work addresses a clear need within US SMBs and midmarket firms, and these firms are in turn responding with growing investments, especially in automation and integrated solutions. There are solutions available to help automate the critical tasks inherent in this challenge, and SMBs are investing in them – but they don't have a clear path to identifying suppliers who can work with them in reducing IT overhead and mitigating exposure. There is no question that the market constitutes an enormous opportunity for suppliers. There remains an honest question, though, as to who will capture this business. At present, no one vendor of devices, applications, or solutions – or even any one category of vendor – is ideally positioned to meet all solution needs. Suppliers with a clear vision spanning device integration and support, application expansion and management, orchestration and automation, and practical and flexible security will find a vast and eager audience.

About the Analyst, Anurag Agrawal



Frequently referred to as SMB Guru, Anurag Agrawal is a well-known industry analyst and is one of the top 10 analysts to follow in SMB, Midmarket, and Channel Partner segments. An intense analytical blogger, Anurag specializes in developing go-to-market strategies, writes and advises senior executives on the cloud, routes-to-market, emerging technologies, and industry dynamics. He consults with senior executives on developing their channel and SMB and midmarket strategies based on data collected from market research. With over 30 years in the industry, he is the Founder and Chief Global Analyst at Techaisle. Previous to Techaisle, Anurag headed Gartner's Worldwide Research Operations. He began his analyst career with IDC, where he launched IDC's much sought-after quarterly market share tracker research.

About Techaisle

Techaisle is a global SMB, Midmarket, and Channel IT Market Research and Industry Analyst organization focused on simplifying, expanding, and growing client's share in three of the most complex market segments – SMBs, Midmarket, Channel Partners. Techaisle's premise that go-to-market strategies require insightful research, flexible data, and deeper analysis. Understanding the value of data consistency across markets to inform strategic planning, Techaisle is holistic in its approach to insights and provides globally consistent analysis across geographies. Techaisle conducts in-depth surveys with end-customers and channels to understand market trends, opportunities, buying behavior, purchase intent, and IT priorities. Besides covering such as cloud, managed services, mobility, IoT, analytics/AI, collaboration, HCI/converged infrastructure, security, and digital transformation, its channel research coverage provides an in-depth understanding of resellers and channel partners globally. Techaisle's develops its insights on a robust data-driven foundation, and its analysts are conversant with both primary research and industry knowledge, which is a rare combination. Techaisle offers its clients: Syndicated Research, Custom Primary Research, Consulting Engagement, and Competitive Intelligence. For more information, visit www.techaisle.com

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