

Importance of Distributed Teams in the New World of Work

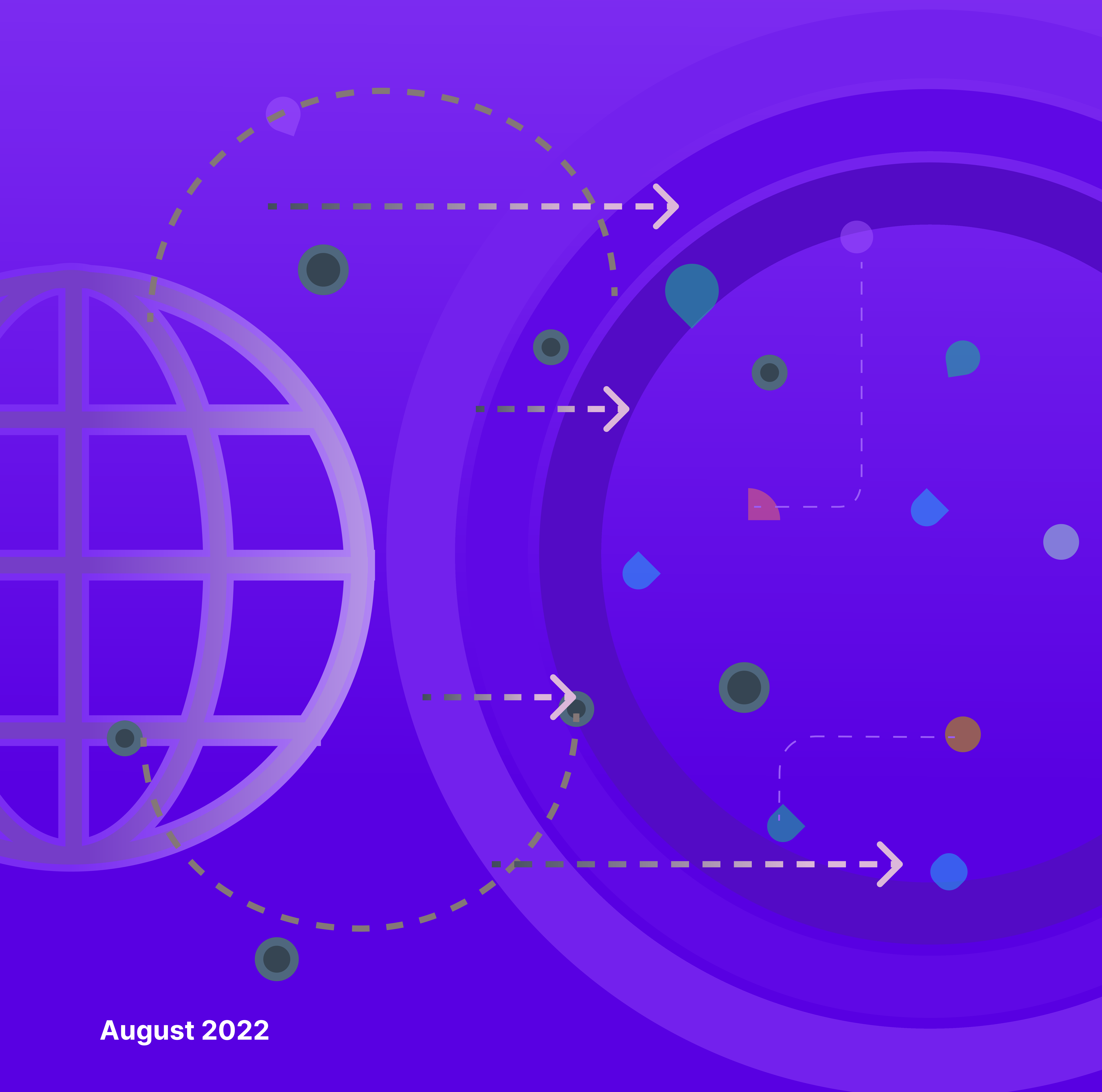


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Introduction

An exciting, fundamental shift in how companies manage their business operations and admin is occurring around the world.

Some of the more forward-thinking companies have realized that hiring on a global scale and building distributed teams is the way to find the most talented people necessary for the role, irrespective of their location.



This mindset shift has compelled companies to recognize that the future of business seems to be both virtual and decentralized.

They also help level the playing field in terms of the competition around accessing,

onboarding and even retaining top talent. Remote opportunities also enable companies to create a more equitable, diverse and inclusive workforce.

This mindset shift has compelled companies — which earlier followed the “office-only” model — to recognize that the future of business seems to be both virtual and decentralized and that workplace flexibility is taking priority for job seekers and active employees alike.

The shift from centralized to distributed teams isn't effortless, but the advantages definitely outweigh the disadvantages — especially in this new world of work as remote teams and operations become more common place and international hiring becomes more straight forward.



Global, distributed teams unlock an unprecedented level of flexibility and diversity for their organizations.

