

*The First Crowd-Sourced Whitepaper:*

DEFINING

THE

DIGITAL

NOMAD

01.01.09



# DEFINING THE DIGI-TAL TAL DIGI-NOMAD

Welcome to our crowd-sourced whitepaper on the challenges of the digital nomad. We're hoping this is a useful tool for many digital nomads and the companies that employ them. Developing this whitepaper is an ongoing process. We hope you'll join in and help.

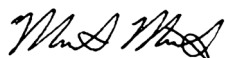
For years, Sun famously had the slogan that "the network is the computer," with the idea being that a disconnected computer lost much of its value. While it took some time for that to become a reality, today it's difficult to find anyone who denies the multiplicative benefits of connectivity and the power of a network to increase as the number of nodes on that network increase.

However, there's an interesting corollary to this concept—which is that if the network is the computer, and the computer is what you need to work, then the more that "computer" is available, the more you can work from anywhere. You reach a point where physical location no longer matters. That reality has taken a lot longer to come true

— but in the last few years we've finally reached the point where "working from anywhere" is a reality. These days, one can have an office-in-a-backpack -- a variety of devices and tools that mean that they can pretty much get online and work without regard to physical location.

With that in mind, we were excited when we had the chance to tap into our Insight Community to identify the bigger issues when it comes to this "Digital Nomad" mindset, and to build a crowd-sourced whitepaper that could explore the tips, tricks and challenges of digital nomadness in a new and innovative way — pulling from the insight of digital nomads around the world.

The Digital Nomad crowd-sourced whitepaper is an experiment that Dell is running in conjunction with Floor64's Insight Community, to try to put together a whitepaper with multiple viewpoints and insights from a variety of different perspectives, rather than your typical run-of-the-mill PR-produced whitepaper.



Mike Masnick  
CEO & Founder, Floor64

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*PART*  
*ONE*

# WHAT DOES IT MEAN TO BE A DIGITAL NOMAD?

A combination of factors have converged over the past few years to create a world in which it is much easier to work from anywhere -- allowing "digital nomads" to proliferate. While the term "digital nomad" was common in the past, the reality of the digital nomad has overtaken the concept for a good reason. A digital nomad implies someone who's constantly traveling, such as in sales, but being a digital nomad doesn't necessarily involve regular travel -- just the ability to "set up camp" and get to work from almost anywhere. This whitepaper will look to explore various issues related to digital nomads in the workplace -- from what it means to be a digital nomad to the challenges and the benefits of being one. It will also look at the IT and managerial strategies involved in dealing with an increasingly nomadic workforce, which has challenged some old ways of doing business, some of which have become quite entrenched.

## How We Got Here

### **Connectivity advancements:**

The rise of WiFi and 3G cellular broadband data networks has made it much, much easier to access the internet away from home or the office. That factor alone has been one of the main driving forces in allowing a digital nomad scenario to be workable for so many.

### **Device advancements:**

Over the last few years laptops have become cheaper, more reliable, and lighter while possessing longer battery life. On top of that, there's been a rapid growth of devices (PDAs and phones) that include some form of internet connectivity as well. Having devices that could be easily carried around and could connect easily certainly made the shift to digital nomadness easier.

### **Software and service advancements:**

Often overlooked as a factor aiding the digital nomad lifestyle is the rise of various easy-to-use collaborative tools, over the past few years. From better instant messaging to VoIP apps to wikis to social networks and other collaborative tools, suddenly working together didn't have to involve being together any more.

### **Changing attitudes towards remote working:**

This is still a work in progress, but over the past few years, many businesses have become much more open to allowing employees to telecommute. As more and more employees are shown to be effective working away from the office, this trend is only going to increase.

All of these factors are continuing to evolve as well, and it's quite likely that **the trend towards digital nomadness should only increase in the future,** perhaps opening up even more possibilities (and challenges) in the **workplace.**

# THE DIGITAL NOMAD'S BASIC TOOLBOX

One of the first things any digital nomad does is optimize what they carry around with them. **Their office is now in a bag**, and that bag must meet certain needs. Here are some rules of thumb provided by the Insight Community:

**POWER** Carry a plug adapter. It can be useful to have one for which you can change the plug plate to fit the socket of your destination. If you have the room, and the need, carry a multi-plug power strip to make sure you have enough sockets for phone, laptop, etc. If you need to travel to many countries on the same trip, carrying the single power strip and the relevant plug saves a lot of space. Traditional power adapters are often too bulky for both carrying and easily fitting in to wall sockets and extension cables. Charge up everything before you head out the door, and plan ahead if you'll need an extra battery.

**PORTABILITY** The fine balance between functionality (memory, disk, screen size) and physical size is a difficult one to get right. Making the laptop plus all of the peripherals portable enough takes time and experience. In general, keep to the basics. Decrease your laptop size by using a USB drive to carry the bulk of your storage supply. The added benefit is that you can plug this into any machine, not only yours, but even a client's machine. If you don't need to do heavy computing all the time, think of your laptop as more of a portal, a means to access data stored on a USB drive or on an extranet. You may be able to avoid carrying your laptop at all if you plan carefully.

**PAPER** Get rid of it! More than anything else you carry in your bag, paper gets the heaviest and is the easiest to eliminate. Where possible, create a soft version of your notes. For initial capture use the small, typically A5, notebooks most hotel rooms supply (and use those pens as well). As soon as is practical, enter notes into your tool of choice on your laptop. Use a flexible tool that can be used for many purposes. Substitute paper-based systems with soft versions wherever possible.

**PACKING** Get the right sized bag. The problem with average laptop bags is that they are too big. It is too easy to accumulate junk that adds unnecessary weight (like paper). Choose a bag that allows for organization and ideally allows for you to carry at least one change of clothes in it. This will then become your carry on baggage for those airlines that only allow one piece.

