

# WORKQUAKE

How financial and capital markets are using technology  
to respond to the seismic changes in work.

Research and report by



**DOHERTY**  
ASSOCIATES

Combined Expertise

# Executive summary

As part of its ongoing research programme, Doherty Associates wanted to find out more about the hybrid working and productivity experiences of those working in financial and capital markets since the radical change in working patterns in 2020.

In Workquake, we share research findings and insights into the associated elements of work and IT in flux and transition since that time, and discuss organisational readiness for the next wave of transformational technologies.

## The research

The research was conducted in March 2023. The research panel comprised 454 people working in private equity, investment and asset management firms. In addition, a panel of 56 IT leaders and IT professionals working in capital markets, professional services and other knowledge powered businesses were asked questions relating directly to the IT function and its changing role in business today.

## Key findings

- 47% > are expected in the office only 1-2 days a week
- 37% > have difficulty using tools to access or retrieve data
- 45% > say hybrid work has increased cyber security risk
- 35% > say hybrid working has not improved organisational productivity

## Executive take away

Complexity has increased for workers, and for IT teams working ever closer to the heart of businesses as organisations continue to transform. A wave of modern work technologies has brought new highs of collaboration, productivity, and mobility to many – but not to all. Some are thriving and some are struggling. The smartest companies are evolving their technology estates to make them agile and fluid to prepare for a digital future which is far closer than many think. The coming wave of new applications, powered by artificial intelligence (AI), offer great rewards for those in a position to use them.

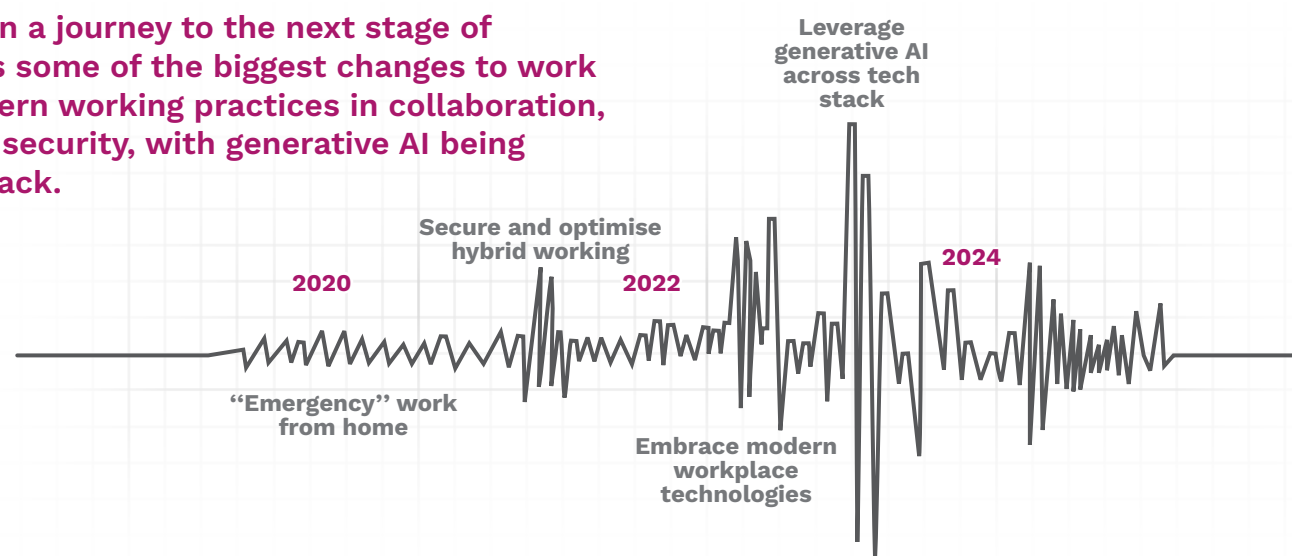
# Introduction

**Welcome.** You and your organisation are on a journey to the next stage of technological development, which promises some of the biggest changes to work and business we've yet to see. That is: modern working practices in collaboration, productivity tooling, data management and security, with generative AI being incorporated into the Microsoft software stack.

The latest leg of the journey has been full of incidents and events. Companies like yours may have already been inching towards better technology to achieve their goals, but the pandemic has forced them to accelerate plans in some areas, and fully improvise in others. This 'forced' digital transformation – often bypassing testing, procurement diligence and training – means that the technology estate and working practices of many firms exist by dint of necessity as much as design.

Understandably these changes have been tiring, and so too the consequences. There are too many meetings, and too many unproductive meetings. Employees are grappling with a proliferation of new applications and features, many of which they know how to use only partially. They say they have too many passwords to remember, that systems are disjointed, that they can't find or access the data they need to do their jobs.