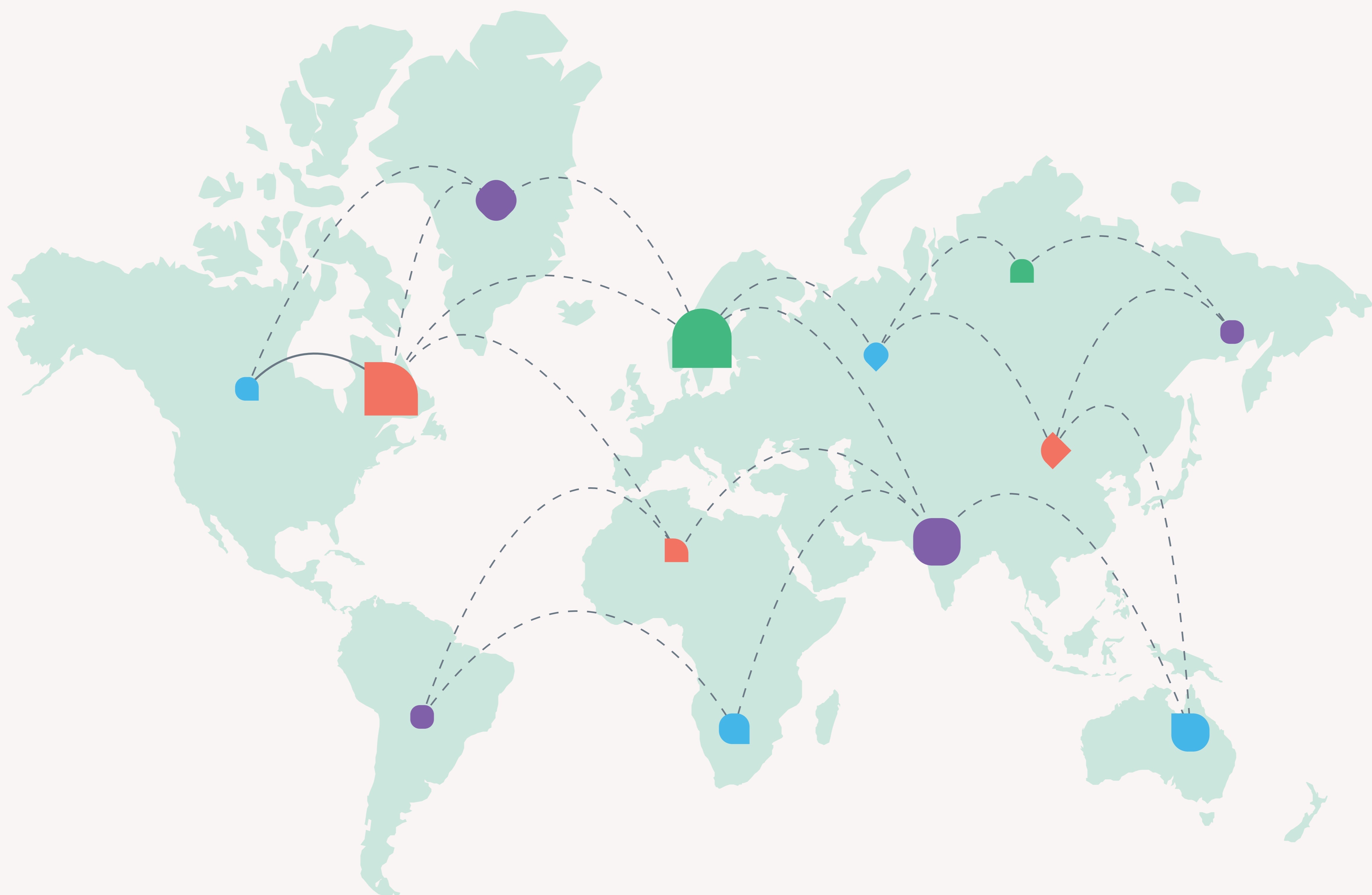
However, the ancillary tasks of global hiring — payroll, benefits and compliance — can be daunting and expensive. But, it doesn't have to be, if companies choose the right hiring solutions to scale internationally. For example, companies like Automattic, Zapier and GitHub prefer distributed teams because it lets them hire the best talent, gain multicultural perspectives, and keep their business up and running round-the-clock with team members spread across time zones.

Building and managing distributed teams require unique approaches

that differ from traditional business practices and also from company to company.

This is partially due to the fact that distributed teams present unique challenges to project managers and remote company owners. Issues like scheduling, task management, communication, and feedback all necessitate the right business protocol and tools for distributed teams.

This white paper is intended as a thought starter for startups and large enterprises on how global employment and payroll platforms like Skuad can help them build and manage successful distributed teams.





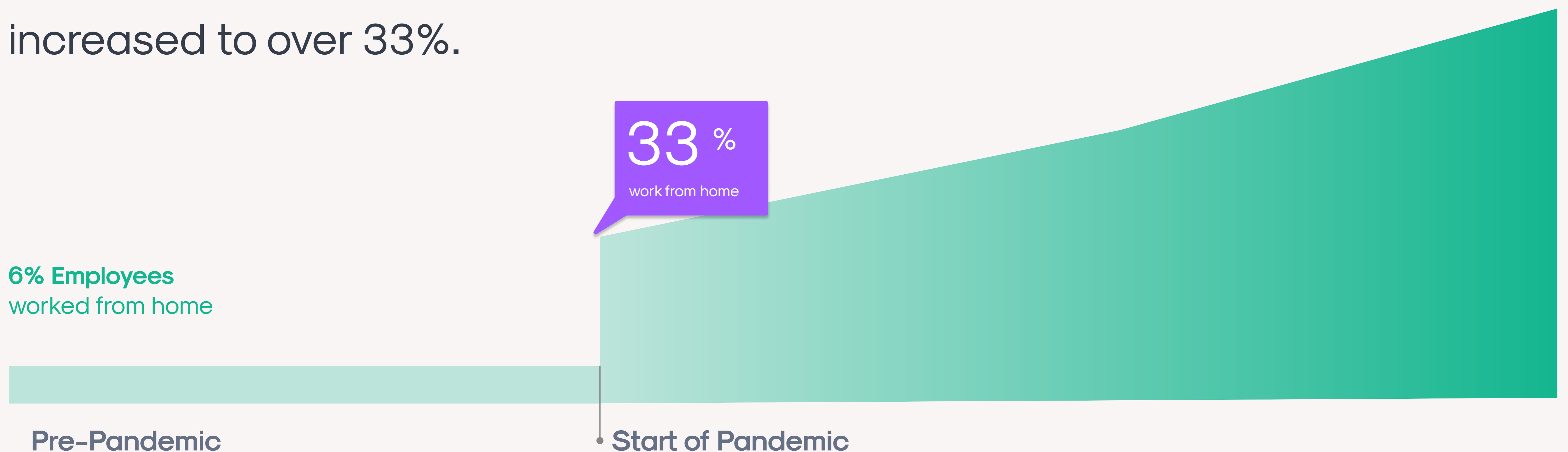
1. Shift from physical offices to remote working

Nearly **70% of the global workforce works remotely** at least once a week. More and more companies are exploring and opting towards other geographies to address the talent crunch, save thousands of dollars, and improve employee retention.

Before the pandemic, **only 6% of the employed worked primarily from home**. During the initial months of the pandemic in the spring and summer of 2020, that number increased to over 33%.

However, long before the pandemic and the Great Resignation made it a viable option, people were working remotely in various roles around the world.

Several professions, including journalists, engineers, account managers and corporate sales reps, had already embraced emerging technologies to operate more effectively in a non-traditional office model.



Remote work is creating a new wave of globalization, by democratizing access to opportunities across the globe. Talented and skilled professionals would prefer to work from a location of their choice and still have access to fulfilling jobs in an intellectually stimulating work environment.

The global health crisis only accelerated this change and proved the potential of moving out of the office into an environment wherein trusted, skilled professionals can work from anywhere.

The ability to work from anywhere along with the availability of digital office rental services has led to changing attitudes among the experienced workforce regarding the concept of “work and the office” and whether they should stick to the traditional nine-to-five working hours.

Employers have also realized that their employees could thrive and be just as productive (if not more) while being remote.

Jeremy Stoppelman

CEO Yelp

is the latest business leader to commit to a fully remote future for the company.

CXOs do not need to be in the office to be a good leader and manager. They just need the right kind of technology to stay connected.

