TECH2025

Transcript: HumAIn Podcast with David Yakobovitch

A Virtual Workforce Model for COVID-19 and Beyond with James Jeude of Tech 2025 and Ashwin Rao of Collabera

David Yacobovitch: You are listening to the **HumAIn Podcast**. HumAIn is your first look at the startups and industry titans that are leading and disrupting artificial intelligence, data science, future of work and developer education. I am your host, **David Yacobovitch** and you're listening to HumAIn. If you liked this episode, remember to subscribe and leave a review now.

Welcome back everyone to the HumAIn Podcast. The COVID-19 reaction is the main topic in nearly every conversation we are having today around business and society. And today we'll be covering a really critical topic work at home and workforce virtualization has taken us by surprise and was implemented in haste.

But how has the Virtual Workforce Model been working? And what does the future hold in store? I'm here today with two experts on the subject. **Ashwin Rao** is Executive Vice President of a rapidly growing global staffing and services company, **Collabera** based in Basking Ridge, New Jersey. **James Jude** is the head of **Tech 2025** consulting and strategy services, and has been working with Ashwin on defining and deploying a Virtual Workforce Model.

Gentlemen, welcome to HumAIn and let's start off by telling us something about your backgrounds.

Ashwin Rao: Thank you so much, David. I'm the Executive Vice President at Collabera. We are about a $750 million services and staffing company. We are a high growth, innovative ID services and solutions provider headquartered in Basking Ridge, with about 16,000 people globally and 60 offices around the world. I'm glad to be here. Thank you.

James Jeude: And David, I work with a leading future strategy firm called tech 2025. We focus on experiential events and discussions to try to start conversations inside of companies. In that group, I manage the consulting and strategy work that follows. I'm also an adjunct professor at New York university, an engineer by training and a speaker and author on workforce topics.

David Yacobovitch: So, as two leading experts in the field, I love having you both here today on HumAIn and I'm curious -- how did this topic come about? What led Collabera to think about a Virtual Workforce Model. Now, to frame that question, you've both recently published the first in a series of papers on the Virtual Workforce Model. And you've been servicing your clients differently because of, well, COVID-19.

Ashwin Rao: Yes, David, we got ahead of this quickly, right? Our entire business is dedicated to helping clients meet their needs for everything from precision staffing of individuals to bulk staffing and solving business function problems. Right? So we have two challenges. One, we had to rethink how Collabera operates in a work from home model. And two, we had to redesign our offerings for clients facing new challenges. This is so much more than just disaster recovery, right? No one had a plan to

empty every office everywhere. We all had plans to backup any individual offices. So we embraced that a Virtual Workforce Model as the centerpiece of everything we are doing internally and client facing alike.

James Jeude: And David, Ashwin and I were also talking about why we wanted to discuss this now in the middle of the pandemic. Would it come across a bit odd to be speaking about business and profitability in the midst of this anxiety, and we felt the answer was clear. We believe that the workforce is the very heart of business, and business is at the very heart of what keeps society running. And the topic itself is really part of the solution to our challenges, not merely a distraction.

David Yacobovitch: Now we've all been remote or virtual going on many, many weeks at this point. And I think one of the big questions our listeners would be curious about is, well, what is this Virtual Workforce Model? What led Collabera to think about a Virtual Workforce Model? And is it just a fancy name for "work from home" or is there more to it about remote work, decentralized work, human computer interactions? Tell me more about it.

Ashwin Rao: It's a combination of multiple things, David. We see the Virtual Workforce Model having five key pots. First, we discuss the places we work and what this means for the future of work in general (and shared office space in particular). Number two, we thought about the way we work and how teams get assembled for the best effect. Third, we thought about what we work on – the very nature of knowledge work changes in this virtual model. Fourth, we considered demand management in the post-COVID-19 world. We'll have crazy swings in demand and uncertainty. No one knows what shape the recovery will take and how long. Therefore, we wanted a Virtual Workforce Model that was highly flexible with demand management. Finally, we paused to look ahead to the transition.

While undertaking this Virtual Workforce Model change, what else should we be doing and what else should we plan? So what makes this model work is specifically an emphasis on the word "model." We wanted to respond to all forces involved and not just the work at home.