The transition to hybrid and remote working was in many ways just an early tremor of the workquake to come, evidence that things could change faster and could be a lot better. The truth is, the pandemic



years brought only a relatively small amount of change from an IT perspective, with 'work from home' being the poster child of that period. Now, far bigger changes are taking place, with the ability to 'work from home' being just one small element of modern working practices.

And this is before we think about the revolutionary incoming AI-powered technologies and applications that promise to enhance, accelerate and transform business and work almost beyond recognition. The workquake is happening now, and companies are in vastly differing positions to respond.

*At Doherty Associates, we are excited about the opportunities ahead, and we are, of course, here to help. We hope Workquake helps you to think about where you and your organisation are going and to assess how prepared you are for what lies ahead.*

**Doherty Associates**

# Organisational fluidity

**The smartest businesses are making people, process and tech choices that set them up to be more agile, adaptable and more fluid when it comes to working from anywhere, sharing data safely and opening their business models up to future collaboration both within and beyond their organisational boundaries.**

Policies and options for how people work in UK finance and capital markets businesses changed overnight in 2020, and they're still changing. Our poll shows that one in five workers say they can work entirely remotely, while two in five are expected to be in the office only one or two days a week. Leaders too expect to be able to access information and share data out of hours and from anywhere, particularly at key moments, such as transaction execution.

## ***New work life, approaches to security***

Some 45% of survey respondents say that their company's adoption of hybrid work has increased cyber security risk. New ways of working bring a new raft of security implications, but also significant opportunities to reduce risk. Changes were made overnight to accommodate sudden work from home mandates. Often these changes were intended as short term, stop gap measures – security considerations outweighed by the imperative to

support remote working. In many cases, these security shortcomings have not been reassessed, and appropriate measures now need to be put in place to centrally manage devices and user identities in the new cloud-first world.

One private equity firm simply decamped from the office with laptops at the start of lockdown. They had been able to work from home sporadically before, so assumed it would be the same. After some time out of the office, they started to suffer from issues such as resetting expiring passwords, challenges with laptop replacements and an inability to demonstrate they met compliance standards. An evolution of their IT systems was needed to address these issues and provide a way to centrally manage all corporate devices and user identities, no matter where they were. We call this process 'Secure and optimise the edge'.

## RESEARCH BOX

21%

> are never expected to work in the office

47%

> are expected in the office only 1-2 days a week

82%

> say 'the majority of people at the organisation have adopted hybrid working'

46%

> say 'hybrid work policy has been in place since pandemic restrictions lifted'

78%

> say 'the organisation has deployed new tools and technology to support hybrid working and collaboration'



## ***Together, alone***

Financial businesses leading technological change are building co-working and collaboration functionality into their business tools. Where we used to hear, 'I need this system to work better or quicker,' we are now hearing, 'we need to collaborate with this organisation,' or 'I need to share data safely with this person right now.'

However, the data sets organisations are collecting and dealing with are ever larger and more varied, making it sometimes difficult to achieve these goals. The adoption of modern tooling and associated training provides the opportunity to harmonise collaboration channels and associated data sets, eliminating information and communication silos and enabling full, cross-platform search capabilities.

Conversations with clients on instant messages; data sets that are shared with a potential acquirer in a deal room; information shared with accountants and lawyers; internal, 'by-product' intelligence, that firms want to retain to support future deals. It all needs to be considered as part of designing the overall worker data experience.

The deployment of new tools for collaboration – for example Teams, OneDrive, Slack, SharePoint, Trello, Zoom – has also given rise to new data

sharing practices and job roles. In the realm of data analytics, for instance, or ensuring that systems are integrated with the help of tools like Microsoft Power Automate.

## ***From functionality to fluidity***

We're moving from IT Operating Model 1.0, which was about being able to work in two locations securely and with stability, to 2.0, where expectations go beyond the basic test of being able to support hybrid working, creating new challenges for IT. How can an acceptable security posture be achieved in harmony with being organisationally fluid? How do we embrace new tools to support a new hiring strategy that brings in a broader geographic talent pool, without creating technology overload? How can we share and access data widely, but at the same time retain control and visibility for the right workers at the right time? The role of IT is no longer just 'keep the lights on' but to help businesses solve ever more complex questions.

The most forward-looking organisations are thinking of the future in this way, and they don't want their agility to be compromised by not having the right tech set-up.

## **WHAT GOOD LOOKS LIKE**

### ***Free users from dependency on traditional office IT systems***

The best organisations have completed a shift to cloud management of devices and user accounts, leveraging technologies such as Azure Active Directory and Intune. This is a step to free the team to work anywhere while restoring a level of control that was often lost during the rush to enable hybrid working.

