

# Workplace by Facebook makes progress in becoming an important digital workspace technology

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## Ovum view

### Summary

Workplace by Facebook is a business tool pitched to help enterprises break down communication silos by helping employees work more collaboratively and productively. Workplace by Facebook is a separate offering to the consumer version of Facebook that many people will be familiar with. Although Workplace by Facebook was only released in 2016, the solution is experiencing good adoption with some large global businesses now using the solution, including Nestle, Virgin Atlantic, Walmart, Spotify, and Domino's. Workplace by Facebook has the potential to become a hub of business communication and collaboration, as well as being a productivity portal that helps employees more easily interact with important business workflows and undertake important work-related tasks.

### Facebook's aim is to connect the entire workforce

Digital transformation is prompting enterprises to fundamentally rethink how they operate in response to changing technology, market, customer, and employee demands. Successful execution against any digital initiative requires that enterprises change the way they operate by embracing agile working practices, encouraging and embracing an innovative culture, and being focused and committed to improving both employee and customer experiences. Solutions that can help organizations communicate and collaborate more effectively have an important role to play as part of digital change, as they help support more evolved, connected, and flexible approaches to work. Ideally, these improvements to internal working practices will also help businesses improve the level of service they deliver to external customers.

A recent survey from Gallup showed that 34% of US workers describe themselves as currently being actively engaged in their work ( *Employee Engagement on the Rise in the U.S.*, Gallup, 2018 ). Tools that can further improve employee engagement include those that help employees communicate and collaborate more effectively, but the value of these solutions to any business is driven by how well they are adopted and subsequently used, and by how well they support a broader business communications plan. A company could adopt the most feature-rich solution available, but if only a small fraction of employees actively uses it, then its value will be limited. Workplace by Facebook is not inhibited by some of the utilization barriers experienced by other enterprise social networking tools. It is easy for employees to register to use the platform and, by design, the Workplace by Facebook user interface is almost identical to that of the consumer version of Facebook that many employees will be familiar with. Workplace by Facebook is positioned as a platform intended to connect the entire workforce, not just back-office or desk-bound workers that interact with a variety of different systems and applications as a core part of their role. This is a compelling proposition, especially as technology has become a vital tool for employees across all roles within a business. Being able to better connect front-office and mobile workers with their back-office colleagues can help businesses realize new efficiencies, including support for more agile and iterative work styles, by improving employee engagement via positive feedback loops, and by supporting a shift from siloed methods of communication to improved team collaboration.

As with any enterprise application, achieving optimal utilization of Workplace by Facebook will require advocacy and buy-in from key leaders within a business. While Workplace by Facebook should be used in a democratized fashion, it is also important to ensure there is a centralized function within the enterprise that can own the solution, help communicate its value, and drive usage across the business as part of a broader communications plan. Workplace by Facebook advises that the common trend among customers at present is for HR teams or IT departments to own the solution and execute on initiatives to broaden the use of Workplace by Facebook within their businesses.

## Interest in Workplace by Facebook is growing among large enterprises

Many new SaaS businesses become established in the SME space first and then, through development of both technical and operational capabilities, broaden appeal into larger enterprises. Workplace by Facebook is a solution that has experienced the opposite, with the technology experiencing good traction predominantly with large enterprises since first becoming available in 2016. In addition to the obvious strong brand recognition the company holds, Workplace by Facebook advises that a key adoption driver has been the growing need from leaders of large businesses to look for solutions like this that can better help them keep their finger on the pulse of their organization, supporting them and other employees in understanding people and work dynamics in a more accurate, direct, and contextualized fashion.

In January 2019, it was announced that Nestle would be deploying Workplace by Facebook for use by its 200,000-plus employees. Even more interesting is that Workplace by Facebook will be adopted by Nestle as a replacement for Salesforce Chatter. This deal also shows that, in addition to attracting established global firms in the use of Workplace by Facebook, the scale of deployments is also growing, which is good validation that this is a solution that can meet the needs of large multinational corporations. Given the recent controversies around user data privacy that the consumer version of Facebook has experienced, dispelling the security and privacy concerns of organizations considering adopting Workplace by Facebook will be important. This is something the Workplace by Facebook team acknowledges, and the success it has experienced in attracting a variety of large businesses to adopt the platform is good evidence that the approach here is working.

Workplace by Facebook's most notable competition comes from the likes of Slack and Microsoft Teams – the latter being a solution that can be utilized at no additional cost as part of an Office 365 subscription. Considering the low cost of using Microsoft Teams, Workplace by Facebook's free version will therefore continue to be important in attracting businesses to at least try the solution. However, Workplace by Facebook must continue to work in growing revenue from the product, so effectively messaging the benefits of the premium version, most notably the administrative control capabilities that are included as part of the premium offering, will be important.

## Mobile and strengthening the integration ecosystem are key opportunities for Workplace by Facebook

Workplace by Facebook advises that an important consideration for many of its customers when adopting the platform is mobile. Early enterprise attention around mobility was very focused on security – namely around how devices can be enabled and secured for business use. However, in recent years business approaches have matured. Increasingly, enterprises are embracing more strategic and proactive approaches whereby mobility is viewed as an opportunity to modernize

working experiences and to help improve employee productivity. This shift is driven by a range of different digital objectives, including those of growing business revenue, improving operations, and optimizing employee and customer experiences. For most enterprises, mobile is no longer a secondary consideration – it has become a core business focus. Findings from a recent report entitled *The State of Mobile in 2019 – The Most Important Trends to Know*, from mobile apps analytics firm App Annie, showed that in 2018 an average user spent three hours a day engaging with mobile experiences (App Annie, 2019). As people spend more time engaging with mobile devices and apps, businesses must look at ways in which the systems, applications, and experiences they deliver can be mobilized in meeting the demands of the modern worker.

Becoming a centralized portal that enables employees to communicate and collaborate better, and also helps people easily and seamlessly carry out tasks and engage in important business workflows is an opportunity for Workplace by Facebook. To evolve into a portal of productivity, Workplace by Facebook must continue to develop integrations with other important business systems, and then make it easy and intuitive for employees to manage and work with these integrations. For example, provisioning new starters with the equipment, applications, and access they need to work productively can be a laborious process that often involves multiple employees having to navigate a complex web of different applications and approval processes. Centralizing and simplifying this process and workflow via a commonly used platform that integrates richly with other enterprise systems is an appealing aspiration for businesses, and one that Workplace by Facebook could support.

## Appendix

### Further reading

"Employee Engagement on the Rise in the U.S." Available from [https://news.gallup.com/poll/241649/employee-engagement-rise.aspx?utm\\_source=link\\_wwwv9&utm\\_campaign=item\\_245786&utm\\_medium=copy](https://news.gallup.com/poll/241649/employee-engagement-rise.aspx?utm_source=link_wwwv9&utm_campaign=item_245786&utm_medium=copy) [Accessed January 2019].

"The State of Mobile in 2019 – The Most Important Trends to Know." Available from <https://www.appannie.com/en/insights/market-data/the-state-of-mobile-2019> [Accessed January 2019].

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