

A Forrester Consulting
Thought Leadership Paper
Commissioned By
Lenovo and Intel

September 2019

SMBs: Your Tech Choices Impact The Employee Experience, Whether You Plan For It Or Not

A Global Study Of SMB Employee And Device
Buyer Experience

Table Of Contents

- 1 Executive Summary
- 3 Employee Experience Plays A Crucial Role In SMB Performance
- 6 EX, Productivity, And Workplace Technology Are Inseparable
- 9 Equipping The Future SMB Workforce With The Right Technology For EX Success
- 13 Key Recommendations
- 14 Appendix

Project Director:

Diane Deng,
Market Impact Consultant

Contributing Research:

Forrester's Customer Experience
research group

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2019, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com. [O-00031841]



Businesses routinely miss the direct link between technology and employees' daily experiences.

Executive Summary

As customer experience ratings flatline globally, and the war for talent heats up, no company can afford neglecting employee experience (EX) anymore. Studies have repeatedly shown that when employees are happy, customer satisfaction and business performance go up.¹ A 2016 Yale study showed that employee engagement had a positive and statistically significant effect on the Net Promoter Score (NPS), "Going from low employee engagement to high employee engagement will increase the likelihood of a customer being highly satisfied by 2.5 percentage points."^{2,3}

For small and midsize businesses (SMBs), this is gold; SMBs can arguably be more impacted with the loss of even a single employee, compared to large enterprises. With the need to expend their limited budgets and resources in the right direction, it is imperative that SMBs understand what drives employee experience. However, this is where most SMBs (and enterprises alike) stumble.

Forrester finds that good EX is built on three key dimensions for employees:

- **Empowerment** — knowing what's most important, with the freedom and support to do it.
- **Inspiration** — believing in the organization's core mission and values, and having a voice in sustaining that mission.
- **Enablement** — having the technology and resources to get important work done.

While businesses typically associate the first two dimensions with EX, they routinely miss this direct link between technology and employees' daily experiences. It's no surprise then that EX work is usually led and managed by HR functions. Business leaders, especially those managing technology resources need to understand the impact of their technology decisions on employees' overall experience, and act accordingly.

In July 2019, Lenovo and Intel commissioned Forrester Consulting to evaluate EX trends among global SMBs. Forrester conducted an online survey with 813 employees and 803 device buyers with companies with fewer than 1,000 employees globally. The targeted markets included: Chile, France, Germany, India, Indonesia, Italy, Mexico, Russia, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, the United States, and Vietnam. Throughout this study, we found that SMB employees globally demand a better work environment, mobility, and autonomy as part of their experience. However, many business decision makers in SMBs do not understand or provide employees with a solid foundation, of work technology, to improve their daily work experience.



SMB employees globally demand a better work environment, mobility, and autonomy.

KEY FINDINGS

- › **Employees at SMBs are not satisfied with their experience at work, but their employers may not know.** Most decision makers believe that their companies offer a good EX (79%). However, only 60% of global employees believe they are satisfied with their overall work experience. Most SMB employees have flexibility at work, but they are concerned that the companies don't provide them with good career progression opportunities and an environment to help them be productive at work.
- › **EX and workplace technology are inseparable, but the everyday technology that employees use does not enable higher productivity.** Around 80% of productive employees are satisfied at work; in contrast, only 23% of employees who believe they are not productive state that they are satisfied. Productive employees are also more satisfied with their work devices and IT support.
- › **Companies need to understand both current and future employee demands.** Most employees at SMBs still use desktops as their main device. They do not have access to cloud-based tools, and they do not have the flexibility to choose technologies that are most suited for their tasks. SMB buyers have started looking into investing more in mobile device options, such as laptops, smartphones, 2-in-1s, and next-generation devices like augmented reality/virtual reality (AR/VR) and voice assistants. By listening to employee feedback, SMB buyers should analyze the motivations behind current and future demands.
- › **To improve EX, SMBs need support across the device lifecycle.** Even device buyers have the intention to build a better technology foundation for their employees, they still face challenges in choosing the most suitable device partner and building a business case for higher budget. For many companies, IT provides both internal support and support to vendors that are often insufficient at solving all device problems for their employees.

By listening to employee feedback, SMB buyers should analyze the motivations behind current and future demands.

Employee Experience Plays A Crucial Role In SMB Performance

The benefits of good EX have been extensively discussed in the past few years. Forrester's research shows that enhanced EX leads to many benefits such as better work performance, higher discretionary effort, lower employee turnover, and improved customer experience.⁴

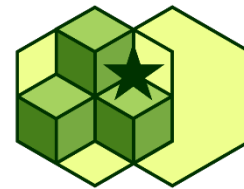
Creating and delivering a great customer experience is often fueled by employees. When employees have positive experiences in their workplace, they are more likely to provide an experience that customers remember in a favorable light. For instance, Forrester research shows that NPS was twice as high for experiences delivered by highly engaged employees, compared to their less engaged colleagues.²

GREAT EMPLOYEE EXPERIENCE IS A KEY ADVANTAGE FOR SMBS

Compared to large enterprises, SMBs can arguably be more impacted with the loss of even a single employee. Delivering poor employee experiences leads to higher employee turnover and hence rising recruitment, training and onboarding costs. Conversely, businesses that improve EX are rewarded with better work performance and more discretionary effort from their employees. This can have a significant impact on smaller organizations that need to expend their limited budgets and resources in the right direction.

