THE NEW NORMAL

A paper by

◊ BairesDev

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THE NEW NORMAL

Business adapts. Thanks to technology, companies are capable of pivoting to nearly any type of circumstances:

A change in...

B2B   **TRENDS**   **MARKETS**   **SOCIETY**

More important than the why is the how. And when a major shift occurs in the landscape (such as that caused by a pandemic), how a business shifts can mean the difference between success and failure. The good news is that a successful pivot is much easier than you think. Given the new normal every business across the globe is facing, remaining static is no longer optional.

That's why your business must shift to remain in line -- because the new normal isn't only here to stay, it will be a driving force for years to come.

Consider this: The world has spent a year under the weight of a pandemic. During that time, businesses have had to evolve and customers have done the same. Consumers are now even more adept and accustomed to shopping online. They've experienced a convenience they might never have known, prior to having their favorite shops inaccessible.

That profound change is going to stick. Why? Because once such a level of convenience has been introduced, it can't be pulled back. Consumers now understand the benefit of having groceries delivered, and have realized the comfort and ease of doing everything—from shopping to working—from home.

That shift in how business transactions occur isn't going anywhere.
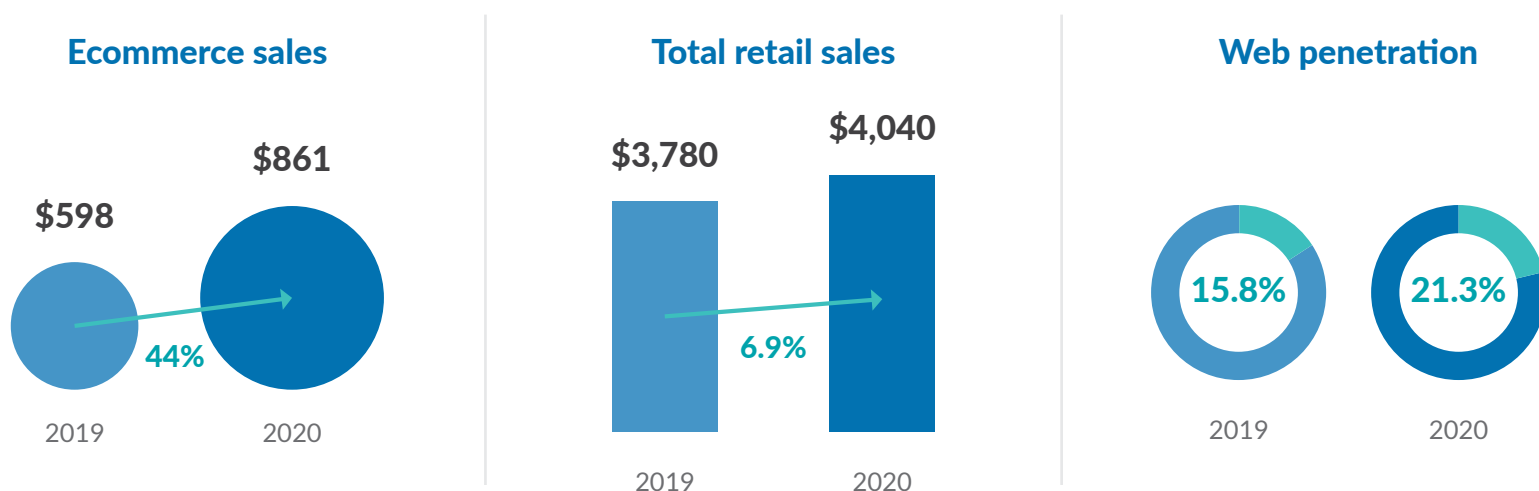
Is your company capable of not just enacting such a shift, but sustaining it? The answer to that question is crucial to the success of your business. That leads us to the question -- what can your business do to ensure success in the new normal? Let's take a look at a few key areas.

INTERACTING WITH CUSTOMERS AND CLIENTS

Not so long ago, interacting online with customers and clients wasn't exactly optional, but it certainly wasn't considered a must, either. Today, that has radically changed. There's one data point that should open the eyes of every business across the globe. In 2020 (alone), consumers spent $861.12 billion online with U.S. merchants. That's an unheard of 44% growth from the previous year.