James Jeude: So David, when Aswhin and I were planning this paper, we were also thinking about your connections to companies and your ability to talk to them and find out what their concerns are in your podcast series. What sort of changes have you seen in topics just in the first couple of months of this tumultuous year?

David Yacobovitch: So, you're absolutely right. The HumAIn Podcast – we've been around now for going on two years and the past couple of months, it has been the big elephant in the room, whether it's a black or white elephant, or a black Swan, or whatever we call COVID-19, it's the event that everyone's talked about. We've had now at least 15 episodes where everyone's talking something around COVID, whether it's education or digital transformation. Everyone knows that the recovery, whether it's a W, a V, a U, or however it's going to be shaped, is about a digital first society with in-person experiences prioritized second.

We're seeing today, even in New York city, the Met Opera House, museums, restaurants – they're all going virtual first with experiences on platforms like Instagram and other virtual experiences. So, I think that's where we're moving towards – a digital-first society. Thinking about that here today, I'd love us to walk a little bit through more of those five parts you have of the Virtual Workforce Model so our listeners can hear more.

James Jeude: So David, let me start and Ashwin and I will both jump in and cover them because we think these five parts are really key to the model we talked about. First of all, and probably the most obvious one, is the places we work. And that's what everyone thinks of when they hear virtual is "working from home." David. I ran a small survey for Tech 2025, which I haven't published yet, but I can give you some of the early look at that. I was asking people about what they did working at home and what they missed at the office. And I don't mean, "Did they miss the coffee and the comradery?" I mean, was there literally something they could *only* do at the office?

What was fascinating was there was a surprising number of respondents (around thirty-five percent, so far) that actually had some portion of their job that demanded that they be at the office. It may be in the case of one health care company that I worked at where somebody had to literally go and open the mail because they were still paper based for certain authentication and certain privacy related artifacts. And they were having people do a 2-hour round trip commute to the office, just to open the mail and scan it. So, with things like that, we got to thinking that you can't just assume, "We're all on a computer anyway. It doesn't matter where the computer is." There's more to it than that. So we wanted to think about the places we work. And when we come back after COVID-19, we probably still need some way to connect as people.

Ashwin Rao: Right. The second point is a way we work. I'm telling you, it should be completely rethought. If you can work virtually and remotely, the entire structure of teams and deliverables should be rethought. Right? The good news is we have a proven historical analogy to follow. Agile software development, which has been proven to be a huge success in the past 20 years, ninety-seven percent of our companies now use agile for software. But almost no one uses it. outside. We have applied agile pod techniques to much of the Virtual Workforce Model we use, ranging from call center enhancements, to skilled business process management such as complex client financial interactions and marketing activities.

And if you look at the third point, it's HOW. We looked at how the nature of work itself could change. We believe that work in an age of AI and automation should become bigger, not smaller. By that, I mean that vendors, partners and teams should be given larger chunks of work with broader outcomes to help distribute the risk and reward of managing uncertainty and choosing the right approach and innovation, James.

James Jeude: And David, taking that point about bigger chunks of work rather than smaller, we really took a good hard look at demand management. Until now, most management, if you look at the major CPGs, for example, have been worried about a few percent. This kind of disruption we have now is totally unheard of in our lifetime.

So we believe that a crazy amount of disruption will be coming as society tries to reboot, get supply chains moving again, some will start and some will stop. Now it might be tempting to reduce capacity when demand is down, but if it bounces back, you've got lost revenue. If you have capacity that's higher than demand and you have wasted resources. And that is the eternal question. So Collabera shows that smart use of vendors, partners, and smart use of your teams can really help provide overflow for excess capacity and the smart use of the idle time when you do have more capacity than you need at the moment can be used for transition thinking. Ashwin, you had some thoughts on transition.

Ashwin Rao: Yes. How to manage transition is a key element. How do you make good use of the idle moments as capacity stays in place waiting for demand to return? For companies that conduct knowledge work and value-added business processing, we believe in training. Ideally training in teams to a common goal and not just telling everyone to dig up a Ted talk they like, for example.