**PIPE** Connectivity is king. Mobile based modems (GPRS and EV-DO) are useful, but price plans can make them prohibitive. Most major cities have some form of WiFi access from hotspots in coffee shops to MuniNets. Make use of them where you can. If travelling for a week or more consider taking a travel router with you to release yourself from the confines of what the hotel considers to be your optimum working area.

## LAPTOP

**WHILE THE ABOVE SECTION GIVES YOU A GOOD OVERVIEW, IT'S GOOD TO DIG A LITTLE DEEPER INTO THE TOOLS THAT WILL BE HELPFUL FOR THE DIGITAL NOMAD**

**FOR IT-CENTRIC WORKERS, BEING PRODUCTIVE FROM THE ROAD REQUIRES MORE THAN JUST EXCEPTIONAL PERSONAL SKILLS. IF YOU'RE GOING TO BE DOING SERIOUS WORK, A KILLER LAPTOP IS NEEDED TO REPLACE AN ENTIRE OFFICE FULL OF EQUIPMENT. LET'S CONSIDER WHAT A MODERN DIGITAL NOMAD'S LAPTOP SHOULD INCLUDE:**

### Power and Space

The ideal digital nomad machine needs capacity to handle any modern computing task. Many digital nomads have to occasionally perform intensive activities like compiling code or encoding video, and these require serious capability in all three axes of computing: CPU, RAM, and storage.

The digital nomad laptop should have a serious CPU, chipset, and graphics combination. Multi-core CPUs with plenty of cache will take the sting out of intensive computing, and modern architectures can provide good battery life, too. Don't overlook the impact of a fast system bus and good graphics hardware, either. Integrated graphics chips are getting better, but a digital nomad should have a discrete GPU and dedicated video memory, especially if video or photo work is to be performed. Tip: It may not make financial sense to spend hundreds more for a few extra megahertz, but make sure the system is configured with the latest-generation high-end chip.

Max out the RAM, too. Extra RAM will provide a serious boost to overall performance, and should help battery life since more data will be cached. The modern digital nomad laptop should have 4 GB, and the next-generation OSes and chipsets will bump this to 8 or more over the next year or so. Tip: It's easy to upgrade your own RAM on most laptops, and you can save some bucks!

Storage capacity is a must. Equip a digital nomad laptop with as much disk space as is available, and consider upgrading the hard disk on older machines as new sizes appear. Larger disks are generally quicker than smaller ones, and serious performers might want to step up to 7200 RPM drives for an extra jolt. No matter the size, a portable external backup drive is a must, but make sure it's secure and encrypted to protect your data on the road. Tip: Think about locking up your backup drive in the hotel safe while toting an (encrypted) laptop around during the day.

### Portability and Longevity

So-called desktop replacement machines are often too bulky

for digital nomad use, so try to strike a balance. 15-inch widescreen notebooks are a nice compromise between usability on the road and ease on the shoulders, but some might be able to get by with a 13-inch or smaller ultra portable, depending on their needs. Focus as much on the physical size and shape as on the weight, since a 1-inch rectangle might fit your backpack or briefcase better than a bulbous wedge. Besides, most modern machines weigh within a pound or so of each other.

Consider the weight and portability of the total package. Many manufacturers are introducing smaller and lighter power supplies, and this can make a huge difference to the digital nomad. Invest in retractable cables and Kensington locks and keep the clutter down to reduce the load on your shoulder. Tip: Cutting out the cable clutter also helps keep airport security from flagging your rats-nest of a laptop bag for extra screening!

Although power outlets are becoming more common at airports, hotels, and even on airplanes, an extra battery is a must. Always buy two of the largest batteries available for your machine and keep both fully charged.

### Virtualize for Flexibility

Advances in computer virtualization can help the digital nomad in unexpected ways. Install VMware or VirtualBox to enable outdated applications to run on modern 64-bit operating systems. I keep a small virtual Windows XP image with older versions of Microsoft Office, Project, and Visio on my machine just in case I have trouble with the latest versions. Mac users love being able to use VMware Fusion or Parallels to run Windows applications alongside their favorite Mac OS X apps.

Consider support implications of your choice. Most larger IT organizations require a specific install for corporate use, and virtualization can be a lifesaver here. If your digital nomad machine isn't an approved standard, consider running the corporate image in a virtual machine. A friend of ours uses a MacBook Air ultra portable laptop with his entire supported corporate Windows XP image running under VMare Fusion. This allows him to have 100% compatibility and support in a lightweight package.

## TIP:

If you have an airplane AC adapter, check [seatguru.com](http://seatguru.com) before selecting your seats to make sure a power port will be available!