Although the benefits of better EX are clear, not all companies can guarantee employees a great experience at work. In surveying 813 global SMB employees, we found that only 60% are satisfied or very satisfied with their overall experience at their current organization; this means almost half of employees at SMBs are not happy at work. In fact, the smaller the company size, the less satisfied employees feel. Sixty-six percent of employees from mid-sized companies (500 to 999 employees) are satisfied, while the satisfaction rate drops to 53% for employees at very small businesses (1 to 9 employees).

What contributed to the overall employee experience? In this study, we have explored reasons from different aspects.



Good EX is not only built on inspiration and empowerment, but also on enablement, — having the technology and resources to get important work done.

WORK ENVIRONMENT AND CAREER PROGRESSION ARE KEY DRIVERS OF EX FOR SMB EMPLOYEES

To keep employees engaged and motivated at work, organizations need to understand what drives them internally, besides financial incentives. Our survey suggests that work freedom, opportunities for career advancement, and a productive environment contributes to a better EX. Our survey results suggest that most SMBs can't provide all the above:

- › **SMB employees have flexibility at work.** Compared with large enterprises, most SMBs don't provide well-defined templates, processes, or standard ways of working, which translates to more work flexibility. Unsurprisingly, 74% of employees believe they have the freedom to decide how best to do their job. In fact, the smaller the company size, the more likely employees agree with this statement (see Figure 1).
- › **But they need more opportunities to advance in their career.** . . . Although less structure provides employees with work flexibility, for many, it also means an undefined path for career progression. Only 52% of SMB employees agree that they have opportunities to advance in their careers at their current job. Employees at very small businesses (1 to 9 employees) are least agreeable with this statement (44%), compared with small and mid-sized businesses.
- › **. . . And a better environment to be productive.** Many employees in smaller organizations often work in an open environment with shared offices. Such a setup is less likely to allow employees to focus on important tasks. More than a third (38%) of SMB employees think they are not in an environment that helps them be productive, and 60% believe noises and activities in the physical work environment is a main distraction. Personal activities on employee devices, such as messages, social media, online shopping, as well as technology issues, are big distractions for employees (38%).

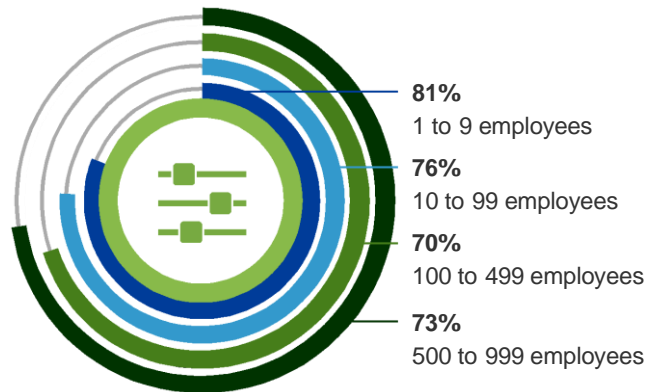


60% of employees are satisfied with their overall experience at the current organization, which means almost half of the employees at SMBs are not happy at work.

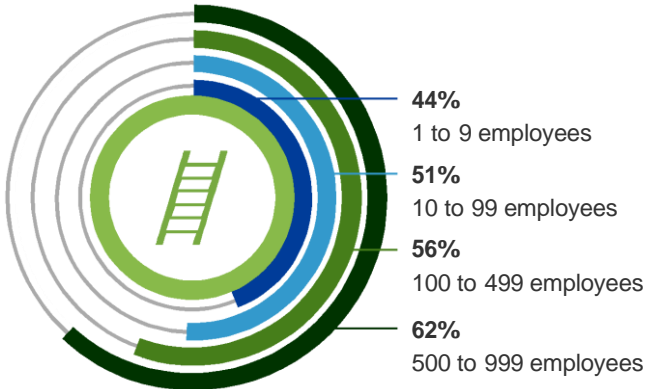
Figure 1: Employee EX Perceptions At Different Sizes Of Companies

“Based on your experience at the current organization, please select how much you agree or disagree with the following statements.” (Only showing Agree)

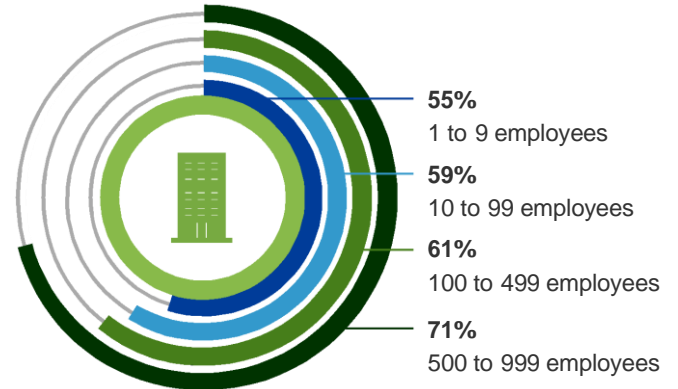
HAVE THE FREEDOM TO DECIDE HOW BEST TO DO JOB



HAVE OPPORTUNITIES TO ADVANCE IN CAREER



IN AN ENVIRONMENT FOR PRODUCTIVITY



Employees at smaller companies have more freedom at work, but they are less likely to have career advancement and a productive work environment.