David Yacobovitch: Now thinking more about training and also the topic, James, that you brought up – the fourth topic about flexibility – what does this mean today? What is being made flexible?

James Jeude: Well, David, let me jump right in on that. Ashwin is going to talk about the five types of flexibility, but I want to explain where we got our inspiration. Many of your listeners, if they've listened to other podcasts are probably familiar with the concept of working with agile techniques. That idea is actually about twenty years old by now. It started with a group called Snowbird Seventeen, which is an interesting read. That group recognized correctly when they met that very few projects any more involved precise requirements that we had decades back where you were building, for example, financial ledger or doing profit and loss analysis. There's no ambiguity on how you measure profit and loss. But most of the things we've done in the last twenty years have been not so clear. Like, what is

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the absolute specific requirement for having a good web experience? Can somebody tell me that in rules and give me a requirements document that's 50 pages long? I don't think so. So this virtual pod response really was our reaction to having very quick iteration cycles. Now, what amazed me is I've seen very little application of that same proven beneficial tech outside of software.

There's a few companies that we can find, and we mentioned them in our paper, that are doing innovative work with agile development in marketing, in consumer response, and even coming up with service techniques. So what struck us was sometimes, even if it seems like something should be rules-based, David, such as claims processing, there's actually a high degree of independence and ambiguity. So, here's what I mean by that (and follow along in this example). You might think that a claim is very simple. Does it make certain conditions? Yes or no? Where's the ambiguity? But the computers are already answering those routine claims. By the time something comes to an expert, it requires a different kind of interdiction.

It needs to be maybe warmer and more contextual, more sensitive to their needs. Very often in a team context, you cannot write software like this in an old fashioned way. It has to be done with agile to gain feedback. So we thought that the principles of agile could be applied to the virtual workforce and its benefits of flexibility.

It's kind of a long answer, but it's worth listening to. Ashwin had gone through five key points that I think you wanted to share with the audience.

Ashwin Rao: Yeah, we identify these five key elements of flexibility. One is location flexibility. We already touched upon that, right? This is super important. Not only for the COVID-19 work from home, but also to let talent live where it wants and to reduce office expenses. Two is skills independence, the traditional approach (which is wrong, we believe) is to choose either between hiring a specialized skill and maybe having it unused much of the time, or expecting a team member to take on a skill that isn't really their strong point. That's a false choice, right? A Virtual Workforce Model allows skills, independence, and lets teams form as needed, and when needed. That is very, very key.

Three is team upskilling. It's a way to teams as teams and train them, review them, motivate them and design work processes as a team. For example, having a full stack engineering team train as a team and deliver as a team is way better than hiding individual skills and magically expecting them to perform as a team. Four is platform independence. Most of us were probably working from servers, but we learned that many companies weren't really ready to completely separate the office experience from the software experience. Earlier, we mentioned some failures we heard about in VPN secure server access or in lack of secure dongles for specialized work.

Or imagine workers were used to sophisticated virtual reality systems to build manufacturing prototypes. But the trend to server and cloud based software must continue for the virtual workforce to succeed. Fifth and last is team collaboration. Now, we've all pretty much all worked with global teams right in the offshore world, the client and vendor teams and so on. But our research showed that many of the most creative moments started when someone grabbed a whiteboard marker and began to repeat what the team has been thinking and could read the audience and decide who was next and who had something to add on and so on, so forth. This is super hard with pure word show. So, an entirely new method of team engagement needs to be created to ensure a comparable experience. Before I go too long on this answer, I'd also like to know that ability to have this one-on-one video with remote team members is very, very important.

I was told repeatedly that many important facts, observations or concerns were raised in one-on-one meetings, even if this was only once a year or twice a year. So, for global distributed teams, this is critical. And this intimacy and this one-on-one relationship cannot be lost due to this work from home culture.

David Yacobovitch: You know, it's so fascinating because at Galvanize, we're one of the leading training and digital transformation companies around boot camps with full-stack software engineering and data science and all our teams work in agile and XP and Kanban and all the systems. So, we see very clearly in software and data how agile works. But how does agile work in the non-software environment? What are some of those benefits?