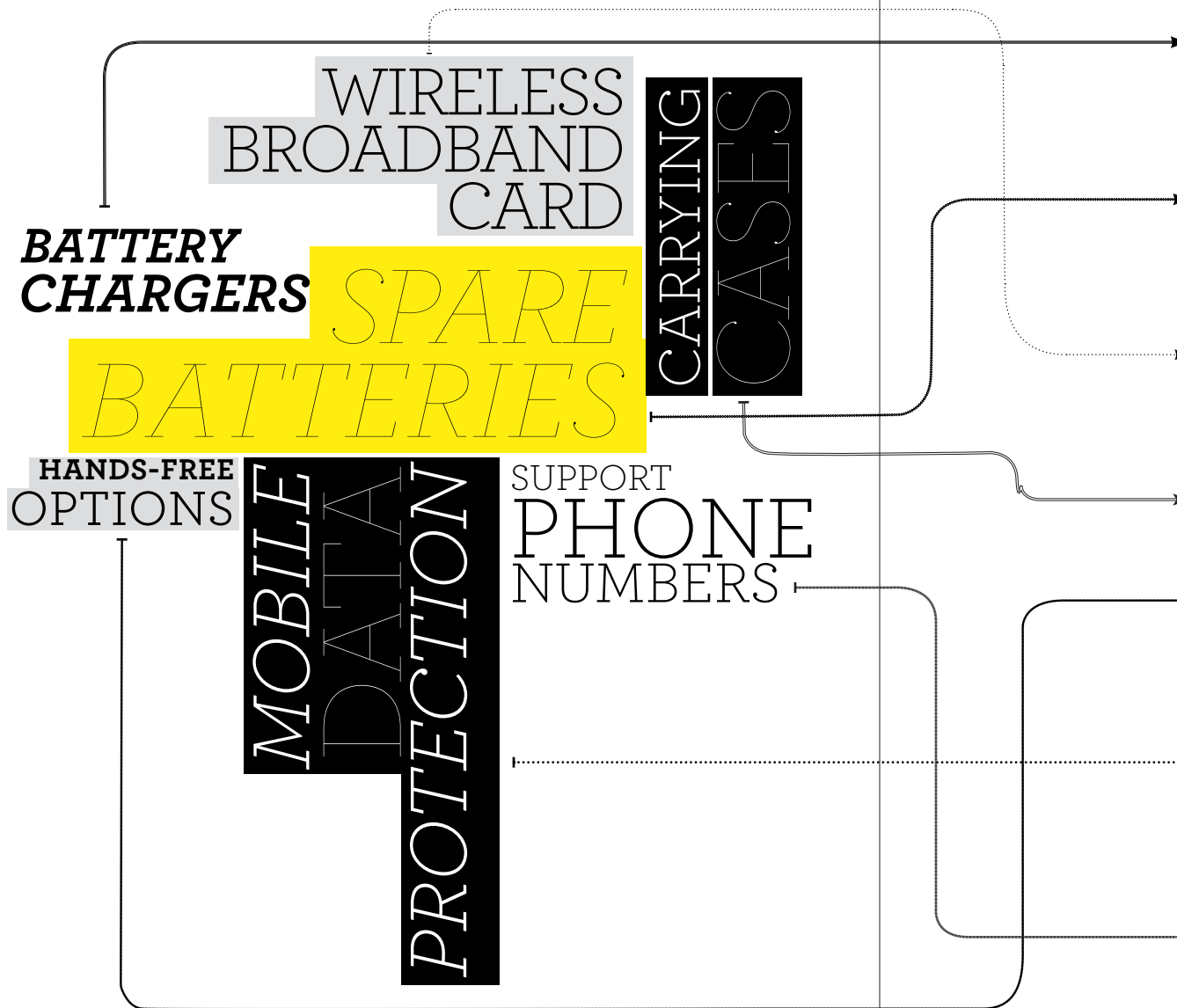
### Connectivity

Finally, there is no substitute for the always-on connectivity of modern wireless phone-based laptop networking choices. Many digital nomad laptops have **built-in 3G cards**, but these might not be your best choice. A USB (or perhaps ExpressCard) device can be more easily swapped between machines as needed. A new type of wireless router is also appearing that connects directly to these **external 3G cards**, and allows their signal to be shared with a small group. Tip: External devices are also much easier to exchange if they should fail while on the road.

All wireless providers offer similar service at similar prices, and most do not offer substantial discounts when bundling wireless broadband with voice service. Consider whether you want to buy the hardware outright in order to get a shorter contract or if you would rather sign a two-year contract and get free hardware. Pay special attention to their coverage maps when selecting a provider, as this is a major differentiator **between 3G** and EV-DO service providers in the United States. Although these services are expensive, they can be cheap compared to a few days of some hotel or airport Wi-Fi charges! Luckily, many hotel and airport Wi-Fi offerings have been getting cheaper (or even free, in some cases), but it's still not universally cheap.

Wi-Fi coverage has become far more plentiful over the last few years, and providers like AT&T, T-Mobile, Boingo, and FON make convincing pitches about their service. But my experience shows that the limited range of Wi-Fi makes it frustratingly unavailable when you need it most. Expect to see Wi-Fi access bundled with **3G service soon**. Next-generation services like Wi-Max aren't ready for prime time at this point and should not be considered a digital nomad-suitable alternative.

# BEYOND THE DEVICE



## BEYOND THE MAIN CONNECTIVITY DEVICE, THERE ARE OTHER THINGS TO KEEP IN MIND:

Unfortunately when mobile, all of those battery-powered devices need a way to recharge. This has meant carrying one charger per device. We don't consider that very portable. Companies like iGo make universal AC adapters with a wide variety of charging tips, so the mobile worker only needs to bring one charger. Beware of devices with proprietary Lithium Ion technology though. These universal chargers will power the device, but won't recharge the battery.

Mobile workers on long international flights that need their devices running for the whole flight may opt to carry additional batteries. There are "air chargers" that can plug into the airplane's power outlet, but such outlets are not available for all service classes.

We feel this is a "must" for any mobile worker. "WiFi hot spots" are just unsecured Internet access points. We're talking mobility here. To truly be mobile, one should only need to pull their car over to get on the web.

We need a protective case for each of our mobile devices. The way to win here is either bring a small enough case that holds all mobile toys or converge the various technologies into one device so there are fewer to carry.

Cities like Chicago have banned the use of a phone without a headset. Hands-free options have become a must.

We have to protect all of that valuable mobile data. More companies are encrypting their mobile devices, but we still need to back up the files. A truly mobile worker will have weeks worth of locally-stored files that are at risk. To protect them might mean carrying an external hard drive to synchronize with. It could mean an automated process such that, whenever connected to the Internet, the data sync's with a server back at the main office or to a storage service "in the cloud".

Mobile workers should have their own IT staff's phone numbers with them and the international support numbers of their wireless providers with them as well. These numbers should not be stored on their mobile device. They need a way to reference this information if they lose their mobile devices.



# CARRYING IT ALL WITHOUT INJURY

Of course, when you're carrying so much stuff around, it's important to figure out ways **to carry it safely**. Here are a few tips.