Shailesh Jejurikar

COO Procter & Gamble

stayed close to his employees in a remote environment and boosted his teams' creativity and productivity.

The right communications tools and project-management software enabled him.

2.

Should you be hybrid, remote-first or distributed?

A [2021 EY Work Reimagined Employee Survey](#) saw that 60% of Southeast Asian workers would consider leaving their jobs if there were not remote opportunities. Similarly, [Pulse of the American Worker Survey](#) shows that 42% of employees stated they would look for a new job if their current employer stops offering remote options after the pandemic.



Hybrid
Teams



Remote-first
Teams

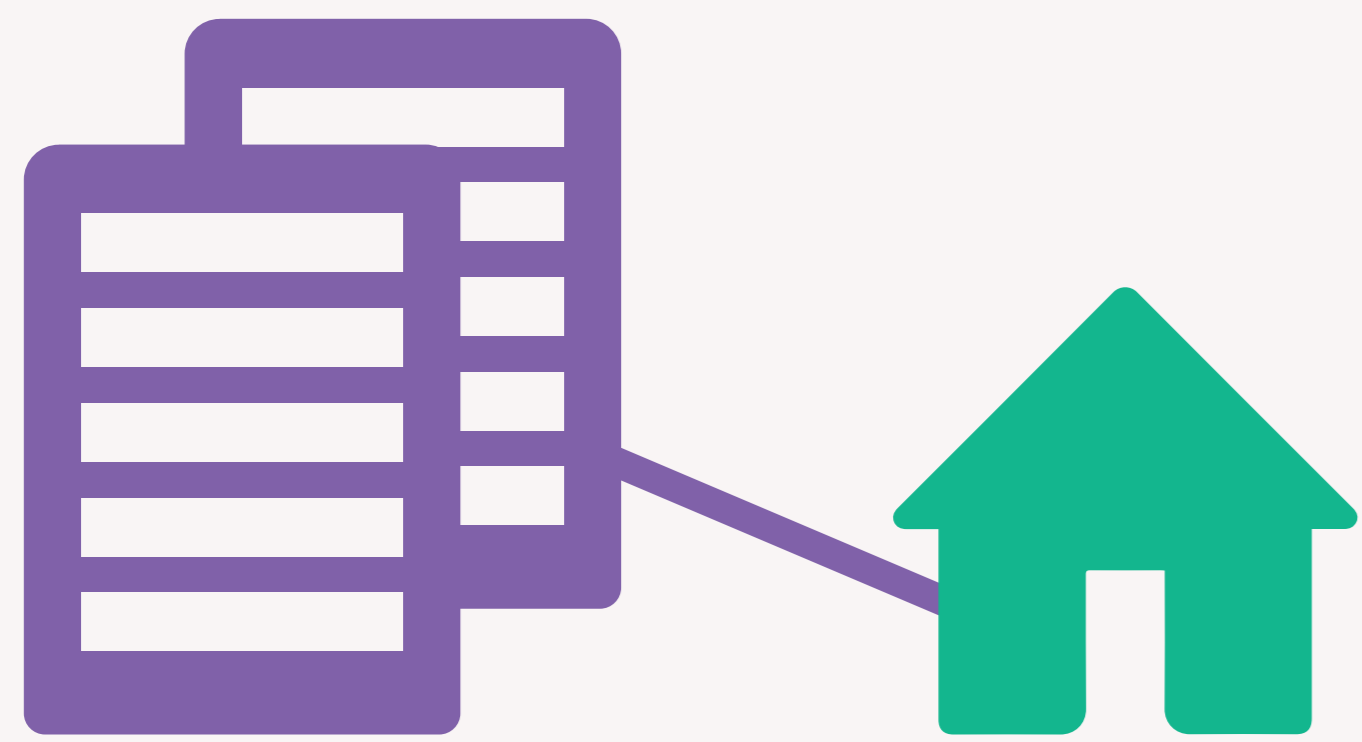


Distributed
Teams

Labels like "hybrid teams," "remote-first teams" and "distributed teams" are used to designate the different kinds of remote teams. While there are certain similarities, they are not interchangeable.

2.1 Hybrid teams

A hybrid team is one that primarily works in person, but certain staff members have scheduled days to work outside the office.



Hybrid teams often rely on their employees to be on a synchronous schedule. Employees on a hybrid schedule can have more flexibility with their location, but that is about it. These companies need to have the necessary policies and systems to support both in-person and remote work.



Hybrid work represents the biggest shift in how we work in our generation. And it will require a new operating model, spanning people, places, and processes.

Satya Nadella, CEO at Microsoft



All possible types of theoretical hybrid work models can be found from various sources but the two most practical criteria include:

Workplace prioritization

- i.e., is remote or office work the default, or is it an even split between both?

Decision-making process

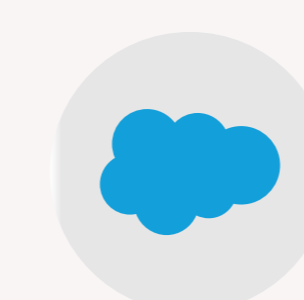
- i.e., who makes the decisions, creates the schedules as well as other hybrid work guidelines?

Here are a few hybrid work model examples from some of the top tech companies in the world:



Meta (Facebook)

Follows an office-first approach with top-down decision making



Salesforce

Offers three options for employees with decision making at the individual level



Hubspot

Offers three options for employees with decision making at the individual level



Amazon

Has a balanced approach between the office and remote work. Decision making is at the team level



Microsoft

Has a balanced approach between the office and remote work with top-down decision making

2.2 Remote-first teams

Remote-first teams are those companies wherein most of operations and admin is done remotely, but there is still a physical location where staff may go to work.



This type of team may offer more flexibility than a hybrid team since there is a decreased necessity to be in the office. Some employees may also be offered an asynchronous schedule if their job roles and expectations allow it. Companies that follow this model focus their resources on being remotely accessible.



Over time we came to realize that the future of work at Yelp is remote. It's best for our employees, and for our business.



Jeremy Stoppelman, CEO of Yelp

Here's a look at some global companies that have already embraced remote-first or permanent flexible work models with gusto.



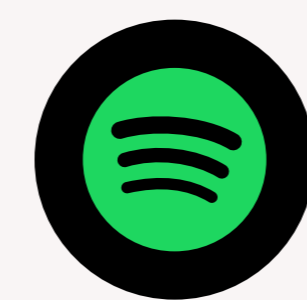
Twitter

In May 2020, Twitter had released a statement “allowing employees to work from home for as long as they want”. The social media giant re-opened its offices earlier in March 2022 but is continuing to [let employees decide where and how they work](#), including being remote full-time.



3M

The American multinational conglomerate announced a [trust-based approach](#) called “Work Your Way” that allows employees to choose whether remote work, being in the office or a mix of the two works best for them.