Ashwin Rao: Agile is well-documented in the software space. I won't repeat the key phrases and approach here, but we see four main benefits. Top-down, agile explains how a corporate team gets turned into initiatives, and then into epics, and then daily tasks called stories. This is standard agile terminology, but you get the idea. So, there's a real consistency to what's being done and a unifying theme to all work. Very, very critical for us. Bottom-up, and there agile encourages and demands that teams cooperate closely, commit to local problem solving when possible, have frequent feedback up the chain, and flow research and testing results among other teams. In a non-programming environment, these same principles apply. We see marketing companies using agile to build brand launch teams. We see insurance companies using agile to build customer experience teams.

And the last point is important -- engineers are taught that the cheapest and strongest part is one that doesn't need to be there. In the same way, the most agile process is one that doesn't even need to exist. We believe that having partners, vendors, and internal teams take on larger outcome-oriented goals and less task oriented goals, and this allows pods to focus on bigger goals of adding value and differentiation.

David Yacobovitch: This makes complete sense. At galvanize our teams run their agile processes on Jira. So we definitely see a lot of that in house, but I see a lot of other companies that even aren't digital companies using tools like Air Table, Jira and others to run Kanban processes. If anything we've seen throughout COVID-19, is anyone from a small business to a large fortune 500 can run agile, even for non-software operations. So, taking this full circle. Earlier in the conversation, James, we were talking a little bit about demand management and how can this change be used with the Virtual Workforce Model?

James Jeude So David, I wanted to start by thinking about the most basic graph that I'm sure most of us that have been through some kind of economics class have seen. I could describe it in words since we don't have video. Imagine a line, time is the X axis as usual, units of work is the Y axis, right? So a straight line can be drawn, which is your capacity (and it's fixed for most companies). But a wavy, uncertain line is the demand. And it's going to get even wavier and more uncertain as COVID-19 recovery takes place. Sometimes that demand is above capacity, which really means that revenue is being lost because you can't fulfill that demand. Sometimes it's below capacity, which really means you're wasting resource. It's a terrible choice. Do I waste resources or do I lose revenue? And the answer typically in class is, ouch, you have to figure out an economic model. But we believe that, in a Virtual Workforce Model, we can actually mitigate that equation a little bit. In fact, we can mitigate it a lot. The extremes of this model can be dampened down by having variable resources that are applied to augment the fixed capacity.

If demand occasionally rises above capacity, end of quarter analysis on a sales trend, for example, or a new product launch, definitely use trusted partners or flex teams to add capacity. And this is also important, if the demand drops below capacity, do not (we recommend) drop your capacity to match demand because you might get it bouncing back sooner than you think it really should be that excess capacity is taken to educate the team, redesign processes, cross-skill/upskill, build collateral, build documentation, and work on internal projects. So Ashwin and I have been looking at the economics in past recoveries and trying to find analogies and pretty much the answer is, we don't have one – 2008 doesn't count, 2001 doesn't count, late 1980's don't count, World War II doesn't count.

So we think that in this tumultuous time, we encourage everyone, keep your capacity and look towards flexible partners and a different way of thinking for the Xs. So it's kind of a long answer, but it's a really

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important topic because being able to meet demand is probably the number one opportunity for a company. If you don't satisfy customers with the right resource, you're not in business.

David Yacobovitch: So how is this applied to an actual business? What examples can you share with us today?

Ashwin Rao: Sure. Let's think of some examples and contrast traditional business practices with the Virtual Workforce Model. Even pre-COVID-19 we were working with a huge client near the top of the fortune 500. They were pondering the question of how to cut real estate costs. That has always been a major issue for large clients. We started a strategic conversation where the seemingly simple request, we felt, was asking the wrong question. We worked with them to start a fundamental rethinking on what work exactly was being performed in their offices and how it was being defined and executed. What started as a real estate study led to a broader evaluation of the tasks being performed in offices. The study has now begun a series of initiatives that map the existing workforce team, both office-based and virtual, to business processes and desired outcomes. It also considers alternatives to achieving those outcomes. This is analog as to cleaning out a closet before moving into a new apartment.