U.S. retail landscape in 2020

Year-over-year comparison 2019-2020, in $billions

Ecommerce sales	Total retail sales	Web penetration
$598 (2019) → $861 (2020), 44%	$3,780 (2019) → $4,040 (2020), 6.9%	15.8% (2019), 21.3% (2020)

Source: Digital Commerce 360, U.S. Commerce Department

What does that mean? People are flocking to e-commerce in droves like never before. In fact, ecommerce was 21.3% of total shopping in 2020. That's almost a quarter of all sales, which is absolutely remarkable.

Those numbers are not going to dramatically drop any time soon. Although similar numbers were predicted to hit by 2022, now that this particular Pandora's box has been opened, it's not going to close. It'll also require you to increase your interaction with customers and clients, such that your business is very much consumer-centric.
So what can your company do to not only catch up to the change but make it such that you can remain in sync with this new reality?

The easiest thing you can do is turn to digital acceleration, which is the integration of digital-based technology into every area of your business. This type of transformation will fundamentally change how your business operates to deliver value to customers. But how?

Twelve areas your company should focus on for better interaction with customer and clients

- Be customer-focused in technology decision making.
- Restructure your organization such that it supports a seamless experience for the customer.
- Shift management to focus on cultural transformation.
- Shift your leadership such that it becomes more transformational with technology decisions.
- Involve all C-type staff (such as CEO, CTO, COO) in technology decisions.
- Integrate all of your data systems.
- Shift employees to consumer-grade technology, so their experience mirrors that of the customer.
- Focus all logistics and supply chain technology toward efficiency.
- Make data security, privacy, and ethics a primary focus.
- Evolve your entire supply chain around delivery.
- Digitize every aspect of your business.
- Make the consumer experience one of high personalization.

YOUR NEW SUPPLY CHAIN

In the new normal, nothing will be as important as your supply chain. Remember, more and more people are focusing their shopping on e-commerce routes. Because of that, businesses must be capable of delivering.

The problem is that most businesses are competing against giant online stores like Amazon and methods such as same-day delivery. Unfortunately, the majority of companies across the globe are incapable of providing such speeds while keeping profit margins reasonable. Even so, you can't deny the statistics. According to Statista, 44% of

consumers were willing to wait 2 days for deliveries, while only 25% were willing to wait 3-4 days.