Spotify

The music and audio streaming company's “[Work From Anywhere](#)” program, launched in Feb 2021, offers remote, in-person and hybrid options for employees as well as more flexible living choices if an employee wants to move.



Lyft

The transportation and mobility company has adopted a “fully flexible” workspace allowing “almost all” employees the choice of where to live and work, according to a [company blog post](#). Some roles and operations, however, still require in-person work.

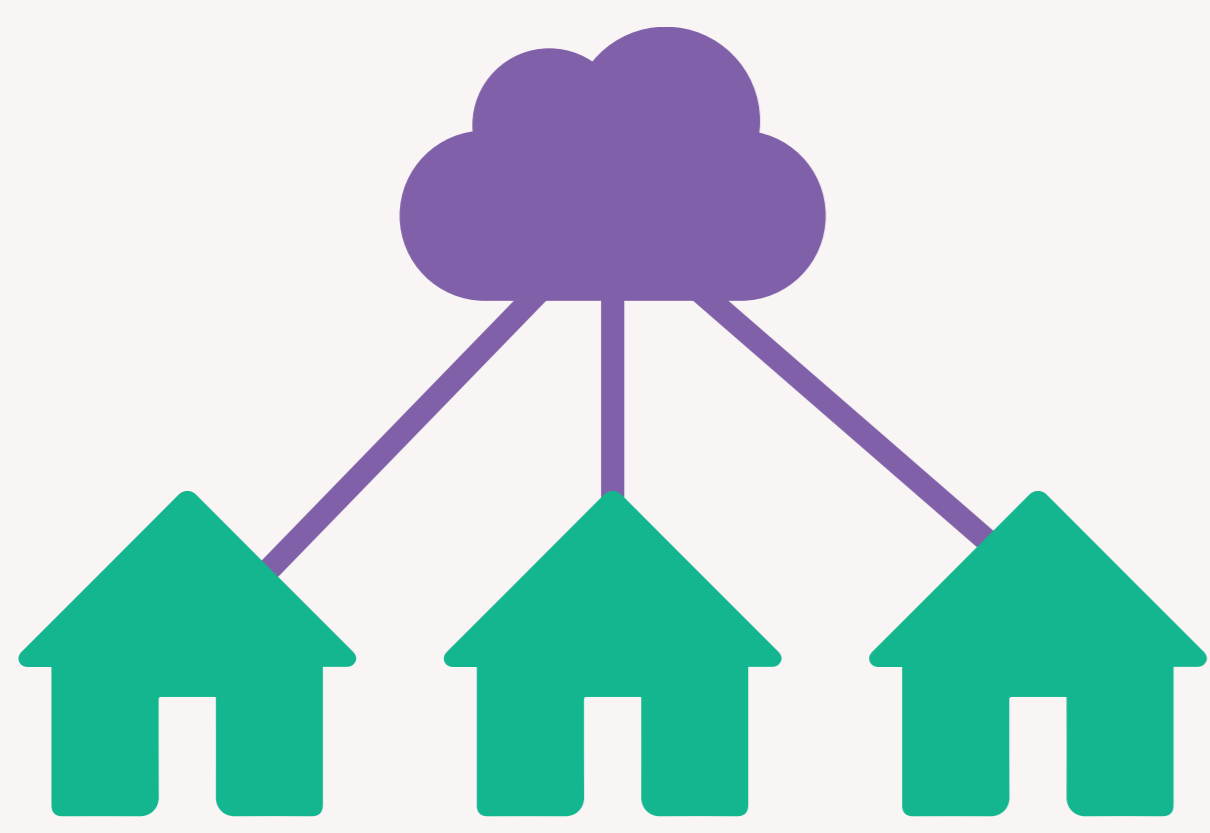


Atlassian

The software maker [announced in 2021](#) that employees are free to “work from home forever,” but is keeping its offices open in San Francisco, Amsterdam, India, Japan, the Philippines and Turkey for employees to visit at their discretion.

2.3 Distributed teams

Distributed teams are fully remote — it does not matter where employees are or what time zone they are in. Such teams include all types of employees who work and communicate asynchronously from their respective locations, without congregating in a physical office.



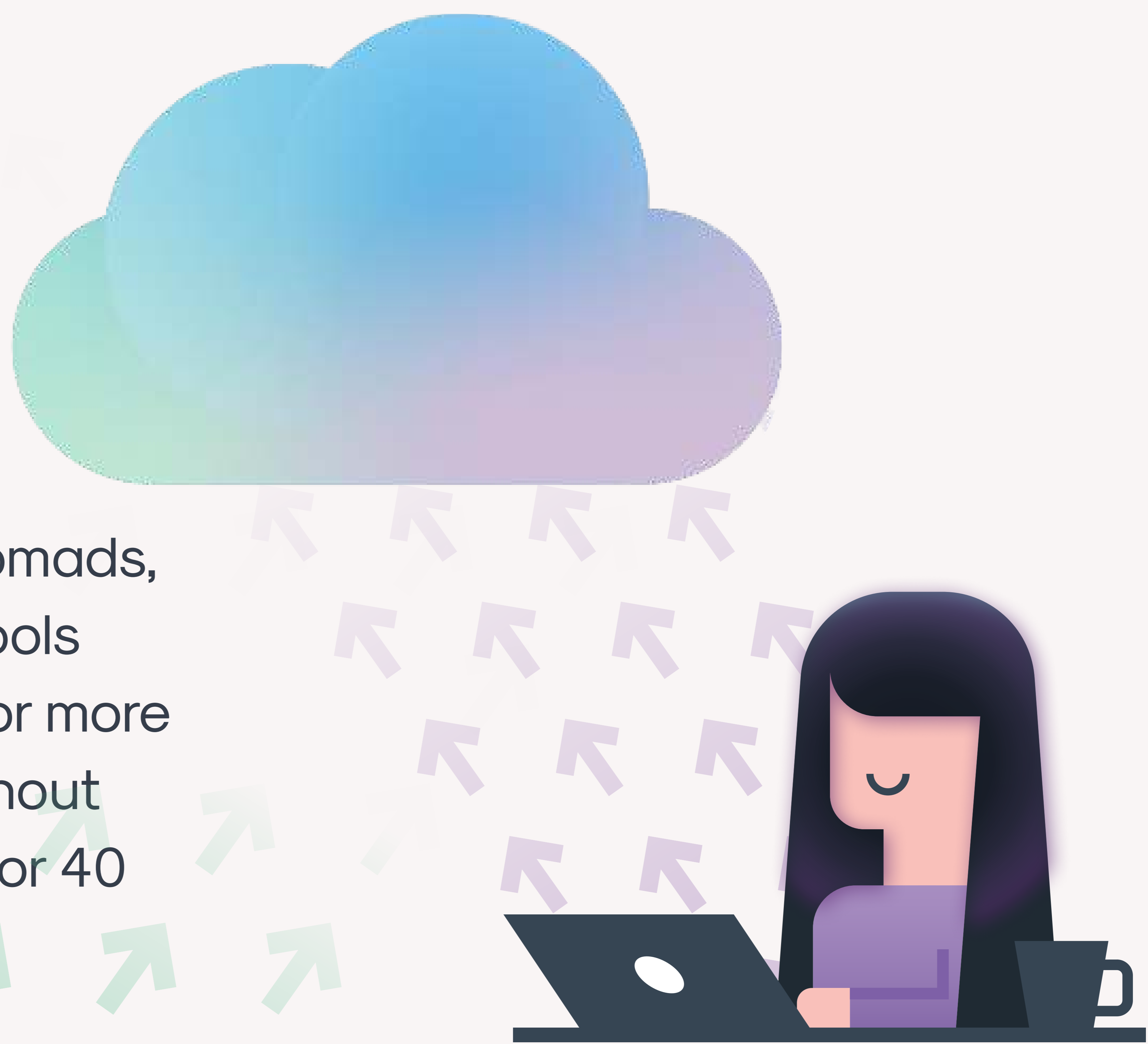
In the last decade, there has been quite a **buzz around remote work**.