## USE A BACKPACK, AND WEAR IT PROPERLY

Sure it may look geeky to some, but carrying five or more pounds on your back is a lot safer and more comfortable than holding it on one side of the body. That also means wearing the backpack properly, not slung over one shoulder in a lazy attempt to try to look cool.

## CARRY ONLY WHAT YOU NEED FOR THAT TRIP

Use smaller, removable zip-up bags inside the backpack to modularize mobile needs. These modules can be removed as travel needs change. For example have one "international module" which contains power adapters that are not needed unless traveling abroad. Have another module for a "no outlet" situation which may contain extra batteries.

## WEIGH THE OPTIONS

Literally weigh them. That AC adapter is probably lighter than a spare battery. Assuming there will be outlets, bring it instead of the spare battery. Use a universal charger.

## PUT DOWN THE BACKPACK, WHENEVER POSSIBLE

There is no need to be burdened with the weight of the job while waiting for the train, bus, or taxi to arrive. Put that weight down and save some agony.

## LEAVE THE ACCESSORIES SOMEWHERE ELSE

If certain sites are frequented by mobile travelers, leave an extra universal charger at that location so every worker doesn't have to bring their own every time they visit that site. Leave accessories in the car or somewhere nearby so they are still accessible but don't have to be carried all of the time.

If tools are the problem, look for compact versions of them. Leave them at the work site if working there for weeks at a time. Make sure the place they are stored is a secure place, though.

# KNOW YOUR ROLE

In preparing yourself to be a digital nomad, **it's important to understand the role that you're tasked with**, as different job roles can mean very different things in terms of what you need as a digital nomad.

*Mobility means many different things to many different people...*

Maturity of infrastructure and mobility solutions vary widely amongst small, medium and large enterprises. Larger enterprises often implement more stringent and automated systems, whereas smaller businesses often depend on the individual mobile workers to determine their requirements and often implement them themselves. Depending on the job function, access to different types of data dictate the user's mobility and connectivity needs.

Trainers, field service personnel and many types of sales roles can get by simply by having a static copy of relevant data on a hard drive. Infrequent access to e-mail and availability by cellphone are more than sufficient for this type of worker. These workers have laptops rather than desktops and therefore travel with their entire work environment. Their laptops are the repository of their key data, having either created documents with or copied required documents

to this device. Responsible individuals or IT departments have secured those devices with appropriate passwords and encryption, though often this is not the case. Backups of this key data are done haphazardly to network shares, content management systems or, less frequently, enterprise backup software.

Other roles dictate the need for up-to-the-minute style of access for information. These users are in the minority of "mobile workers" but often are senior employees/executives whose mobile requirements command a larger portion of the IT department's attention. These individuals typically can get by with less powerful devices such as tablet PCs or micro PCs. However, their reduced need for horsepower is replaced by their need for immediacy of data; ready access to the Internet for e-mail and to mobilized applications -- typically enterprise applications that have been enhanced with a browser-based interface.

# DON'T FORGET THE COMMUNITY

At times, a digital nomad's life can seem like a lonely one. That's why it's quite important to make sure you use various community and collaboration tools to remain connected.

**COMMUNITY IS ONE OF THE MOST POWERFUL SOURCES OF INNOVATION AND PRODUCTIVITY FOR BUSINESSES AND WORKERS. HOWEVER, IN AN INCREASINGLY MOBILE WORKFORCE, PEOPLE ARE AWAY FROM THEIR NATURAL WORK COMMUNITY AND REPLACE IT WITH OTHER RESOURCES. HERE ARE A FEW WAYS THAT WORKERS REPLACE THE BENEFITS OF A PRODUCTIVE OFFICE ENVIRONMENT WHILE THEY'RE ON THE GO.**

## **Internal Social Networks, Blogs, Chat, Instant Messaging, Wikis and Email**

While work life becomes more mobile, some companies are finding that having an online space for employees to share the random odds and ends of their personal lives is an effective way to build community within a mobile workforce. Call it a virtual water cooler or whatever you'd like, but what's clear is that by giving a venue for (moderated but uncensored) interaction and sharing of information, feelings of camaraderie stay high while on the go, and workers benefit.

## **External Social Networking and Blogs**

Of course when your coworkers can't keep each other company on the road, your customers can. External social networking sites and industry blogs make it easier for traveling workers to connect with their existing and prospective clients. Whether it's through an industry group on Meetup.com, by attending a mixer hosted by a popular industry blog, or by maximizing your business network on LinkedIn, today it's easier than ever for those far from their rolodexes to connect with the people they need to know wherever they are.

## **Coworking**

Over the last two years, "coworking" has emerged as popular permanent work solution for free-lancers and small companies, allowing them to pool resources and work among like-minded folks who are likely in the same field. However, for the mobile worker, coworking centers also have specific benefits. For instance, coworking communities are usually designed to accept "drop ins," making them both an open door in destination cities and a place where new workers can quickly integrate with the community and make gains from the proximity to other knowledge workers.

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*PART*  
*TWO*

# MANAGING DIGITAL NOMADS

While many discussions you may see about digital nomads will focus on the nomads themselves and what tools they use, it is just as important to understand how to manage digital nomads, as individuals or as a group.

Coordinating across a wide group of individuals who don't see each other face-to-face very often (if ever) can be a unique challenge. This part of the paper explores this question from a manager's viewpoint with a specific focus towards keeping everyone on the same page.

There's really very little history to go on in figuring out the best way to manage digital nomads. The phenomenon is so new that it presents poorly understood challenges. On top of that, the tools used to communicate are so different that any past analogue is not likely to make very much sense. In many ways, this is uncharted territory, building on the experience and lessons of those who are making the rules as they go.