Base: 813 employees at small and midsize enterprises in 15 markets globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

EX, Productivity, And Workplace Technology Are Inseparable

To improve EX, SMB managers can start by understanding their employees' satisfaction in everyday technology use, recognizing just how productive these tools enable their employees to be:

- › **EX starts and ends with employee productivity.** A large part of how employees feel at work is related to their ability to get their most important work done. That is why 78% of productive employees are satisfied at work, while only 23% of employees who are not productive say they are satisfied (see Figure 2).
- › **Productive employees are more satisfied with their work devices.** More than 80% of productive employees are satisfied with their experience using work devices, and only 47% of less productive employees feel the same.
- › **Productive employees are more satisfied with the IT support.** Seventy-six percent of productive employees are satisfied with the device IT support, and only 42% of less productive employees feel the same.

SMB EMPLOYEES' CURRENT TECHNOLOGY IS INSUFFICIENT FOR IMPROVING THEIR PRODUCTIVITY

To help employees become more productive at work, companies need to enable them with the right tools and technology. The best everyday technology options for employees should be mobile, flexible, and inclusive. This means giving them: 1) technology that is not limited to a physical space; 2) multiple types of devices; and 3) technology that can accommodate diverse job requirements.⁵

“Which of the following are the main reasons of distraction at work for you?”

Noise and activities in the physical environment

60%

Technology issues (e.g., computer hanging, software updates, etc.)

38%

Personal activities on my devices (e.g., personal messages, social media, online shopping)

38%

Emails and instant messages on my work devices

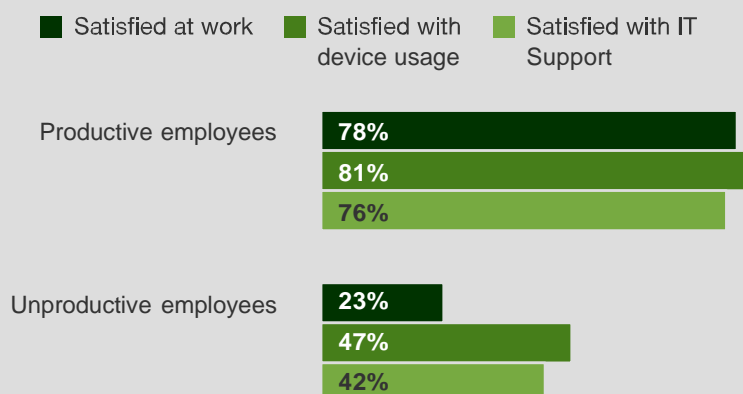
37%

None of the above

17%

Base: 813 employees at small and midsize business enterprises in 15 markets globally
Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

Figure 2: Productive Employees Are More Satisfied At Work



Base: 813 employees at small and midsize enterprises in 15 markets globally, including 547 who believe they are productive and 266 who believe they are neutral or not productive at work
Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo, July 2019

Employee experience with everyday technology affects employee productivity and overall EX.

However, in most SMBs, employee technologies are still:

- › **Desktop based.** Desktops are the predominant device in global SMBs; 71% of employees claim this as their main work device. In contrast, only 28% state a laptop is their main work device (see Figure 3). For employees who do not use laptops, 55% hope their companies can provide it to them. Employees also want to use other more mobile solutions, such as smartphones, tablets, and 2-in-1s.
- › **On-premises.** Cloud solutions are the prerequisite of a more flexible work environment, since easy collaborations and bring-your-own-device (BYOD) policies are difficult to achieve without it. However, only 26% of SMB employees are provided with cloud-based tools, 25% have single sign-on (SSO), and only 13% have BYOD policies.
- › **Limited in options.** To enable employees, achieve peak performance, they need devices that are most suitable for their tasks. Besides desktops, smartphones and laptops are the most commonly used devices by SMB employees. Many are also provided with accessories, such as monitors, docking solutions, and smart meeting solutions. However, most employees don't have options when it comes to devices. Only 28% claim they have several grades of computers to choose from, and 43% have options to choose different types of work devices.

SMB TECHNOLOGY BUYERS HAVE THE INTENTION AND MOTIVATION TO IMPROVE EX

To understand how SMB buyers think when they select technologies for employees, we surveyed SMB managers who are involved in employee device purchases. Unlike big enterprises, technology procurement decisions are usually not controlled by a central department, instead, many business units make their own decisions when it comes to devices and workplace technology. **Only 15% of total device buyers are from IT and technology-related functions, and 3% are from procurement. The rest of the buyers are all managers and executives in individual business units.**

In the survey, we found that these buyers do embrace the importance of EX, but they need to pay closer attention to what employees need in order to boost productivity and experience at work.

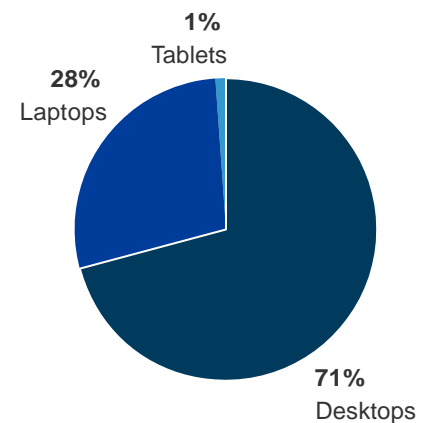
WHEN IT COMES TO EX, SMB TECHNOLOGY BUYERS TEND TO BE OVER-OPTIMISTIC

The survey results for SMB buyers show that:

- › **Improving employee productivity and experience are high business priorities.** The majority of SMB buyers believe improving employee productivity is a high or critical priority for their business in the next 12 months (87%), and 77% believe improving employee experience is a high priority.

Figure 3: Desktop Is Still The Main Work Device For SMB Employees

“You indicated you use the following device(s) daily, which one of them is your main work device?”