People were talking about the perks of being digital nomads, new collaborative remote tools and technologies allowed for more productive remote work without being under the same roof for 40 hours a week.



The onset of the pandemic just accelerated innovation and forced CXOs to rapidly adapt to the new world of work.

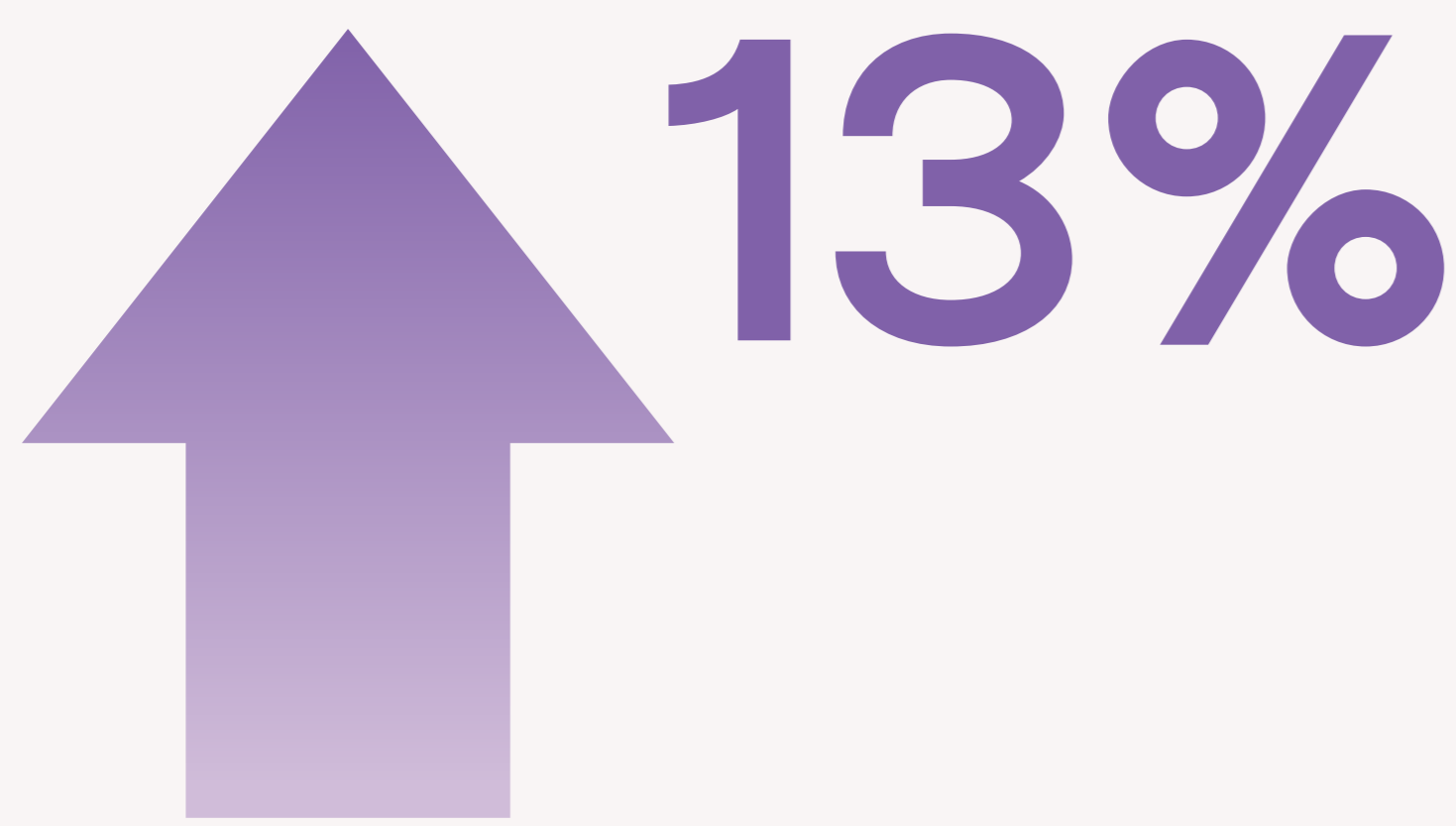
The stigma of “shirk from home” is definitely on the decline. According to a **survey** by noted Stanford economist, Professor Nick Bloom, remote workers demonstrate more



involvement and productivity than their peers in a physical office set-up. Some of the **best fully remote companies in 2022** include **Hubstaff, Ghost, Toptal, Automattic** and **Zapier**.