Same-day delivery market size in the U.S. from 2018 to 2022
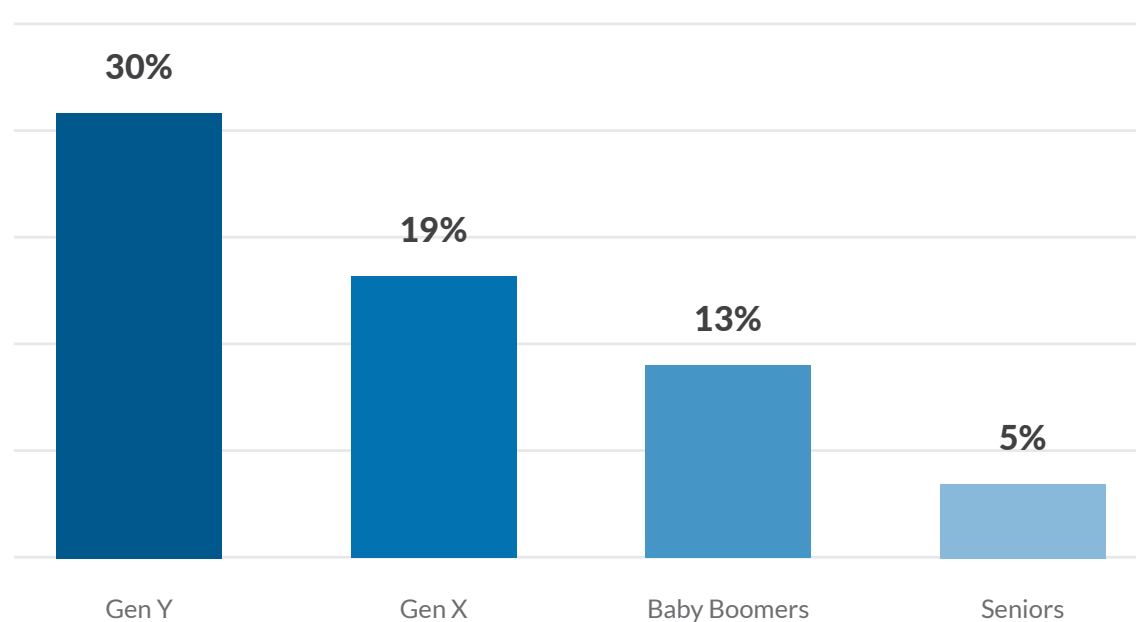
(in billion U.S. dollars)
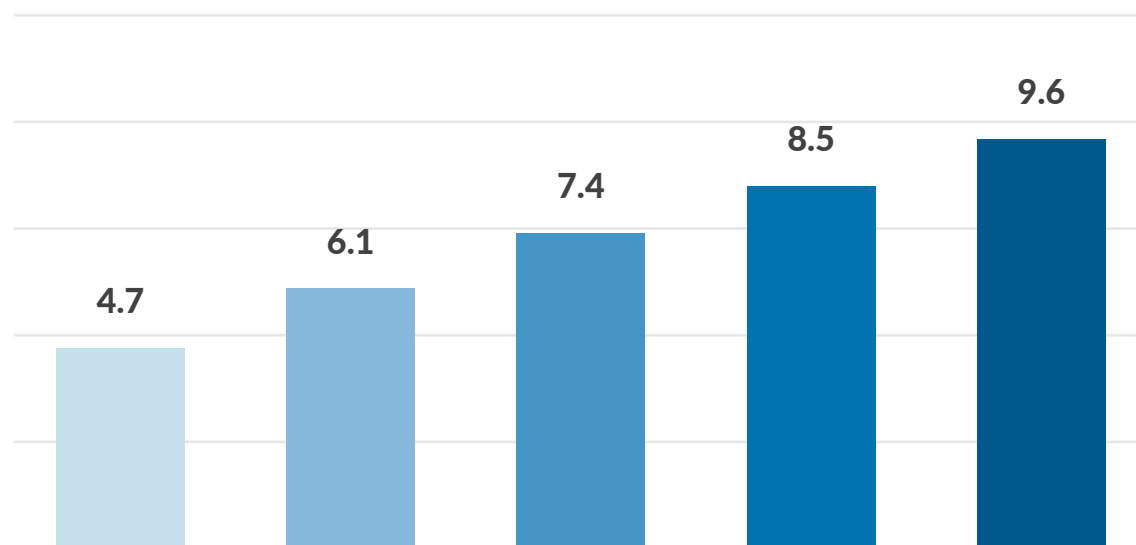
Source: Statista

Two other data points to consider are:

- **56% of GenXers and 55% of Millennials prefer online shopping to physical stores.**
- **77% of consumers cite convenience and 72% cite free shipping as their primary reasons for shopping online.**

Percentage of respondents who said that same-day delivery is important

(by generation)

Source: Bizrate Insights

Those are some very important bits of data to process. In the end, it all boils down to

whether or not your business can compete with Amazon. Unless your business is working at that scale, chances are pretty good the idea of same-day or next-day delivery is out of reach.

That doesn't mean you shouldn't be retooling your supply chain so it can come close. Why? Because no matter the normal, consumers will continue to leverage ecommerce. To that end, you need to improve your supply chain. How can you do that?

Improving the supply chain

- Hold regular meetings that are focused solely on the supply chain.
- Train your workforce to work efficiently.
- Increase the amount and frequency of information sharing.
- Use Big Data to your advantage.
- Encourage innovation.
- Find dependable suppliers.
- Invest in employee development.
- Never stop improving.
- Leverage new technology.
- Improve how your business handles returns.
- Plan and execute continuously.
- Use containerized applications for faster (and more reliable) scaling.
- Work toward sustainability.