Base: 813 employees at small and mid-sized enterprises in 15 markets globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

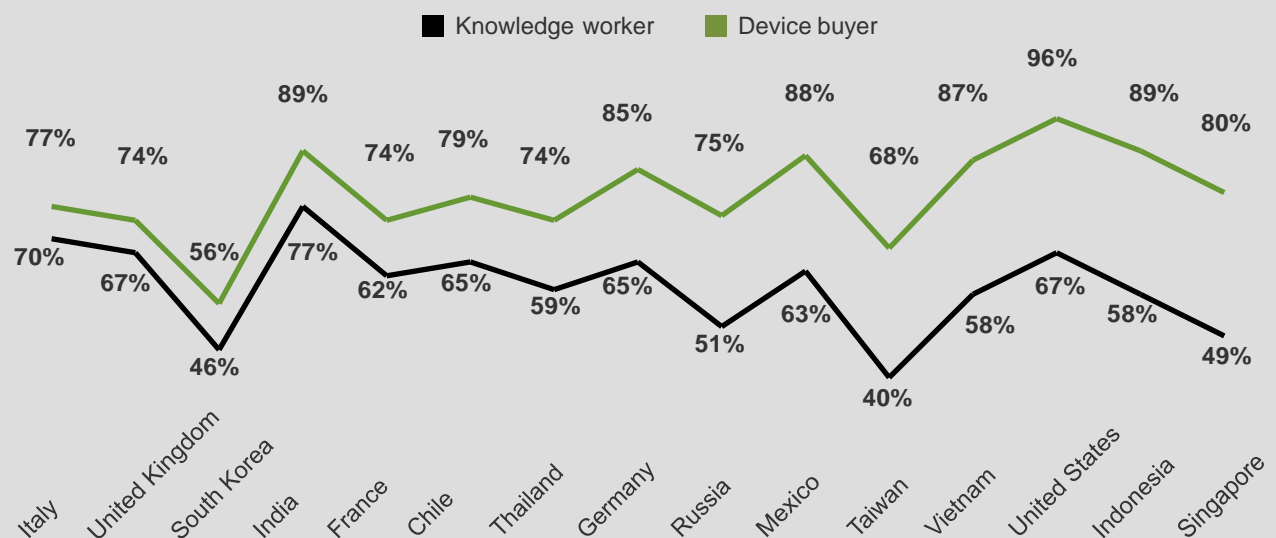
- › **Global SMB buyers are over-optimistic about their EX.** Most buyers believe their companies offer good EX (79%). However, only 60% of global employees believe they are satisfied with their overall work experience. This trend is shared across all of markets the markets we surveyed. In markets like Singapore and Indonesia, the perception difference on EX between buyers and workers is most significant (31%) (see Figure 4).

When buyers hold the belief that their employees are all satisfied at work, it's very unlikely that they will set improving EX as an organizational priority. The significant gap suggests that SMB buyers globally need a better approach to collect and act on employee feedback, especially in Asian markets, where the culture is more conservative and employees don't always feel comfortable in giving honest feedback.

- › **Buyers have the will to follow through, but they may not actually do so.** When asked how impactful the different factors of EX are, buyers responded with the following: 72% believe providing employees opportunities to advance in career is impactful, and 74% believe providing a productive work environment is impactful. However, employees at many SMBs don't have these aspects as part of their work environment, but hope their companies could deliver better on them.

Figure 4: Employee Experience Perception Gaps Between Employees And Employers

“How satisfied are you with your overall experience at the current organization?” (Showing *satisfied* response)
 “How would you rate your company’s employee experience?” (Showing *good* response)



Base: 803 device buyers and 813 employees at small and midsize enterprises in 15 markets globally
 Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

Equipping The Future SMB Workforce With The Right Technology For EX Success

To improve EX at SMBs, decision makers need to build a feasible strategy that brings their vision to life. Most companies have plans to improve employee productivity, but whether or not that plan is most aligned with employee needs it still needs to be tested.

During implementation, SMB technology decision makers also face challenges in all phases of the device lifecycle.