2.4 Benefits of working with remote teams

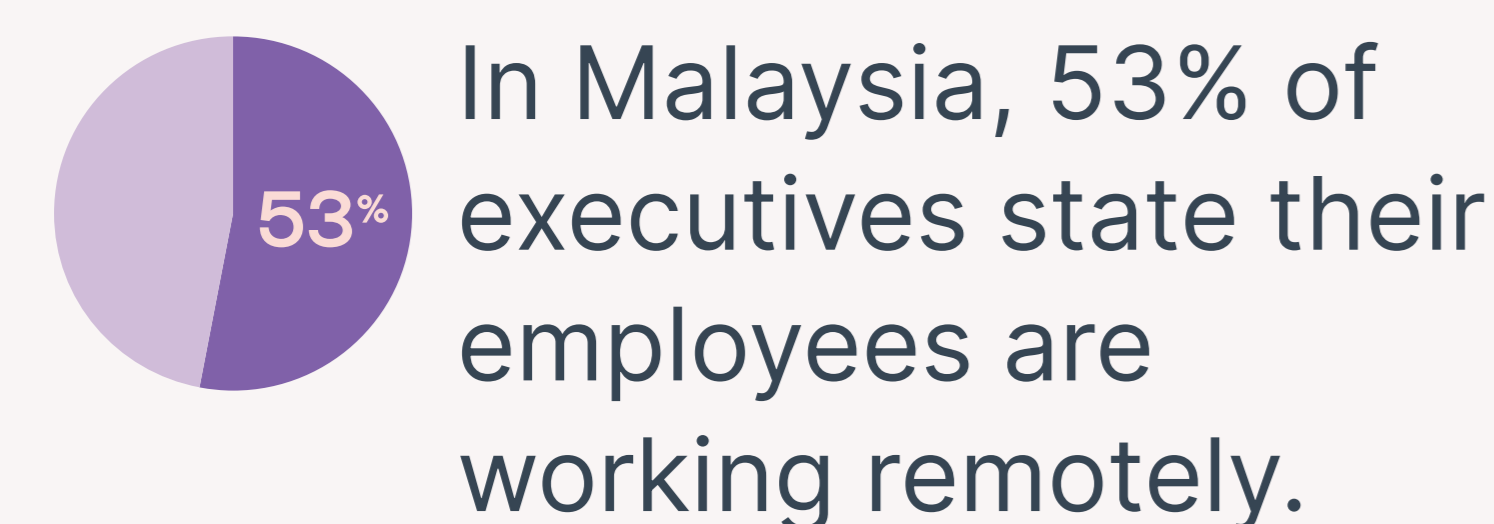
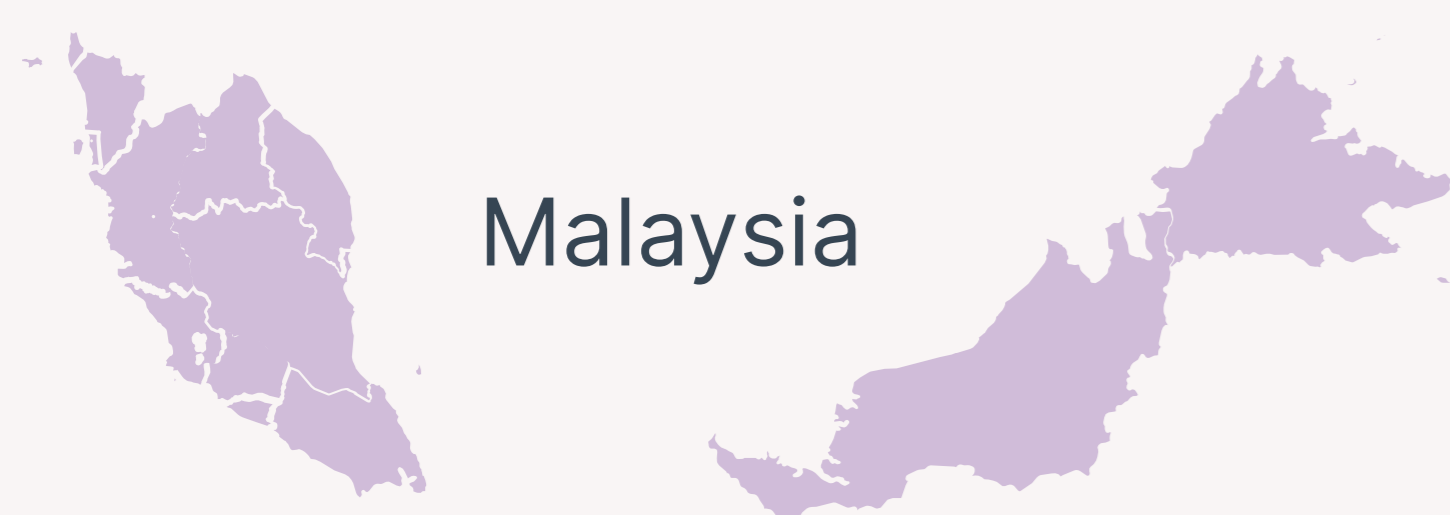
Companies that are considering transitioning to a remote model must consider all the facets of their staff to decide which type of team is best for them. However, the benefits of a remote way of working are undeniable:



A Stanford Business study showed that employees who worked from home had a 13% increase in their performance.

More productivity

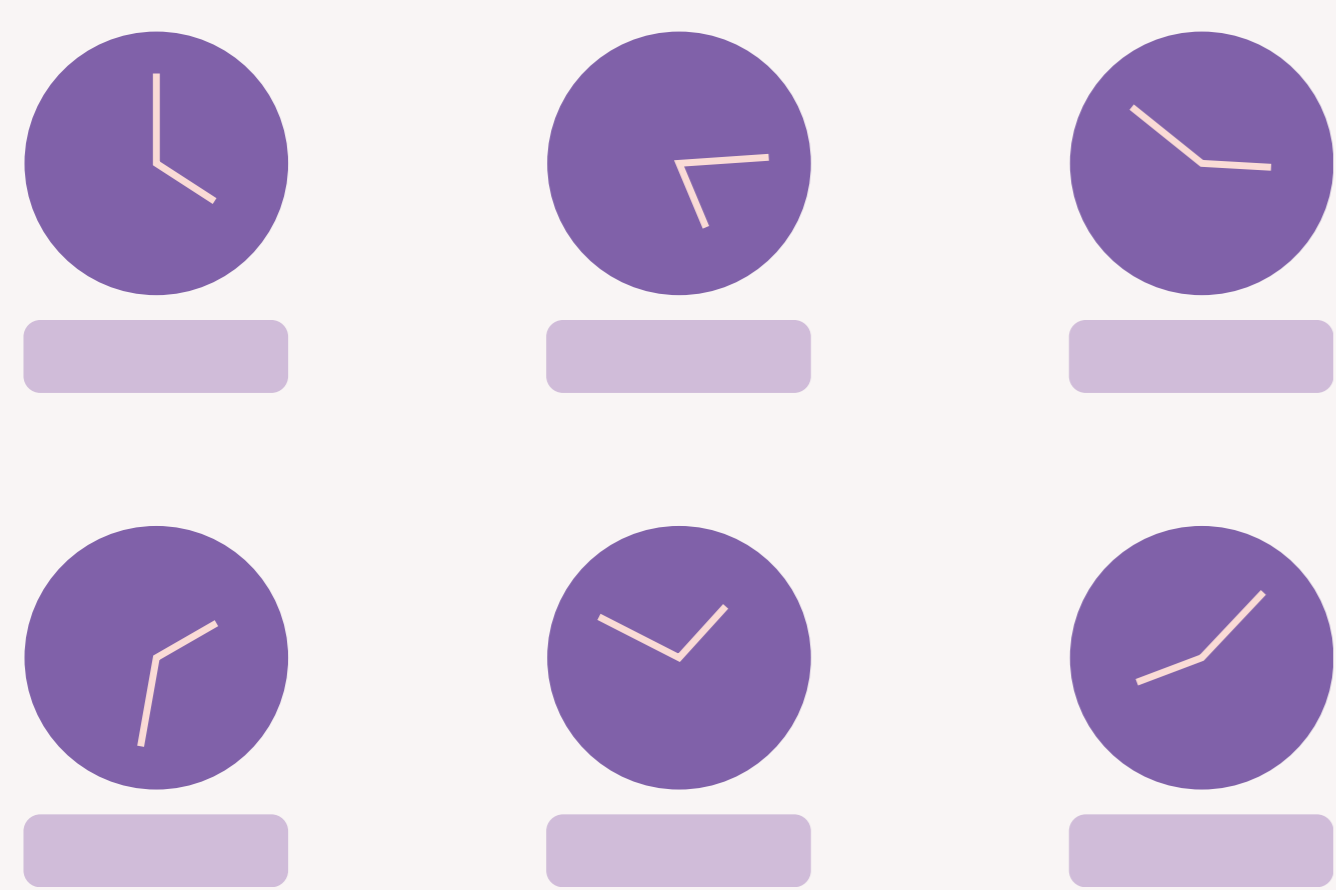
Although one of the biggest arguments against working remotely was that employees would be less productive, employers found the opposite. Even as far back as 2013, a [Stanford Business study](#) showed that employees who worked from home had a 13% increase in their performance. With the increase in remote working, more employers have noticed similar findings.



