



Forget the hybrid hype — is “homeshore” the next CX destination?

Tech Mahindra doubles down on working
from home as a distinct delivery strategy

DECEMBER 2022

In the last two years, we've seen enterprise customer experience (CX) leaders and CX service providers working hard to figure out the right balance of work-from-home (WFH) and in-office models to motivate a high-performing workforce. Enterprise leaders must look hard at how they design experiences for the new world of balancing a physical and remote CX delivery model.

Service providers of all shapes and sizes have invested in new ways of working; emulating in-office experiences in a remote environment is perhaps one of the most well-intentioned but poorly executed strategies. In a world obsessed with the concept of hybrid, Tech Mahindra is taking a different approach. With its acquisition of pure-play home-based CX services provider Activus Connect, Tech Mahindra is focusing on cultivating a work-from-home strategy that is separate and distinct from its other in-office geographic location capabilities.

Hybrid work is broken in the BPO industry

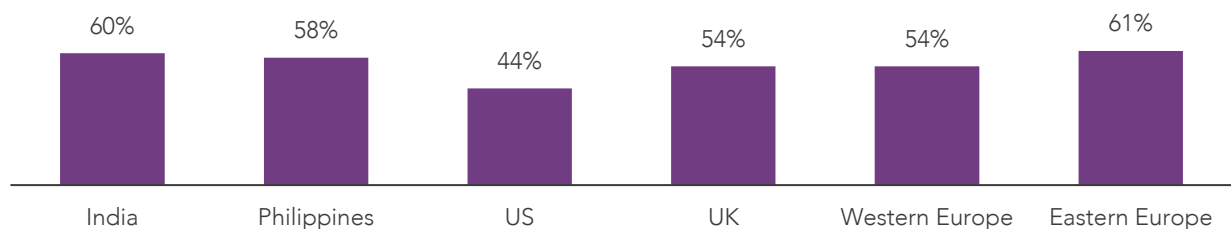
The talent war is over, and talent has won. Mandating employees to return to the office is clearly not the way forward, and today's headlines of failed forced in-office mandates are driving this point home. Savvy enterprises realize they must focus simultaneously on meeting employees' needs for flexibility and finding ways to engage employees.

Particularly for customer-facing staff, leaders must find a way to foster engagement and empower staff to serve customers and find fulfillment in their roles. Our recent talent study surveying BPO talent indicates that taking a hard stance on brick-and-mortar delivery means risking a loss of critical talent. Survey data in Exhibit 1 reveals that most BPO staff in key geographies will consider leaving their employer if a hybrid model is enforced.

We don't mean that in-person delivery doesn't have its place; if anything, office work is stronger than ever as companies figure out what their employees need and nurture their preferences for productivity in the workplace. Live engagement works for many, and some are craving face-to-face engagement, particularly those who have spent a long time in the environment in the pre-COVID world. Remote working is more readily adapted by people who have been in the workplace for a shorter amount of time and haven't experienced the office environment, as well as those who are more mature and have successfully balanced working from home before. At the same time, executives have much greater confidence in a pure work-from-home model. Many enterprises using third-party services are less concerned with whether people are working from home and more concerned with whether staff members are performing and satisfied..

Exhibit 1: Mandating an office-heavy hybrid approach puts half the workforce at risk

Would you consider leaving your current employer if they mandated 3 (or more) days per week in-office?



Sample: HFS Research Services Talent Study, September 2022; 1,800 services employees across the US, the UK, India, the Philippines, and Western and Eastern Europe
Source: HFS Research, 2022

Is “homeshoring” your new “geographical” lever to pull?

At Tech Mahindra, the WFH element has, in essence, become its own geography. The CX service provider has always offered onshore, nearshore, and offshore locations, but now clients have a “homeshore” option. With this recent acquisition, remote work is a distinct and separate “shore,” recognizing the important differences inherent in the work-from-home model. With remote working veteran Felix Serrano at the helm (previously pioneering Sitel’s and itelbpo’s WFH capabilities before founding Activus Connect), Tech Mahindra now leverages an entrepreneurial edge to break down the barriers in a perhaps finally truly global workforce. Enterprises in Exhibit 2 are looking to diversify their delivery options with increased investments in “location-agnostic” work.