A NEW PATH FOR INTERNAL OPERATIONS

Although you might think of internal operations as being an entity isolated from outside forces, the new normal changes that. How we do business today doesn't just affect your supply chain, it affects everything. Your internal operations must choose smart work over hard work. In other words, your staff must work smarter.

Think about it this way: Your staff must do X and they've done X the same way for years. Unfortunately, X can sometimes require long, grueling days to accomplish. By leveraging

modern technology to shift how the internal operations work, you might find a smarter way to approach X. This would replace the hard work with smart work, thereby ending the need for those long, grueling days. Although this might take time to implement, it'll be worth it in the long run.

Why? Because internal operations won't be stressed and stretched to snapping at any given period. Any time your staff can work smart over hard, the end result will benefit every single aspect of your business.

This new path for internal operations will include the adoption of new technologies and will often intersect with digital acceleration. According to a McKinsey Global Survey, companies have stated they've stood up (at least) temporary solutions to meet the demands placed on them by the new normal. It's important to know that these companies pulled these transformations off much faster than they thought possible, and they expect the changes will be long lasting.

Average share of products and/or services that are partially or fully digitized
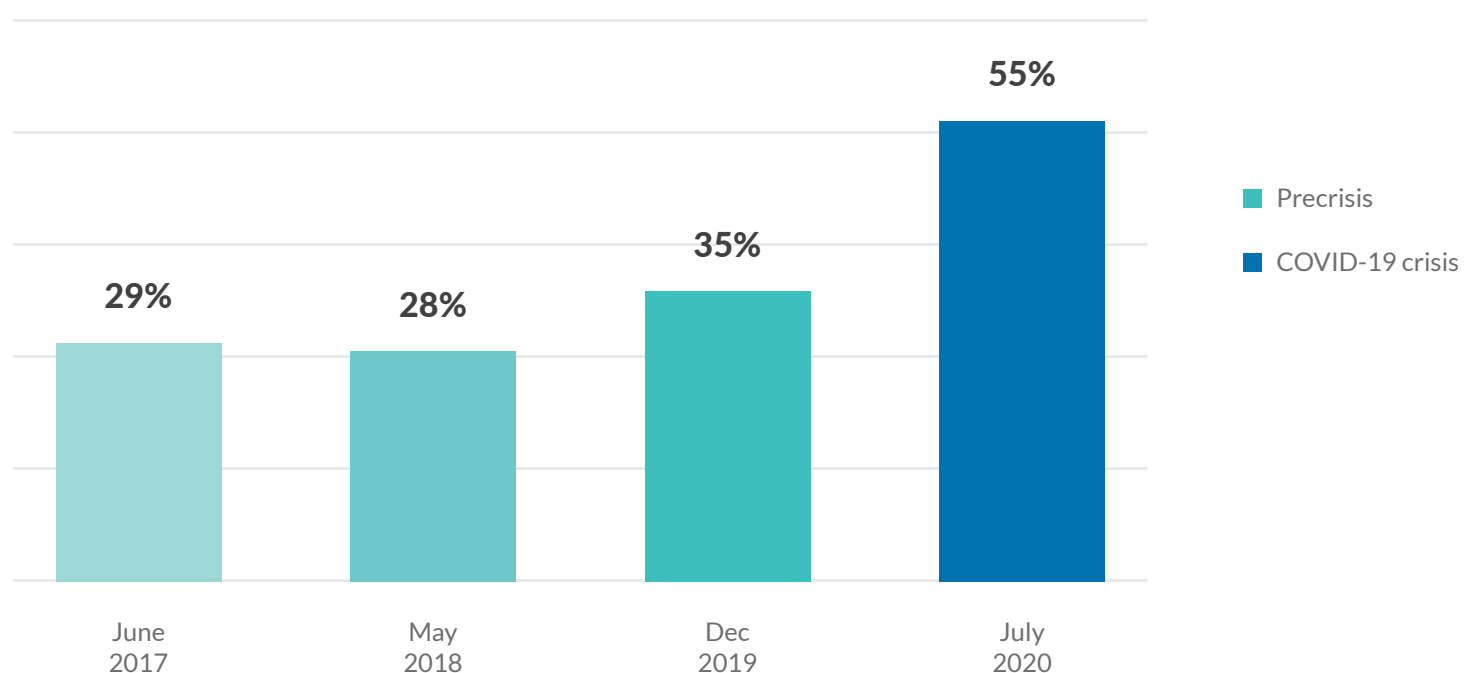
Source: McKinsey