# UNDERSTANDING THE CHALLENGES

Before we get into the specific best practices in managing digital nomads, it's important to understand what the real challenges and opportunities are for such a workforce. **If you don't understand the challenges, it's difficult to deal with them, and if you don't understand the opportunities, you'll never maximize them:**

## ADVANTAGES WITH DIGITAL NOMADS

Employees are ultimately empowered to make their own decisions regarding time management and feel independent. That translates into motivation and an over arching obligation to meet deadlines. It also reduces the foot dragging rampant in typical corporate environments that enforce 40 hour (or more) work weeks. In 40 hour work weeks, employees often do not provide output commensurate to the time requirements, instead they "right stream" their time and effort to reduce stress and keep themselves lightly occupied throughout the workday.

Diversity is typically inherent in digital nomad work forces because members can be scattered across the globe. That typically encourages new ideas as eclectic backgrounds mesh to create something even better.

Members of digital nomad workforces must be self-motivated and focused on success, otherwise they will not perform well. That means the quality of these workers is generally high, though it often can be difficult to realize that within a team because reasons to chitchat are limited.

Generally communication is recorded, which makes it easy to review previous discussions. Voice, chat rooms, forums, social networking platforms, text messaging, instant messaging, and video all are easily archived.

If things aren't working out, it's fairly easy for the employee or company to end the relationship and move on.

## PROBLEMS WITH DIGITAL NOMADS

Otherwise good employees are sometimes overlooked because they don't have the necessary technical skill set to make mobile work feasible.

Brainstorming can be stifled by a lack of live interactivity.

Team building is enhanced by live interaction between employees. Trivial (but critical) side conversations build a foundation of understanding between people who otherwise would interpret interactions from a purely objective and reserved perspective.

Infrastructure is sometimes reliant on consumer-oriented services such as consumer internet access, electricity. Gaps in service are outside the organization's control.

Interpersonal relationships can become mechanical because there is no personal connection between employees.

Distractions in digital nomad environments (e.g. coffee shops, shared workspaces, basements, home offices) can dilute focus.

## WHAT STRATEGIES CAN MAXIMIZE THE ADVANTAGES AND MINIMIZE THE DISADVANTAGES?

Most of the problems with digital nomad work forces center on keeping employees connected and feeling like a team. That happens by default in a typical office environment when people say good morning to each other and ask how the previous night went, when they gather around the water cooler, when they go out to lunch, or when they participate in a team building event.

Some of those activities aren't realistic to expectations for a digital nomad workforce, but others just require the right tools and encouragement.

# KEEPING EVERYONE ON THE SAME PAGE

In this section, we'll explore some of the tools that are useful to get a group of digital nomads on the same page. Many teams find that it's a combination of these tools that really makes sense, and often you don't know which tools will catch on until you try. At the same time you don't want to overwhelm the team with too many different and confusing tools. Perhaps start with two or three of these tools. **See what's being used and what's not.** Get rid of those that aren't being used, and then pay attention to areas where there are gaps in team cohesion or communication. Then look for other tools that can fill those gaps.

## **Building a sense of team**

Getting to know the other members of the team can be tough. Using video conference technology helps break down some of the barriers. Applications like Skype that combine voice and video have proven to be very effective. A more costly approach would be a full telepresence solution, something to do maybe monthly or quarterly. Letting a team or project use SharePoint or another collaboration suite allows them to express themselves. Sometimes creating a "yellow pages" of team members with a small bio, photo, skills, past projects and roles can be helpful and go a long way to helping people connect and find like-minded individuals to help them.

Don't be afraid to create sites on products like Facebook to allow the team to bond in the same way that you would after work.

## **Quick and Easy: Instant Messaging**

One critical tool for any mobile team is instant messaging. It provides other team members with an immediate understanding of how busy a peer is (based on status message), and makes casual conversation very easy. That's especially relevant for generation Y and later. They grew up IMing their friends online and casual conversation is sure to develop. Add file transfers and desktop sharing in the IM client and usage of the tool will skyrocket along with collaboration.

## **Collaboration**

It is very easy to work in isolation and lose track of progress and goals. There are lots of virtual rooms where teams can meet and share ideas. From full blown solutions like WebEx or HP Rooms down to more simple solutions like Net Meeting or AOL Instant Messenger that allow desktop and application sharing. Being able to walk through a project plan, mind map or document in this way helps individuals buy in to the process.

## **Voice of the team**

It is very easy to work in the silence of e-mail. Having a reservationless conference bridge is a good way to get the team meeting frequently. Be wary of cultural and individual sensitivities, it may prevent people from speaking out in public. Consider using tools like WebEx or Yahoo Messenger to create an environment where people can ask questions to be picked up in the call. These also allow you to publish the chat as a call back channel for easy reference later on.

## **Forums**

Forums or groups offer two vital aspects that are missed in virtual teams:

*Adhoc conversation*

*Knowledge management*

Most people learn what's going by talking to colleagues, not by reading the press release type e-mail preferred by senior management. Instant messengers help keep people connected and most now allow many-to-many chat. IM is becoming the virtual water cooler and like those conversations it is volatile as it is easily lost. Forums provide an outlet for knowledge sharing and idea generation and development. They could be in the form of specific software or use a blog approach. Sharepoint offers structured content, discussions and blogs and has the benefit of being able to be deployed as an extranet solution which is key to virtual teams.

## *ALSO...*

Consider Google Docs and Calendar as a way of actively sharing information that can be constrained by IT security policy. Dabble with platforms like Jeteye that allow users to share bookmarks. If joined with Meebo it also allows conversations to be stored and shared.

# DON'T FORGET THAT IT'S ABOUT THE PEOPLE

Sometimes in discussing all of the tools, it's easy to forget that managing digital nomads is really about managing people. No set of tools will be successful if the people aspect is left out of the equation. Too often technology solutions are presented as improvements or innovations in technology when what is most needed are solutions that more effectively manage all of the people and relationships in the equation. These solutions need to make sure productivity levels remain high, workers cooperate effectively when needed, and that morale and camaraderie -- often a key factor in business success -- is enhanced by worker mobility.