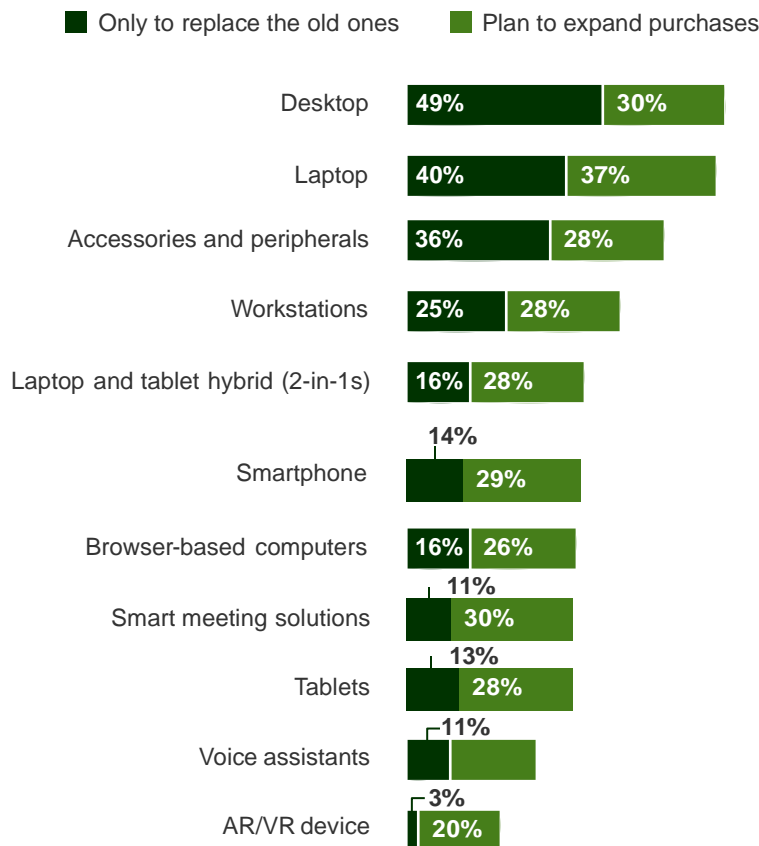
INVESTING IN DEVICES FOR THE FUTURE WORKFORCE

SMB buyers intend to increase investments in employee work devices for different purposes:

- › **Replacing old devices.** When asked about their device purchase plans, more SMBs said they were looking to invest in replacing old desktops and laptops than they were in expanding purchases. Forty-nine percent of desktop purchases, 40% of laptop purchases, and 36% of accessory purchases will be due to replacements (see Figure 5).
- › **Enabling a mobile workforce.** Employee demand for mobility is on the rise. Of those that are expanding their purchases, more companies will expand their laptop purchases (37%), compared to desktop purchases (30%). Other solutions that can free employees from their desks are getting attention from SMB buyers as well. In the survey, we found that buyers will expand purchases for mobile devices, such as smartphones (29%), 2-in-1s (28%), tablets (28%), and browser-based computers (26%).
- › **Providing a better environment to collaborate.** A third of buyers (30%) will expand purchases for smart meeting solutions, which will encourage more collaborations in different locations.
- › **Preparing for the future.** Emerging devices such as AR/VR devices and voice assistants are also becoming popular among SMB buyers. Companies hope to use AR/VR to better visualize product development in the early stages, and improve training experiences.

Figure 5

“Does your company have any plans to purchase the following devices in the next 12 months?”



SMB buyers plan device purchases for current and future employee needs.

Base: 803 device buyers at small and midsize enterprises in 15 markets globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

SMB BUYERS STILL FACE BARRIERS TO IMPROVE DEVICE EXPERIENCES IN THE WORKPLACE

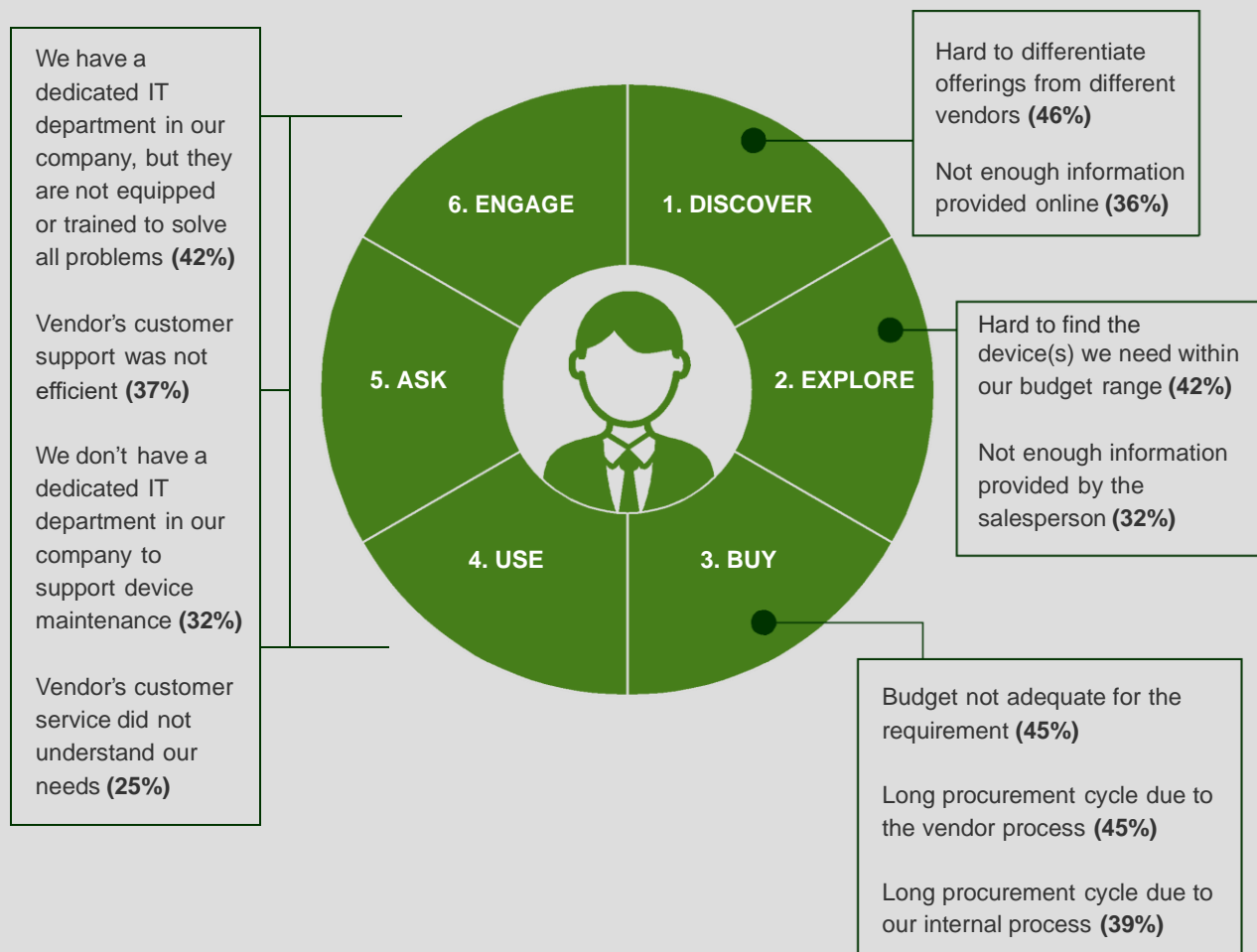
As much as buyers want to upgrade employees' everyday technology, they face several challenges during the device lifecycle, including budget constraints and the pressing need to drive business growth (see Figure 6). Buyers struggle with:

- › **Building the business case for higher budgets.** Budget concerns are a big challenge for SMB buyers. Smaller businesses tend to be more price-sensitive and have less flexibility in terms of the price range of products. During the buying journey, 45% of buyers claimed that the budget they have is not adequate to cover all their requirements.

- › **A lack of dedicated internal resources.** Employees hope their companies can solve their device problems when they occur, but a lot of SMBs fall short. During the after-purchase journey, the top challenges that buyers face include their internal IT teams not being equipped or trained to manage all device problems (42%) and them not having a dedicated IT department (32%).
- › **Limited vendor support for smaller businesses.** Throughout the device lifecycle, one common challenge that SMB buyers face is that they do not receive adequate information from device vendors (32%), which makes it difficult for them to differentiate product offerings (46%), and the customer support is not responsive (37%).

Figure 6

“What challenges do you face during the device lifecycle?”



Base: 803 device buyers at small and midsize enterprises in 15 markets globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

TAKE PROACTIVE STEPS UNDERSTAND THE VOICE OF EMPLOYEES

Most SMB buyers state that within product performance, speed, responsiveness, energy efficiency, and operating systems are the most important criteria (58%) for their device purchase decisions. Purchase price (41%), employee job requirements (39%), and security features (36%) come next.

As companies expand device purchases, buyers need to not only consider device options from the perspective of current business need, but they should also take employee feedback into consideration. Only 17% listen to the voice of employees when making device purchases. When looking at regional differences, European companies are slightly better in terms of listening to the voice of employees, compared with their counterparts in Asia and the Americas (see Figure 7).

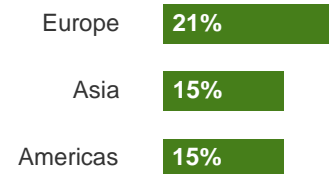
To address employee challenges, SMB buyers should:

- › **Understand the causes of employee dissatisfaction with devices.** Among all the employees who have replaced their work devices, only one-third (32%) are initiated by companies based on device replacement policies. The rest are due to device problems, such as insufficient features (29%), frequent malfunctions (21%), and device end of life (16%). When asked about the reasons of dissatisfaction with devices, employees said long loading times and slow file transfers (41%), outdated software and systems (32%), and device freezing and crashing (29%) were the main causes.
- › **Provide sufficient IT support.** Employees at smaller organization are less likely to have a dedicated IT department to address their device issues. This adds to their frustration, and as a result, they are not satisfied with device customer support (44%).
- › **Provide what employees need in the future.** Unlike device buyers who are constantly exploring new workplace solutions, most employees may not know what device or technology they need. For example, 59% of employees claimed they have the right tools and software for their jobs, although most of them do not have cloud-based tools and device options. Employees know they want to be more mobile and flexible at work, but SMB buyers need to decide what solutions will best meet employees' needs for now and into the future.

Figure 7

“What are the key factors you consider when making a decision for the end-user device purchase?”

Voice of employees



Base: 158 North or South American, 378 Asian, and 267 European device buyers at small and midsize enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

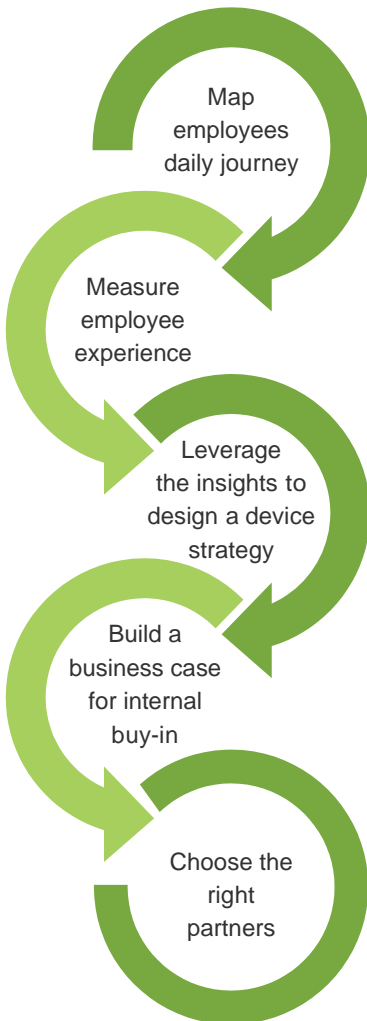


Employees want to be more mobile and flexible at work, but SMB buyers need to decide what solutions will best meet employees' needs for now and into the future.

Key Recommendations

Forrester found that the revenue of CX leaders outgrew that of their CX laggard competitors by more than 5 to 1, and the delivery of CX is heavily dependent on EX.⁶ To reshape the future of business success, SMB buyers need to build a solid foundation of workplace technology to improve employee productivity and employee experience.