Achieve outcomes by giving vendors higher order work, output responsibility, and letting them manage their own details. We talked about this earlier as well – less granularity, more strategy for vendor augmented work tasks. Use vendor capabilities to build out alternate location models for regional development centers near shore or off shore sites as a compliment to a review of work from home distribution. For the remaining work that the company wishes to own and manage, build a distributed version to replace their previously collocated teams into pods using the workshare workforce modern described here with service delivery and engagement management outcome. It is a very delivery-driven model.

And the last is develop a new demand management process that works to decouple fixed real estate expenses from variable customer demand. I can't give you more details because it's a little confidential, but they learned what almost everyone will learn post COVID-19. You don't need as much office space as you really thought.

James Jeude: Another example we ran across is, we think that there are certain jobs that simply have to be done in person – whether it's mowing the lawn, although robots may change that – but one of them is healthcare. We all know that healthcare delivery are the heroes in this entire COVID-19 response. But when you look at it more carefully, the healthcare delivery, at some point, does the require contact with the patient, yes? But not as much as you might think. We actually found a tremendous amount of work that could be done offsite and virtually. This saves on real estate and it also, in these tumultuous times, reduces the risk to patients and the onsite staff and it fits into a COVID-19 world.

For example, did you know that 95% of all healthcare hiring since 1990 has not been doctors, but it has been supporting staff. We believe that healthcare is just one example of how a pure work from home model may not work. That is, you can't expect a hundred percent of people in healthcare to be at home, but we might really be surprised if we look at it carefully that more people can work from home than we imagined if we rethink what it means to fulfill the needs of their role. So, technology and good process design can make even healthcare delivery, a candidate for new workforce model. If it works in healthcare, it might very well work for the offices and functions of the listeners you have.

David Yacobovitch: I cannot agree more. You know, one of the thought leaders who I follow very frequently is John Maeda out of Seattle. What John does in the computer interaction design space is he released an early report talking all about virtual work as well. And he said, we're moving from remote to distributed, which I think is exactly the topics that, James and Ashwin, you've both been talking about today. So with that, I really ask, first, what has Collabera done differently because of the new work from home?

Ashwin Rao: Sure. Collabera is in the business of serving our clients and we'll do whatever it takes to ensure that we are ahead of the curve and can help our clients solve problems. So the corporate headquarters staff in New Jersey is quite small – about 1% of the total company. So, and we have a culture of very, very close collaboration, open office space, morning all hands meetings, and the other rituals that disappeared with COVID-19. We have kept those going with a disciplined approach to video calling, with team building meetings, and with the new principles of engagement. We have had regular management meetings eight o'clock in the morning to figure out what needs to be done in the day and have a day end quick catch up as well. So, all of this gets you to the fact that this can be done and we are not just preaching, but actually practicing it as well.

David Yacobovitch: You know, I know for every company it has been an unprecedented time with a lot of shift for business operations. At galvanize, we've been a company that historically has been both in person with our coworking and online. But we've had to pivot to a fully live online model. For our distributed teaching in both software engineering and data science, we even have our own coronavirus taskforce where we're regularly having briefings and updates to see how it's impacting the business. So we've seen some of that for ourselves, but how about for yourself at Collabera? How have your services changed that you offer to your clients?

Ashwin Rao: David, our entire portfolio has now a COVID-Accelerated Response (or a CAR, as we call it) uplift. So right from virtual workforce, to virtual digital talent, to what your contact center to a data visualization, all of these services have been given a COVID-Accelerated Response offering in terms of how can we work in such an environment. The future James and I talked about are leading and responding to that market – demand management ideas, for example, specialized skills, flexibility. So, we have offered specific packages to help with variable demands, such as picking up the slack on sudden increasing call center workloads without our clients having to make those permanent hires.

We have looked at all our offerings and put in how we can go from future, not just post-COVID, but how to meet the demand for the virtual workforce post-COVID as well.

David Yacobovitch: So, as we start thinking about post-COVID, whether it's the great recovery, the slow recovery, the next recovery, we're beginning to think about what that recovery looks like. So at Collabera, what is some of your next thoughts or closing statements?

