

The Virtual Office Initiative

by Holly Stapleton, Fairhaven Solutions LLC

Introduction

Recent studies indicate that the virtual office initiative is becoming more and more commonplace in businesses. A recent issue of Smart Business magazine cited some statistical figures that illustrate this. Among the statistics:

- ❑ Number of mobile workers forecasted by 2004 = 27 million
- ❑ Increase in number of U.S. telecommuters from October '99 to October '00 = 4 million
- ❑ Mobile application revenue, 2001 = \$3.3 billion
- ❑ Forecasted mobile application revenue, 2005 = \$44.8 billion
- ❑ Annual savings to a company with 1000 remote workers = \$2 million

What is a Virtual Office?

What is a virtual office, you ask? A virtual office is when an employee spends the majority of his working time away from the corporate office – typically working from his or her own home.

Since the company originated, Fairhaven Solutions, LLC has operated very successfully in a 100% virtual office environment. As a senior consultant for Fairhaven Solutions, I conduct my work, when not staffed on a project at a client site, from home. My office is my home – complete with computer, access to the Internet, printer, fax machine, scanner, copier, and phone. I have everything I need at home in order to effectively and efficiently perform my job. To me, work is something I do, not a place I go to.

This paper covers the benefits and challenges of the virtual office environment, as well as some of my own experiences working in a virtual office environment.

The Benefits

Increased productivity

This is one of the primary benefits of the virtual office environment. I live in the Midwest, and you all know what that means during the winter months: freezing temperatures, icy conditions, and lots of snow! Some days, the weather is so inclement that it is dangerous, if not impossible, to drive to the office. Working from home allows me the freedom to stay at home – warm and safe – yet still be able to complete my work.

There are also times when I am not feeling well enough to go into the office, yet I'm not feeling bad enough to stay in bed. Marginal sick days, as I call them. On those days, I can remain at home, rest, take care of myself, and still complete important tasks.

Let's face it – when working in a traditional office atmosphere, there are numerous distractions that take your attention away from your job – office politics, gossiping and socializing with fellow coworkers are just a couple. Working from home frees the employee from those distractions. I find I get more work done in a day when working in the quiet, distraction-free atmosphere of my own home.

Increased recruiting reach

This is a benefit for both the company and the employee. Companies who operate in a virtual office environment can focus their efforts on hiring the right person for the job, regardless of where that person resides.

As an employee, the virtual office environment allows me the flexibility to live wherever I choose, regardless of the geographical distance between my home and the corporate office. This is especially appealing to someone like me – I own a horse and would like to eventually buy enough land to keep my horse at home. Will relocating to a more rural area mean that I have to either quit my job or suffer long commutes? No. The virtual office environment allows me to live as far outside the major metropolitan area as I wish.

Financial savings

This is yet another benefit to both company and employee. The virtual office environment reduces the demand for office space and the associated infrastructure. Companies no longer need to concern themselves with finding an office large enough to support their current staff, nor do they need to concern themselves with the need to expand or reduce the amount of office space with fluctuations in staffing.

Additionally, the virtual office environment offers the company freedom in choosing the central office location. Financial savings can be realized by locating the central office outside the boundaries of a major metropolitan area.

Fairhaven Solutions' corporate office is located in Lewis Center, Ohio, outside of Columbus, Ohio. We are a growing company. The virtual office initiative makes perfect sense in our case – our corporate office class A space, but also is relatively small and used primarily just for weekly meetings. When our business is booming and we need to hire twenty employees quickly, we don't worry that we won't have the space to house them.

As an employee working in a virtual office environment, the amount of money I've been able to save is significant. I spend less money on meals that I prepare at home, as opposed to eating daily lunches in restaurants. I also save money on my car – maintenance costs, gas, mileage, and wear and tear on my car all have been reduced substantially. Another area in which I've saved money is on my wardrobe and dry cleaning costs. Unless I have a meeting scheduled or I am at a client site, my business suits remain hanging in my closet. No more weekly trips to the dry cleaner!