Forrester's in-depth survey yielded several important recommendations:



Understand employees' daily journeys to uncover gaps and opportunities.

In our survey, we uncovered that 38% of employees claim they are not in a productive environment, with distractions ranging from office noise, personal messages, to all kinds of technology issues. To understand employee pain points and find out root causes, begin by segregating employees using personas based on work needs — such as the need for mobility, flexibility, and collaboration. For each of the personas, map their daily work journeys along with relevant EX partners — typically HR, operations, facilities, and so on. Once these journeys have been mapped, a list of key themes or focus areas will emerge.

Measure employee experience to create a baseline. Gather employee feedback about the overall experience and validate priority areas that were uncovered through journey maps. What is not measured will not be improved; as part of gathering feedback, quantify the employee experience where possible and create a baseline. Common models of measuring EX include, employee NPS, ESI (Employee Satisfaction Index), and Forrester's Employee Experience Index.

Create a device strategy based on lessons learned, with the aim to improve EX. With a goal to improve the EX baseline metric, figure what, how much, and how often you'll need to buy. Apart from addressing newfound employee needs, factor in current inventory, device change policies, end-of-life replenishments, breakage, and so on.

Build a business case for purchasing new tools. To gain internal buy-in for new tools, SMB buyers often face tight budget constraints and questions on ROI. To lay out the business case, highlight not just costs related to people, process, and technology, but also the benefits for these — both tangible (e.g., faster close rates, higher uptime, higher productivity) and intangible (e.g., improved employee satisfaction and CX delivery). Adding in the risks associated with deployments and the flexibility offered by new technology investments will provide good data for building a successful business case.

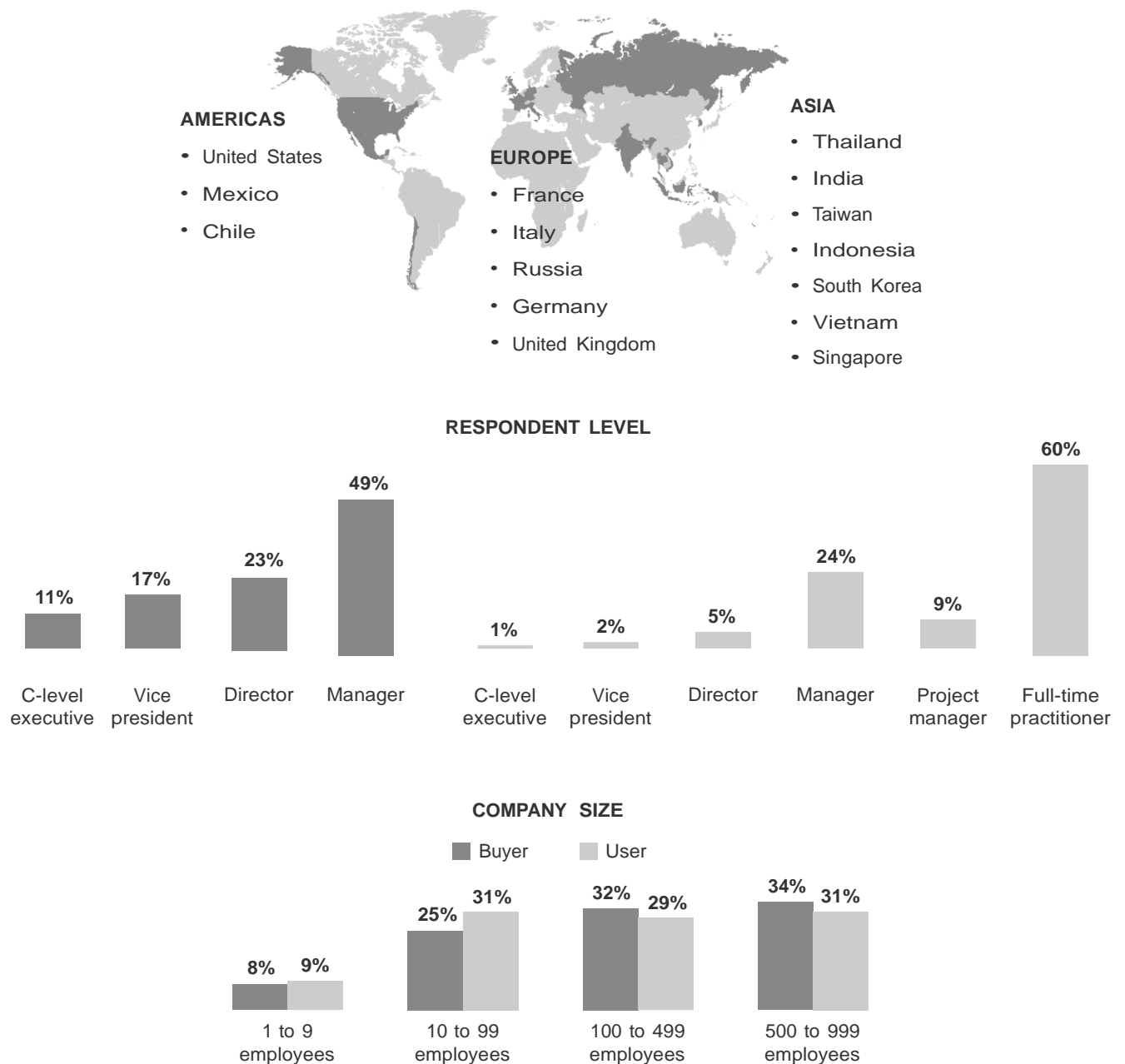
Play the long game and choose the device partners. Do not let a short-term, cost-saving strategy hamper long-term employee productivity. Keep an eye on the future, not just in terms of devices you procure, but also in terms of how they get supported. Not all vendors are equal. Choose device vendors that not only demonstrate flexible and strong SMB support, but those that also share your mindset of the technology that can most enable great employee experience.