In Malaysia, 53% of executives state their employees are working remotely.

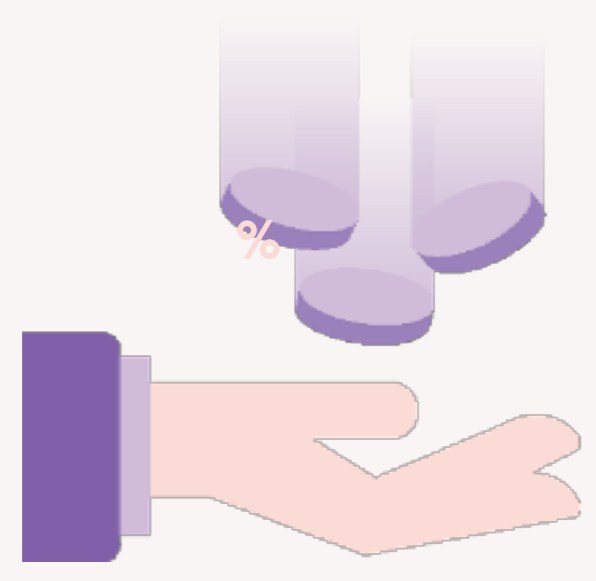
Employee retention

When employees are happier and less stressed, they are more likely to stay with their company. In Malaysia, [53% of executives](#) state their employees are working remotely. They believe their success is from ensuring their employees are effectively managed.



Timezone expansion

With remote work comes the opportunity to have teams distributed across timezones. This diversity can expand a company's business hours and customer support. In turn, this could expand the company into new markets.



Without a physical office, companies on average save \$11,000 on office expenses.

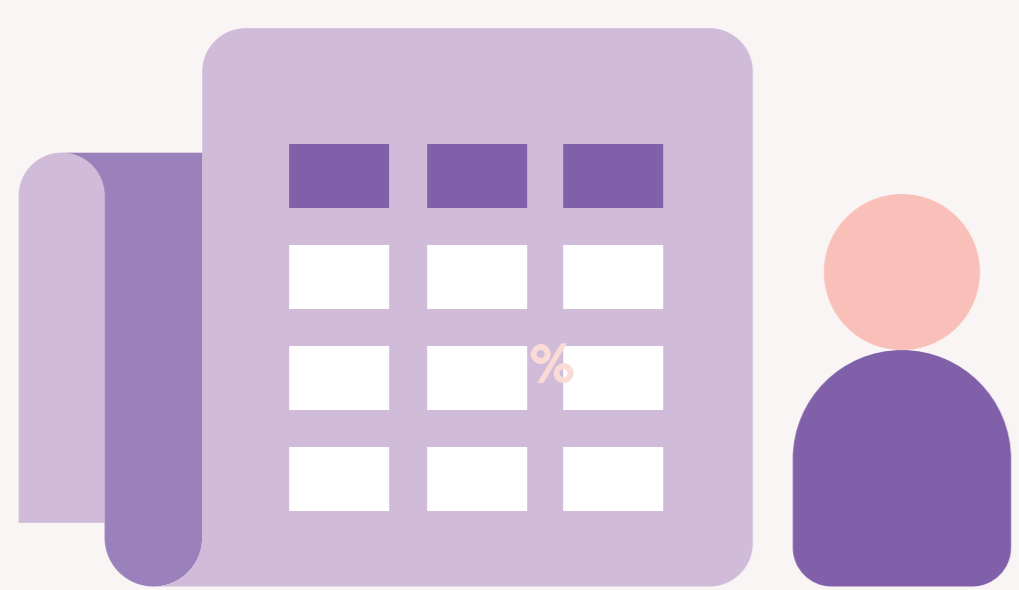
Financial savings

Another advantage is financial savings. Without a physical office, **companies on average save \$11,000** a year for every person who works remotely 50% of the time. Similarly, 46% of employees who worked from home during the pandemic stated that they would take a **5% pay decrease to work remotely**. Others would be willing to decrease it even further.



Startup growth

Fully distributed teams are a great opportunity for startups. Top talent abroad gives these companies the chance to expand on a budget. This way they don't need to have the startup costs that go with office rent and upkeep.



Distributed teams can outsource their payroll to services like an Employer of Record (EOR) so that they can focus on expanding.

Business focus

A distributed team can give companies the chance to focus on what is most important — the business. Other teams have to spend time on administrative tasks like managing employment databases or payroll spreadsheets. But distributed teams can outsource their payroll to services like an Employer of Record so that they can focus on expanding.