Increased flexibility

Virtual office workers have a good deal of flexibility in determining their own daily schedules. Every employee is different: some are “early risers” and are most productive during the early morning hours; others are “night owls” who enjoy “burning the midnight oil” and working in the evenings. The virtual office environment offers employees the ability to work at virtually anytime day or night.

I often take advantage of this benefit. In the past, when working in a traditional office environment, I would have to wait weeks and sometimes months in order to get a Saturday appointment with my doctor or dentist. In the virtual office environment, I have the freedom to schedule my personal appointments during regular business hours and work in the evenings or on the weekends instead.

Less stress

Long, frustrating commutes to and from work are eliminated in the virtual office environment. When working in a traditional office environment, I would often commute to work up to an hour each way on heavily congested expressways. I'd arrive home from work in the early evening – too tired and frustrated to participate in hobbies or leisure activities.

Challenges

Paradigm shift in management

This is perhaps the most wide sweeping change that needs to be made in order for the virtual office initiative to succeed. Specifically, management must change its method of measuring productivity.

In the traditional office environment, productivity is measured in the number of hours an employee spends at work, on the job. In the virtual office environment, the focus must change to management by objectives.

In order for management by objectives to succeed, it's necessary for the employee and management to set clearly defined goals and objectives with measurable deliverables (reports, code, for example). A clear plan of action for completion of the goals and objectives must be communicated.

My manager and I meet once a week to discuss my goals and objectives for the week. During our meetings, I bring him up to date on my progress and provide him with estimated times to complete.

Performance reviews and appraisals may also need to be conducted on a more frequent basis. At Fairhaven Solutions, I receive quarterly performance reviews to help keep me on track. I am rewarded for improvement and completion of objectives, and areas that need further improvement are illustrated.

Communication

Communication is key! Communication within the virtual environment atmosphere can be challenging. Face-to-face communication is largely replaced by communication via email and phone.

Conducting meetings at least once a week is absolutely necessary. I meet with my manager once a week in person (occasionally twice a week) and we talk often on the

phone during the week. This is one of the main things that keeps me focused on completion of my objectives.

As a company, Fairhaven Solutions is constantly striving to identify, purchase, and implement the tools necessary for its employees to communicate effectively with one another and with management.

Recruiting

Companies that wish to implement a virtual office environment must improve their recruiting practices. Fairhaven Solutions is 100% virtual office, so our recruiting practices are geared to specifically target good candidates for the virtual office environment – candidates who are self-disciplined, motivated, organized, and able to work independently with little supervision.

Self motivation

Working from home can be challenging in that it is very easy to get sidetracked by household duties, caring for children, and personal conversations with friends and family.

To combat this tendency, I keep a strict “to do” list for the day. I try to keep it reasonable, yet I try to include the same amount of work I could accomplish in an eight or nine hour day in a traditional office environment. My rule is “no fun until I’m done.” I follow the list closely and work straight through until my daily tasks are completed.

I’ve found that I am most productive when I operate in this mode. If I need to take the morning to run personal errands, I do so, but in the afternoon, I sit down to work and concentrate solely on the work at hand. I make every effort not to intersperse personal tasks within the time that I am concentrating on work.

Summary

With technological advances in software and tools that promote communication between individuals in dispersed geographical areas, more and more companies are choosing to implement a virtual office initiative.

Operating in a virtual office environment has many benefits to both employer and employee, namely increased productivity, increased recruiting reach, financial savings, increased flexibility, and less stress.

The virtual office initiative is not without challenges and potential pitfalls. In order to successfully operate in a virtual office environment, companies must change the way they measure productivity, moving from a system based on hours spent on the job to management by objectives. Every effort must be made to enhance and improve communication between employees and managers. The company must focus on improving its recruiting efforts to ensure that employees that can easily adapt to and thrive in the virtual office environment are targeted and hired.

If the challenges of the virtual office environment are carefully managed and the risks mitigated, the positive aspects far outweigh the required investment.