To know more visit www.lenovo.com/transformingworkplaces

Appendix A: Methodology

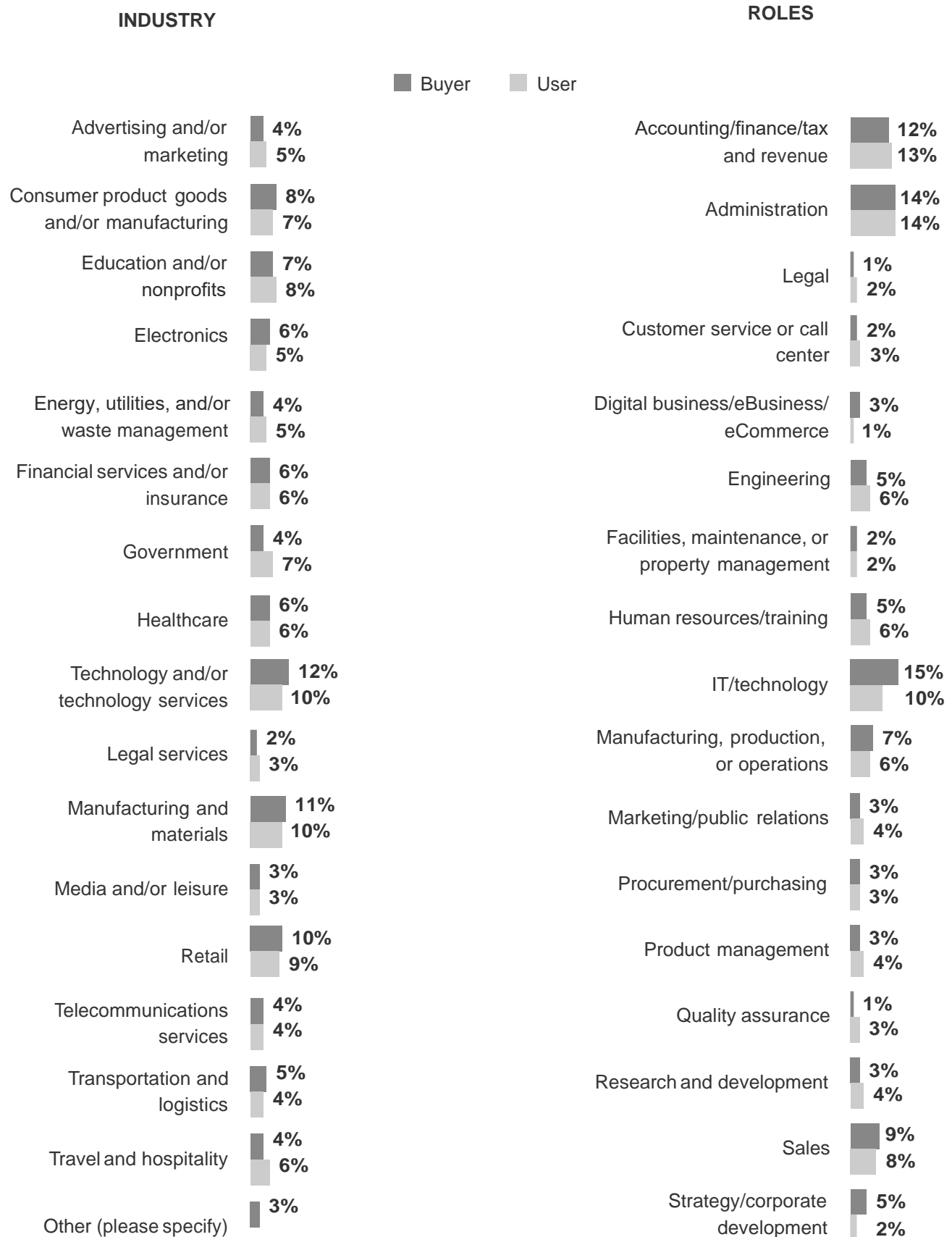
In this study, Forrester conducted an online survey with 813 employees and 803 device buyers with companies with fewer than 1,000 employees globally. The targeted markets include: Chile, France, Germany, India, Indonesia, Italy, Mexico, Russia, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, the United States, and Vietnam. Questions in the survey asked about the trend of employee experience and SMB challenges in work devices. Respondents were offered incentives as a thank you for time spent on the survey. The study was completed in July 2019.

Appendix B: Demographics



Base: 803 device buyers and 813 employees at small and midsize enterprises globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019



Base: 803 device buyers and 813 employees at small and midsize enterprises globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Lenovo and Intel, July 2019

Appendix C: Endnotes

¹ Source: “Transform The Experience To Drive Business Performance,” Forrester Research, Inc., February 12, 2018.

² Source: “Why EX? Why Now?,” Forrester Research, Inc., November 27, 2018.

³ Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

⁴ Source: “The Employee Experience Imperative,” Forrester Research, Inc., December 15, 2017.

⁵ Source: “Everyday Technology Choices For A Better Employee Experience,” Forrester Research, Inc., September 26, 2017.

⁶ Source: “The ROI Of CX Transformation,” Forrester Research, Inc., August 15, 2019.