## WHAT ARE SOME OF THESE NON-TECHNOLOGY SOLUTIONS TO THE CHALLENGES OF THE NOMADIC WORKFORCE?

Encourage, sponsor and facilitate socializing outside of the work environment. Perhaps the most dramatic example of this approach is Google's sponsorship of parties, events, talks, movies, and other socializing events both at the Google campus and outside of the company environment. This appears to have created a dramatically loyal workforce willing to go to great lengths

Maintain a formal and regular meeting structure where project leaders present progress reports and all team members have a chance to express concerns and ideas.

Maintain a clear definition of leadership roles and accountability. In a power vacuum leadership will take questionable and often inefficient form, so those most responsible for the success of the project should be held accountable and also be given the power to hold others accountable for their parts of the project or company.

Get a little goofy sometimes. Challenge employees once in a while to post a goofy video of what they did last Halloween, or start a brief quiz that gets at a few lighthearted personality questions. A mobile group that enjoys online gaming may also like virtual events in World of

Warcraft or Second Life. It gets employees out of the routine and essentially pulls team building events into the online world. Frequently great ideas grow out of these sorts of interactions, because team members feel free to express themselves and act a little bit goofy.

If possible, hold "meatspace" get-togethers (not work, not "team-building retreats," but for fun) is paramount: People who join a team end up participating a lot more in the online forum and various activities after they meet their peers In Real Life and socialize with them.

**“IT IS ONLY THEORETICALLY THAT A DISTRIBUTED WORKFORCE WITH THE LATEST TECHNOLOGIES WILL BE MORE EFFICIENT THAN A CONVENTIONAL WORKFORCE. HUMANS ARE VERY SOCIAL CREATURES AND FOR THE FORESEEABLE FUTURE WILL CONTINUE TO REQUIRE THE TYPES OF INTERACTION AND GUIDANCE FOR WHICH WE ARE EVOLUTIONARILY PROGRAMMED —THE INTERACTION AND GUIDANCE FROM OTHER PEOPLE.”**

*PART  
THREE*



# DIGITAL NOMADS ROI

One of the tricky things for a business employing digital nomads is to come up with a way to measure the ROI of allowing employees to be nomadic. Over the years, the arguments have gone back and forth over simple telecommuting, and the questions have only increased in the era of the digital nomad. It's not always completely clear cut. The meaning of the word "workplace" has become fluid like never before. Instead of representing a specific building, it has come to represent wherever the worker is when they are doing their job. **Is having a remote workforce a benefit or a cost?** Like so much in business, the answer may depend on what you count as a benefit or a cost, and how you measure it.

# MEASURING ROI

Measuring ROI on something like a digital workforce begins with good benchmarks. Put simply, you will never know the return on an investment unless you already have good insight into measurable quantities that characterize your workforce, both mobile and fixed.

For instance, you could measure the ROI of having a dispersed workforce by measuring any or all of the following qualities:

## **Productivity:**

Is your business creating more or less widgets per employee per year?

## **Job satisfaction:**

Are your people more or less happy that they're working for you?

## **Employee retention:**

Are your skilled employees sticking around longer, or are they reading want ads and jumping ship to your competitor?

## **Creativity:**

Are your mobile workers -- freed from the stultifying environs of a cubicle -- being more innovative?

## **Cost**

Is it rising or falling per unit of work?

*All of these are valid measures, but all depend on one thing: valid benchmarks. You don't know if costs are rising unless you already have good insight into your operations. If you don't know how productive you already are, you'll never be able to know —really know— whether your mobile workforce is making you more productive or less.*

# DETERMINE YOUR BENCHMARKS

## **First:**

Come up with three to five metrics that really define your business. You probably already know what those metrics are; if you don't know, figure them out.

## **Second:**

Take as much time as you need to come to a clear understanding of where you stand, right now, in terms of these metrics. Maybe you already have that data at your fingertips; maybe you need a few months to compile them. Don't make any structural changes until you have a clear view of where you're starting from.

## **Third:**

Open the door to a mobile workforce. (What's that you say -- your workforce is already mobile? Well, that's not ideal, but you can make do -- just focus your analytics on the segment of the workforce that has not yet gone mobile.) Test and measure against your three to five benchmarks. Prepare reports.

## **Fourth:**

Adapt. The reports, and the metrics that inform them, tell you where things are working and where they are not. Fix the problems and let the successes continue to prosper.

## **Fifth:**

Continue to measure, tweak, and measure again. Then pat yourself on the back: you're managing your mobile workforce and maximizing its ROI.

# ROI FOR EMPLOYERS OR EMPLOYEES

While it's great to talk about productivity and satisfaction from the employee's point of view, much of the ROI for the business comes from lowering overall overhead and displacing some of that onto the employee.

It's important to look at the ROI from two points of view: the **worker's** and his **employer**.

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## Employer's point of view

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Measuring what people are producing does not vary greatly whether an individual works in an office or from the road or home. There is an assumption that because an employee works in an office and can be observed, that they're doing their work and being productive. The opposite is true of those who are nomads. There is the assumption that because they're not being observed, that there is ample opportunity for slacking off. Both of these have some truth, however, ultimately how we measure an employee's work is by productivity.

Project management theory focuses not only on the product but the process, and identifying

measurable steps in that process. In order to measure a digital nomad's work it is important to have agreed time frames and short term goals. Maintaining good communication with in-house employees and nomads is imperative. Whether this is completed by e-mail, telephone, video conference or in person depends on the needs of the industry, project, and individuals. For industries which don't have a project focus but are service delivery-oriented, there are other metrics which can be used to measure productivity, such as billable hours, contact hours, or units sold. Measuring the cost of digital nomads has two components.