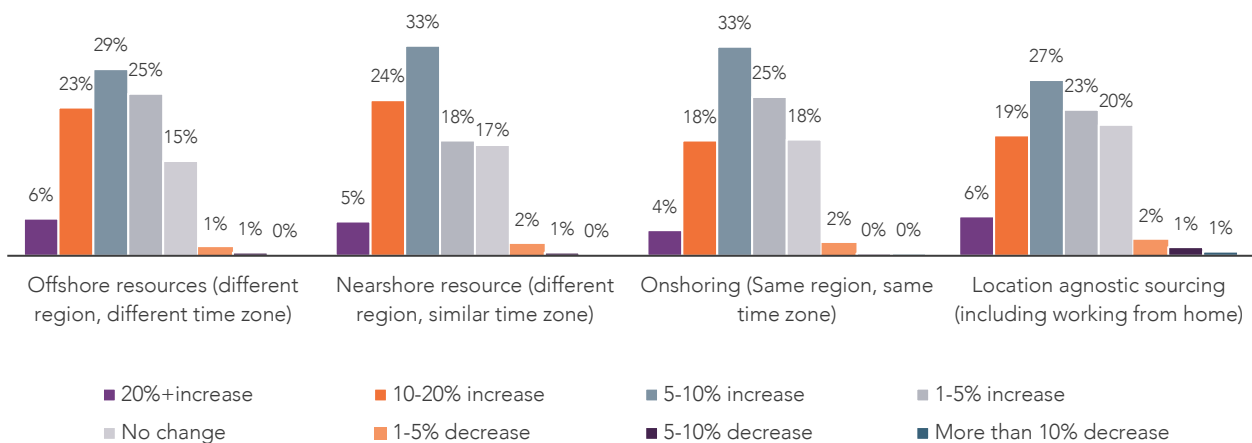
Many companies still struggle with work-from-home strategies; they’ve tried to replicate physical environments in a remote environment. Providers with a born-native WFH

heritage, such as Activus Connect, understand the work-from-home culture they’ve cultivated and have a track record of delivering CX services in a remote environment long before the pandemic lockdowns forced CX delivery to a fully remote workforce. Activus Connect’s clients attest to its ability to meet quick demand surges during the early days of COVID-19.

The pure remote angle and heritage of native WFH companies bring a distinct approach to delivering great CX remotely. For example, some of Activus Connect’s IP includes its intelligent dashboard, which brings together scheduling, attendance, shift swaps, quality assurance, and break schedules, designed for a purely WFH workforce. Perhaps more importantly, understanding the aptitude of remote workers from the point of recruitment is a distinct difference from shifting office workers to a remote or “hybrid” environment. The recruitment process focuses on finding people adept at working from home; Activus Connect’s workers are “ambassadors” to the brand they’re working for.

Exhibit 2: Most companies are increasing location-agnostic work

To what extent will you change your delivery model for third-party outsourcing?



Sample: HFS Pulse Survey, 2022; 602 enterprise decision makers
Source: HFS Research, 2022

The Bottom Line: The CX workforce has a global capability because of well-executed WFH strategies. Your CX strategy now hinges upon rethinking delivery in a new light.

The pandemic shock exacerbated the challenges of an already-stretched-thin CX organization. Now, the CX leader's greatest challenge is developing experiences that bridge physical and virtual realities. Enterprise leaders should be looking beyond the hybrid hype and getting very strategic about how they view their "shoring" strategies. Plus, this change is happening within the context of the rapidly evolving customer experience world. There is a lot of merit in considering remote working as a "shore." Perhaps we have finally reached that moment where we consider working from home a distinct capability and a lever to pull when designing a robust CX strategy. CX leaders must carefully examine these dynamics as they execute a new strategy in uncertain times.

HFS Research author



Melissa O'Brien

Executive Research Leader

Melissa O'Brien is an Executive Research Leader and Head of Research Operations at HFS Research. Melissa leads HFS' research initiatives for all things customer experience, including contact center, digital marketing and sales, CX design and conversational AI. Her industry research focuses on key services dynamics within retail, CPG, travel and hospitality firms. Melissa also looks after operations across all research coverage areas, helping HFS realize our own version of OneOffice.

Melissa brings both hands-on industry and analyst experience to her role at HFS.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

Read more about HFS and our initiatives on:

www.hfsresearch.com or follow
[@HFSResearch](https://twitter.com/HFSResearch)