According to that same survey, the largest leap in digital transformation is the share of digital or digitally-enhanced offerings. That growth hit 55% globally in July 2020. What does that mean for internal operations? Your company might have to spend a concerted effort in the creation of digitally-enhanced products, which means reorganizing internal operations to meet such a demand.

Adapting your internal operations to the new normal

- Hire personnel in touch with the needs of modern, agile businesses.
- Hire branding professionals, to help improve your public image.
- Ensure your products and branding are in-line with one another.
- Shift management such that they can handle both remote and internal staff with efficiency and skill.
- Carefully review your business continuity plan, or create one if you don't have one.
- Prepare the workspace such that it's adaptable to any kind of environment.
- Make plans for any reality (including hospitalizations, shutdowns, and explosive growth).

These changes don't have to be profound and foundation-shifting. In many cases, the new path for your internal operations can be subtle, while still being effective.

REMOTE WORK ISN'T GOING AWAY

Speaking of planning for any reality, know that remote work isn't going anywhere. Adjusting to a mostly-remote workforce would have been an incredibly daunting task, had it not been forced upon so many businesses. But because of how it occurred, businesses (and their employees) had to adapt quickly.

According to Damian Scalerandi, Vice President of Operations at BairesDev, "it's critical that remote managers are less of a boss and more of a leader." Scalerandi explains that "during this time, employees will be looking to their managers for guidance, and it's important for employees to know their managers are there to support them in the work environment as well as provide support for personal matters as well."

Some managers will be able to take on that role without missing a step. Others, however, might have trouble adjusting. But companies like BairesDev, firmly rooted in remote work, have a ton of experience to share. From Scalerandi's perspective, one of the more important lessons the company learned over so many years of working with distributed teams was that of trust. To this, he says, "I learned I had to trust my employees early on

and that trust fostered open team collaboration and, ultimately, resulted in successful team dynamics and projects."

When the dust settles, remote work isn't going anywhere. According to a Leadership IQ study, only 9% of employees said they'd prefer to work in an office every day, whereas the remaining 91% would prefer to work from home at least part of the time. Of the responders, 39% said they'd prefer to work from home 3-4 days a week.

61%
of employees have left or considered leaving a job because it did not have work flexibility.
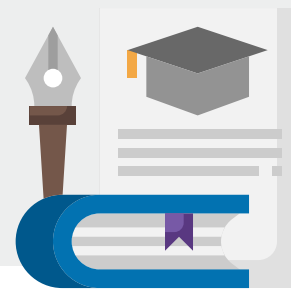
90%
of remote workers plan on working remotely for the rest of their careers.

78%
of remote workers have at least a college degree and 32% are manager level or higher.

21%
of remote workers say that the biggest struggle is loneliness, while another 21% said that it was collaborating and communicating.

78%
of remote workers primarily work from home, 9% work from an office, 7% work from a coworking space, 5% work from a cafe and 1% work from elsewhere.

Source: Global Workplace Analytics

How to enable a work-from-home staff

- Check the employee's productivity when working from home vs. from the office. If the numbers work out, give them the option permanently.

- Make sure you have managers up to the task.

- Make sure your staff understands that working from home is a privilege, not a right, that they must earn.

- Empower work-from-home staff with the right tools.

- Require remote workers have a dedicated office space in which to do their jobs remotely.

- Ensure your HR staff is up to the task (and has the necessary tools to make it happen).

- Make sure all remote employees are able to remain in compliance.

- Always check in with your remote workers and make sure they aren't suffering burnout.

- Engage with your remote workers by scheduling regular meetings (either through video conference or phone).

- Make sure your remote workers respect business hours but don't be militant about them.

- Roll with the changes.