## COST

**There are some cost savings from having a worker decentralized and additional costs compared to office based employees.**

### Office Space:

Saving on rental or purchase of office space. With fewer office based employees, and less floor space, minimizing heating, cooling and electric costs can mean substantial savings to a large business.

### Equipment:

This can be an area of either savings or cost. Though not working in an office, thus saving on equipment there, individuals need the equipment in their homes to work effectively.

### Liability:

If the customers are being seen in their homes and offices rather than your business' office, liability insurance premiums are reduced.

### Personnel:

More and more employees are looking for flexible work spaces and schedules. Providing this to digital nomads can translate into happier employees which means more productivity and less turnover resulting in significant recruitment and training savings.

### Business:

Having employees spread out over large geographic area allows employees to be closer to the work rather than having to travel which results in reduced travel costs. This also has the added benefit of better customer service by having better local knowledge and greater face to face contact with your customers.

### Technology:

Digital nomads would require a different set of tools to be effective in the field versus in the office. Rather than desktop computers, they would require laptops which traditionally have a shorter life. They may require remote access to files stored on company servers, wireless internet access, and mobile phones and accessories.

## RISK

All businesses need to manage their risk, but few businesses factor risk into their assessment of the costs for mobile working. This is unfortunate. Risk is hard to evaluate, but that is why it should be evaluated. Mobile working can greatly change the dimensions of risk for a business. For example, there may be less risk of an interruption in business with a distributed workforce. A distributed workforce may be able to continue unaffected when a central location is rendered inoperative due to a fire or flood. This in turn may reduce costs related to insurance or to business continuity planning.

On the other hand, there will need to be adequate planning and investment in backup resources for communication and access to common data and applications, in case access to the primary resource is interrupted. There need to be contingencies for every eventuality that may affect the remote worker, from the loss of a server at a given location to the need for redundancy throughout network connections. Distributed working will often mean remote access to data, with an implied security risk. Poor security risks both corporate espionage and the legal and reputational damage caused by any violations of customer confidentiality.

To offset this requires an up-front and ongoing investment in security to deny access to unauthorized users and minimize the impact if data is lost. For example, data models should be designed to limit the need for staff to work with remote copies of sensitive data. Robust and secure protocols are needed for transmitting information. Because laptops and memory sticks will inevitably be lost or stolen from time to time, encryption should be used to prevent the exploitation of the data stored on them. Ignoring these preventative steps only increases the danger that the business will be more severely and adversely impacted sometime later on.

## REGULATORY ISSUES

Legal and regulatory responsibilities relating to mobile working are closely allied to the costs and benefits associated with risk. Obligations vary from place to place, but any employer should carefully consider the potential for being held liable for what their employees do, and for what happens to them. Remote working may change this dynamic. For example, if an employee has a car crash whilst using a corporate cellphone, can the company be held liable? Having a corporate policy that bars use of cellphones whilst driving may be a cheap and simple way to reduce the liability, but it may not be effective if, in practice, the company expected their employee to drive and take calls at the same time in order to meet deadline pressures. Offering staff hands-free kit for their cell phones might be a better investment in the long run.

Remote working may also make it easier for employees to steal and abuse corporate resources, whether using the internet and other communications services for personal reasons or stealing commercially sensitive data by simply taking a laptop. The company should seek to limit its liability in all the situations where mobile working may exacerbate the potential for misuse of corporate resources.

Similarly, businesses need to research their obligations for providing staff with a safe and healthy working environment, even if they work away from the office. Again, it is worth noting that a legalistic or accounting approach to evaluating these costs may not be adequate to really assess the impact on the business. Obligations may vary, and businesses may have differing views on whether these obligations impose a fair or unfair burden upon them. Underneath the legal jargon, however, there will likely be some worthwhile motivation that the company should consider when assessing its own interests, as well as those of its employees, government and the community. For example, what is the cost to the business of losing a valued employee in a car crash? Is it desirable to have employees to be working from a home office that is not adequate as a working environment? Putting a value to these considerations is much more difficult than the basics of bean counting, but no less important.

## SUMMARY

*Having a mobile workforce means exploring what productivity means to you as the employer and having clear communication of goal and progress. The benefits of having digital nomads outweighs the costs. It can lead to reduced infrastructure costs, better connections with customers, and happier employees. All of which are cost savings to the employer.*

## Employee's point of view

**Many businesses today have staff working from home, and they reap significant benefit from this. Facilities costs disappear, workers spend extra hours working rather than commuting, and they can draw on a larger talent pool since they are not limited to the immediate vicinity of their facilities. But what is the ROI for the digital nomads themselves?**

### COMMUTE TIME

The United States Census Bureau reports that the average American office worker spends 100 hours each year commuting to work, and that some workers in some cities spend much more time than this. This time is not subtracted from work hours, however. Instead, workers must rearrange their private time to allow them time to drive or ride to the office. I know of many workers who leave their homes before 7 AM or return after dinner to avoid traffic, causing them to miss out on valuable family time.

So-called digital nomads get this time back. Their commute typically consists of a walk up or down a flight of stairs. The time savings here is incredible -- it is the equivalent of an extra two or three weeks of vacation each year! They also avoid the stress of driving in rush hour traffic, finding parking spots, and rushing to catch trains or elevators.

### TRANSPORTATION COST

American workers are also expected to pay their own transportation costs to and from work. The Internal Revenue Service guidelines allow workers and businesses to deduct the cost of unusual transportation from their income for tax purposes, but they cannot do this for commuting to a regular place of work. The high cost of fuel, insurance, and automobiles can really add up -- driving 8,000 miles per year to get back and forth to work easily costs \$1,000 for fuel alone.

Avoiding the commute puts this money back in the pocket of the worker. Insurance costs can be reduced with "low mileage" coverage, automobiles last (and retain their value) longer, and the risk of damage or injury from accidents is greatly reduced.