Company branding

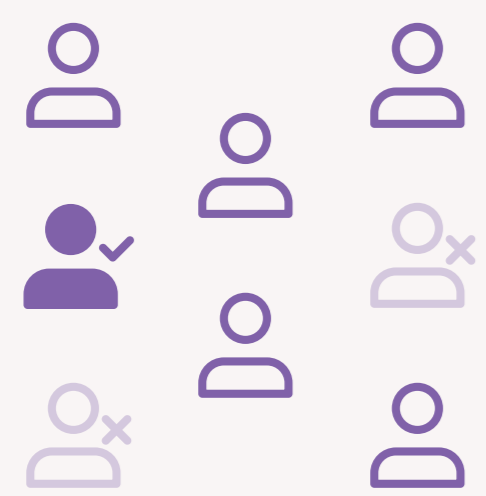
Distributed teams help promote the company's brand and vision, positioning it as agile and digital-first in the current global employment scenario. Therefore, employers and employees both need to champion and exemplify the company's brand identity across various channels, e.g., as Zoom backgrounds, on social media, etc.

3.

Checklist for building and managing successful distributed teams

Over **50% of employers state that they are open to remote work options** for their teams, but they often don't know the best way to move forward. Here's how companies can build and manage a distributed team that is cohesive, productive, and cost-effective:

1



Recruit the right talent

What's common to a Scrum master and a Head of Publishing? Both leaders are on the lookout to hire the right person for the job. A Scrum master is looking to implement an Agile methodology with a scrum team for better sprint planning while the Head of Publishing is building a co-located team of international writers. Hiring an employee with the right caliber will positively impact team productivity in the long run.



Pro tip: A distributed or remote workforce must consist of trustworthy individuals motivated to work independently.

2



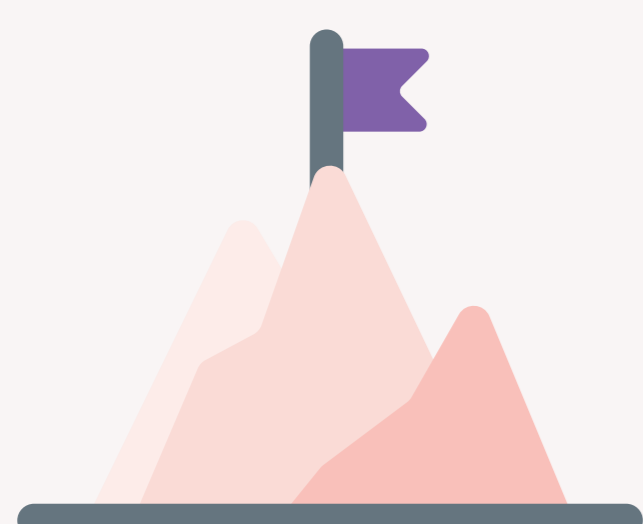
Perfect the onboarding process

Companies that are considering transitioning to a remote model should take into consideration entangling robust operations and HR processes. They can make or break the distributed model's success. New employees feel part of the team from Day One. This is key to creating a positive company culture. For org leaders, the onboarding process is a massive opportunity to introduce company values, vision & operations.



Pro tip: A distributed or remote workforce must consist of trustworthy individuals motivated to work independently.

3



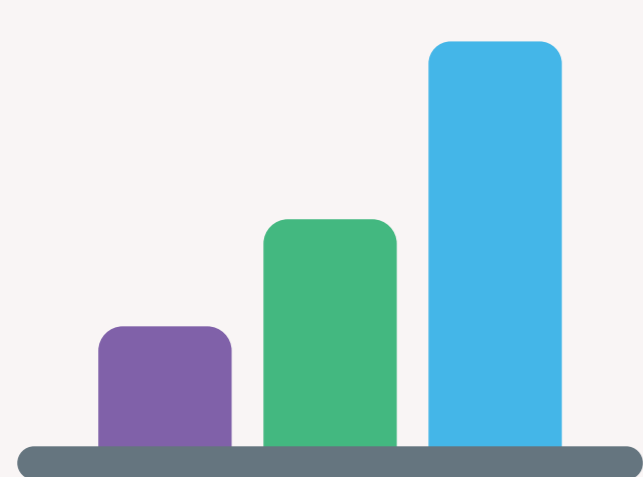
Define clear expectations & communications

Having defined expectations and metrics are crucial to the success of distributed teams. A virtual environment doesn't have the personal nuances of work. Employees will not be able to read body language cues, nor can they participate in water cooler conversations. Hence, setting clear targets from the outset ensures better productivity and eliminates ambiguity.



Pro tip: Daily (or even twice a day) meetings can be incredibly useful to set clear goals and milestones, foster team collaboration and dissipate feelings of isolation.

4



Set a high bar on ownership and outcomes

While managing a distributed team, the priority is to ensure the entire team delivers timely and accurate results. Trust is an important value in a distributed work environment: it helps to establish a culture of universal accountability at the outset. Work from home does not mean responding to Slack messages while binge-watching "Stranger Things" on Netflix.



Pro tip: Managers need to be mindful of project management and micro-managing — the latter can demotivate an otherwise engaged and active employee. Successful distributed teams prioritize productivity trackers to gauge the success of a workflow.

5



Use the right tools and software

Companies need to find the right tool to help their teams manage their projects and achieve their targets efficiently. Slack, Google Chat and other communication platforms are the lifeblood of a distributed team, but simultaneous notifications and pings from multiple platforms can be highly distracting and can disrupt timelines. Companies need to choose and stick to one platform to function efficiently.



Pro tip: If G Suite is used for email services, then it's practical to use Google Drive for storage and Google Meet for calls and virtual meetings. Tools like Trello, Asana and Basecamp are ideal for project management and facilitate team collaboration and timely deliverables

6



Partner with global employment & payroll platforms

More and more business leaders are accepting the idea of investing in globally distributed teams. This helps them get access to a diverse pool of talent, economize on local admin expenses and improve employee retention.



Pro tip: Companies can optimize their capital resources and achieve business targets by partnering with global employment and payroll platforms.

Build your Skuad in the new world of work



Skuad was envisioned for this new world of work — for startups and large enterprises looking to scale their product and rapidly grow their teams. It is a fast-growing global employment and payroll platform enabling companies to employ and pay exceptional talent anywhere in the world, compliantly. The company's vision is to democratize talent and opportunities for people globally. Remote hiring could seem like a daunting process but not with Skuad. Companies have to establish a subsidiary, manage compliance and other legal processes as well as set up

Remote hiring could seem like a daunting process but not with Skuad... (It) does the heavy lifting at a fraction of the cost.

People Operations (local HR, legal, payroll). Skuad does the heavy lifting at a fraction of the cost. Skuad provides access to the best talent in any corner of the world, while maintaining a tight control over the supply chain. This helps them achieve efficiencies and pass it on as savings to their clients.



As the EOR partner, Skuad eases the talent hiring and managing process for companies to build successful global remote teams.



As the People Operations partner, Skuad enables startups to achieve their business targets by helping them reduce expenses & daily admin time on its integrated platform.

Ready to expand into the new world of work?

[Contact Skuad for a demo.](#)