You should also keep in mind that a happy employee is a productive employee. If you have staff members who are well suited to work from home, and enjoy doing so, allow it. Your flexibility will pay off in employee loyalty and work ethics.

HEADS REMAIN IN THE CLOUD

This is one area that your company will not be able to avoid. And you shouldn't. Why? Because not only is the cloud everywhere, it's become an ever-increasingly important factor in how both businesses and consumers function.

We depend on the cloud. Businesses require the cloud because it can deliver:

- **Reduced time to market**
- **High scalability**
- **Lower initial investment**
- **Elasticity and agility**
- **Wide-scale access**
- **Predictability**
- **Balanced ROI**
- **Resource pooling**
- **Reduced vendor lock-in**

According to Gartner, Cloud Application Services (Software as a Service) will be a 144 billion dollar industry and the total cloud market will be over 331 billion dollars by 2022.

Worldwide Public Cloud Service Revenue Forecast

(Total Market - Billions of U.S. Dollars)

2018	2019	2020	2021	2022
182.4	214.3	249.8	289.1	331.2
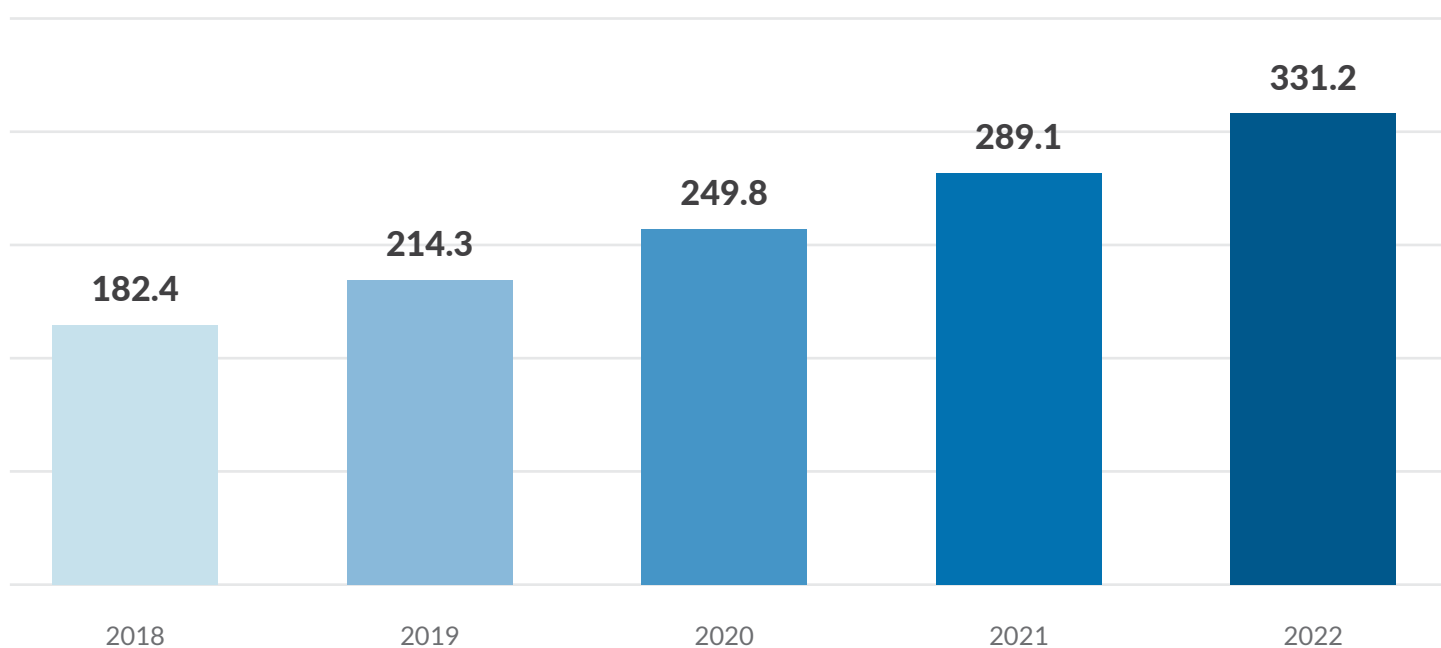
Source: Flexera

But the cloud isn't limited to what most consumers believe it to be. Yes, the cloud does serve as remote storage and file sync, but it also allows businesses to:

- **Leverage numerous platforms.**
- **Scale applications beyond what on-premises hardware can deliver.**
- **Increase agility.**
- **Allow businesses to employ automation.**
- **Enable remote working.**
- **Create easy to use file sharing and collaboration platforms.**
- **Ease and enable growth.**

We firmly believe, for any company to enjoy true success in this new normal, the cloud must be part of the plan.