### LUNCH

When one digital nomad commuted, he had a friend who brought a brown-bag leftover lunch to work every day. While many office workers would take in a Chinese buffet or try out a new sandwich shop, the friend sat in the "office kitchen" eating reheated pasta. The nomad began talking to him, and realized just how wrong his lunch habits were.

Let's do some simple math. An inexpensive fast-food lunch costs roughly \$4, while a sit-down lunch at a restaurant generally runs \$7 or more. Even subsidized on-site cafeterias cost \$5 or more. Assuming one eats a mix of these just four times per week, the total annual cost is \$1,100. Moving up to five \$10 lunches per week puts the tab at \$2,500. Add in a morning latte at Starbucks and the annual cost is over \$3,000.

Again, this money comes entirely out of the worker's own pocket. Working from home, workers generally make their own coffee and lunch, for an estimated daily cost of just \$2. When they do go out to lunch, it is with family or friends, and these meals have an intrinsic ROI that goes beyond money.

### EXPENSE IT!

Of course, digital nomads spend a great deal of time away from home as well. "I traveled nearly 6,000 miles this year, visited 35 cities, and spent 88 days on the road," said one nomad. "For a consultant like me, expenses are normally paid by the client, but since travel is, by definition, away from one's usual place of work, all expenses incurred are at least deductible from personal income tax." This separates long-distance travel from commuting in a very significant way. Where the daily commute is a significant expense, business travel is often a financial wash and can sometimes be a

net gain. Accrued frequent flier miles and hotel points can offset vacation costs, and the savvy traveler will ring up extra points from credit cards and frequent dining programs.

## NEGATIVES

But business travel is not as much fun as it sounds -- the stress of catching flights alone is enough to make many hate it, and the time away from family and friends can be personally very costly. Although commuting subtracts a hundred or so hours from one's personal time, a single week-long trip eats up 75 hours of non-working time! "The 88 days I spent away from home has removed about 1,000 hours from my personal life this year alone, the equivalent of a decade of commuting," according to one digital nomad.

The digital nomad also tends to absorb many expenses themselves that would otherwise be paid by their employer. A ream of paper or pack or printer ink, some notebooks and pens, extra mobile phone minutes, a spare phone line, upgraded internet connectivity, and other miscellaneous expenses can add up. Travel expenses are also often unreported or not reimbursed, and waiting on expense reimbursements can cause credit card finance charges to pile up.

People often suggest that one's home office can be a tax deduction. While this is true in theory, it is often not possible in practice. The deductible amount for a home office is a percentage of the total cost of the property, and this often is not sufficient to justify itemized tax returns, which is a prerequisite. "Although I have worked from my home office for nearly two years, I have never been able to deduct its cost," one nomad said.

## SUMMARY

*Those who work from home often see large benefits, both financial and personal. But these are offset somewhat for the true nomad, who travels long distances for work. Additionally, there are many social issues to be overcome when working away from the office, as discussed in other posts in this series. It is not an easy choice, but we all should consider the personal ROI.*

# PUTTING IT ALL INTO PRACTICE: TANGIBLES AND INTANGIBLES OF DIGITAL NOMADS

To gain good perspective on the ROI of digital nomads it's important to look at both tangible gains like reduced facility expenses and intangible factors like employee morale and the security of intellectual property.

The leadership inside many organizations has a tendency to focus on tangible benefits. That kind of benefit usually takes the form of numbers that are comfortable in their black and white symbolism. The problem with that approach is that it can often lead to short-sighted decision making and quickly lead an organization toward mediocrity or worse.

The table below illustrates the theoretical costs and gains realized from a set of tangible benefits. Values will scale to a cost of -100 to a gain of 100. This provides a model for discussion without the distraction of company-specific metrics.

TANGIBLE ROI	COST/GAIN	NOTES
<b>Reduced facility maintenance costs</b> (e.g. cleaning, lighting, electricity, water, plowing, mowing, building structure upkeep)	90	
<b>Accountable, regular attendance</b>	10	
<b>Equipment</b> (e.g. desks, office supplies, cube farms)	40	
<b>Insurance Costs for Liability</b>	40	Preparing for payouts in case of employee injury while on-site.
<b>Support for remote users who are not familiar with technology</b>	-10	Only applicable for digital nomads who don't have their technical know-how.
<b>TOTAL</b>	<b>170</b>	

With this analysis, it's clear that the business is benefiting strongly by utilizing digital nomads, though individual organizations are sure to allocate valuations differently. This is simply a tool meant to provide clarity and direction.

Now take a look at intangible benefits using the same scale.

TANGIBLE ROI	COST/GAIN	NOTES
<b>Employee Morale</b>	100	For independently motivated workers, this is a critical piece that encourages their independent thinking
<b>Diversity</b>	50	Possible to incorporate a workforce from varying geographies which creates a diverse workforce. This generally translates into a great range of unique ideas.
<b>Networking</b>	20	Employees have the flexibility to arrange their schedule as needed, which enables them to network in less traditional ways.
<b>Nimble Responses</b>	60	Digital nomads are able to respond to problems with their own solutions. This eliminates bottlenecks with an IT team that is focused on processes required to protect the company's intellectual property.
<b>Loss of Control on Intellectual Property</b>	-30	Digital nomads will communicate with whomever they wish to further develop ideas, and they have the facility to easily share information without restriction.
<b>Reduced Face-To-Face Communication</b>	-10	This can be addressed through video conferencing, phone, social networking and e-mail but nothing completely replaces face-to-face conversation.
<b>Disparate Direction</b>	-20	If left without consistent leadership digital nomads can quickly develop their own agenda and forget what's best for the organization overall.
<b>Retaining Top Talent</b>	80	Some of the best workers will demand independence and if you won't give it to them, someone else will and benefit because of it.
<b>TOTAL</b>	<b>250</b>	

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