James Jeude: Well, let me jump in and talk a little more generally about one thing we also discovered about work from home. In our next paper, Ashwin and I are going to outline specific best practices that we see – checklists, case studies, and the results of the survey that Tech 2025 is conducting that I mentioned.

What we found, the one thing that really stood out and I think is worth mentioning, is that too many of the companies I've talked to just turned on the work from home switch and didn't really set policies and guidelines. And here's a simple example. When working from home, is a given role expected to be immediately available all day long, just as if they were at their desk in an open floor plan, or do they have some flexibility to plan their work around family and homeschooling, as long as the work gets done. For example, consultants have been used to this for years when they're home on Friday. They know that, by and large, apart from hitting the phone calls on the deadline, they have their own time.

Now, I actually don't have an opinion on this. It all depends on the job. What's interesting, David, is I've seen real conflict and unhappiness when one employee has more of an instant, on point of view, while a colleague is like, "Hey, I'm going to balance my day, as long as I get it done." The anger that comes from an unanswered phone call could be really damaging if there's no clear agreement on expectation.

So Ashwin and I absolutely believe, and the reason we encourage a COVID task force and these issues, this has to be top down and cascaded to the business units. Do not leave it to each worker to decide how chill or how manic they're going to be at home or you can have real conflicts between teammates, between your company, and your clients, that will last long after the recovery.

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Ashwin Rao: Right. And one last thing we realized in our research, there's a web of legal obligations (federal, state, and local) that guide work at home. At the moment, we see a strong sense of comradery and "we are all in it together." This may not last long. Humans are human. We all know that. For example, companies are expected to cover the incremental costs of working from home. If they require this of their employees in the rush to vacate the office, have you found out if your employees had unlimited data plans at home or did they incur a new expense. Even though they are saving the cost of commute, you may still be liable for helping them with wifi, computing, and even other office expenses. So we strongly advise companies to begin now to look at the obligation side of work from home and not coast on the adrenaline that, "Hey we've been managing this crisis so far. We will continue to do it, think back and see what we need to do for planning a better work for moment-by-moment."

James Jeude: And David kind of as a closing thought for me, I learned this during our survey and the interactions with Collabera clients. It really does seem that leading companies control their destinies and they look to this moment as a chance to think through the entire Virtual Workforce Model. They have to move fast, but also think long term, which is always a challenge.

And when we ask ourselves, do people have to embrace this or can they go back to normal? The alternative, I suppose, is just do nothing and return to work when you can. And if a company says that my answer is: I dare you. Your clients and your employees will come out of this with new expectations and they don't match your old methods. Without adopting the principles that we're talking about or something similar, both the revenue side that is the customer expectations and the cost side, that is your employees and their expectations, are going to change dramatically. If we only focus on thinking about whether our customers are going to come back with the same wallet open, we're missing half of the equation. Those who ignore this shift and fall behind and just wait for the new normal to become the old normal are going to find themselves in a very difficult situation. Ashwin, did you have a final point?

Ashwin Rao: This Virtual Workforce Model is here to stay. It's not going to go away. It started because of COVID-19, but I think companies have learned a lot in the past two or three months and they will implement this for business purposes for more collaboration purposes and economic reasons. So our clients are demanding how this is going to be the future and how we, as their partner, can help them take it to the next level. So, we are excited. While this opportunity came about because of a not great issue out there, we are excited that companies are thinking differently and we have a role to play here by being agile and by helping them get to get to that model pretty soon.

David Yacobovitch: James Jeude from Tech 2025 and Aswhin Rao from Collabera, thank you for joining us on HumAIn.

James Jeude: Thank you, David.

Ashwin Rao: Thank you.

David Yacobovitch: Thank you for listening to this episode of the HumAIn Podcast. What do you think? Did the show measure up to your thoughts on artificial intelligence, data science, future of work and developer education? Listeners, I want to hear from you so that I can offer you the most relevant trend setting and educational content on the market. You can reach me directly by email at david@HumAInpodcast.com. Remember to share this episode with us. Friend, subscribe and leave a review on your preferred podcasting app and tune into more episodes of HumAIn.