SECURITY THREATS AND THE FUTURE

This is where we believe the rubber meets the road. Your company has accepted the new normal and has implemented everything necessary to make it happen. You have digitized your interaction with customers and clients, adjusted your supply chains, adapted your internal operations, allowed for remote working, and have adopted the cloud as a driving force behind your technology.

It's now time you layer upon those changes a heightened security. With more and more businesses shifting to digital platforms and remote workers, the possibility of data breaches and theft grows. To that end you must keep a keen eye on your security, otherwise, you run the risk of not just seeing your own information being stolen, but that of your customers and clients.

Fortunately, technology is there to help you. With a combination of the right systems and software, as well as getting your employees in the right mindset, your business can avoid a future filled with security threats.

How to avoid the new security threats

- Set very strict policies for security.

- Require strong passwords.

- Ensure remote-staff aren't using home computers for work.

- Require VPNs for all remote workers.

- Shift security left in the software development lifecycle.

- Develop specific social media policies.

- Retrain your workforce to think about security first.

- Implement multi-factor authentication.

- Set strict permissions in your clouds.

- Check for and deploy server patches regularly.

- Require all remote workers to keep their software always updated.

- Encrypt data on devices and clouds.

- Limit admin access to upper IT staff.

- Lock up all hard copy files.

No matter how much time and effort you put into being an agile company, ready to take on the new normal, if you don't put a significant amount of time and effort into the security of your company, it could all come crashing down. And this is a great area to employ smart work over hard work.

CONCLUSION

The CEO of BairesDev, Nacho De Marco, believes now is the perfect time to become a tech company. But being a tech company isn't just about developing and distributing technology. To this, De Marco says, "two important aspects that define what a tech company is: the use of advanced digital tools and the operational organization around them."

Another very important point made by De Marco has to do with how the likes of Amazon, Netflix, and Facebook became the multi-billion dollar companies they are today. To that, he states, "...the true game-changer for all of them was their mentality. The three companies didn't just conform with what they had: Bezos, Randolph, Hastings, and Zuckerberg were always on the lookout for the next big thing. They always searched actively for new opportunities to grow and sophisticate their platforms."

In other words, you not only must be in a mindset on how to keep your company up and running in the now, but you must also keep your eyes peeled on how your company can take the next step.

Be agile and be aware, employ smart work and your business will flourish in this new normal.

OUR STORY

In 2009, a group of young, motivated entrepreneurs and former software engineers, decided to create a new project with a clear purpose: becoming the largest Software Outsourcing company in Latin America.

By establishing teams of experienced bilingual software engineers in major Latin American cities, they eliminated the obstacles of time zones and cultural differences with international clients and focused on delivering unique technological solutions to drive business growth.

Soon they expanded operations in Argentina, Brazil, Colombia, and Mexico and opened offices in San Francisco (CA) and Harvard (MA) offices.

By 2015, BairesDev had consolidated its selection process to the point where it received over 100,000 candidate applications per year, of which it hired only the very best: the Top 1% of IT talent. Exponential growth led to innovative new hubs in almost every Latin American country, providing expert talent to guarantee high quality and efficient results for clients.

Now, BairesDev works with startups, middle-market businesses, and more than 10% of Fortune 500 companies. For the last four years, it's also been #1 fastest growing outsourcing company in Latin America.

With a team of over 2,000 experts in diverse technologies, methodologies and frameworks, and over 1.2 million applicants per year, BairesDev's mission remains intact: to harness the untapped IT talent in Latin America and to become the region's largest outsourcing company of all time.

www.bairesdev.com

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