Organisations leading in this space have removed any requirement for connection to the office – often by eliminating technologies like VPN, Citrix or Virtual Desktops. Their users enjoy fully enabled laptops that work the same way regardless of their location and can even be used offline. When away from their laptops workers can securely use corporate or personal mobile devices with a seamless user experience.

## Divergent work experiences

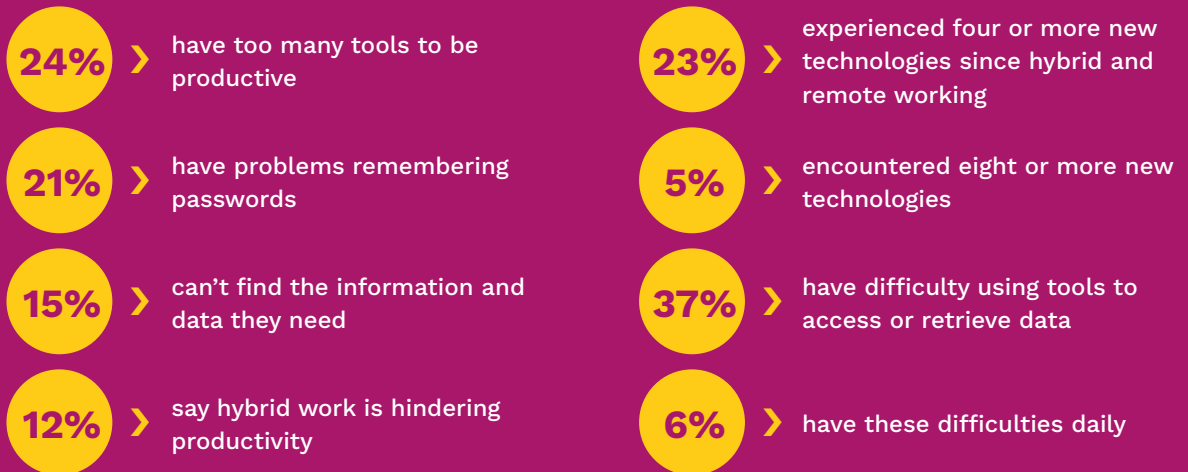
**A wake-up call in our research is that many businesses are falling behind in their day-to-day experience of work. Some 12% of workers polled say hybrid work is hindering productivity, and a further 23% report no productivity benefits.**

Of this combined group, people report having too many tools to be productive (24%) and trouble remembering passwords (21%). In addition, some 37% say they have difficulty retrieving data from systems, and 6% report this as a daily occurrence.

Closing this 'experience gap' is a route to competitive advantage, but it also means a reassessment of IT operating models (ITOM). Many organisations are stuck in a model adapted to get through Covid. Some have moved on and embraced modern tooling, though in ways that are often far from optimal. A few are digitally thriving with true modern work practices and tech stacks. These are the organisations best placed to win in the upcoming tech revolution.

### RESEARCH BOX

For those who say hybrid working has had no or a negative affect on their productivity:



## ***New divisions in worker experience***

For a significant portion of the workforce, technology appears to be getting in the way as much as it's helping, which raises questions of attrition, losing talent, low engagement levels and key person risk. Fortunately, some solutions are in relatively easy reach. Passwordless login – using biometrics such as Windows Hello or FaceID – and Single Sign On (SSO) are examples of technologies that make the organisation more secure and life easier for the user.

User-friendly technology also supports productivity gains, higher levels of employee engagement, the ability to onboard new starters in a more streamlined way, and to lock people out of ALL applications when they have left the organisation.

People are spending less face time together. The office is a place where technical tips and best practice – when searching for information, for example – are often shared and passed around as part of the working day. Bridging this gap today might mean inventing the water cooler forum in the virtual realm, or taking training and standards far more seriously. We suspect that investing in training for modern tools is something many business leaders know is long overdue.



## **WHAT GOOD LOOKS LIKE**

### ***Turn IT into a differentiator***

High-performing organisations understand that their EVP (employee value proposition) and employee productivity are enhanced when they embrace modern technology stacks together with employee education and updated processes. They have made deliberate employee-centric decisions when choosing technology, having most likely consolidated down to a smaller number of strategically adopted toolsets from the sprawl that emerged during Covid.

Performant businesses have IT teams that are focussed on projects and activities that contribute towards organisational differentiation, rather than commodity, non-value add operational activities. Ultimately, they have a feel of modernity about their tech stack and working practices. Their employees are proud of their organisational IT, and new starters coming from more outdated organisations have a sense of learning and progression to aid their onboarding experience.



# A complexity avalanche for IT teams

The breadth and depth of what IT teams, especially smaller IT teams, are being asked to do on top of business as usual has greatly increased. New security issues, moving to the cloud, the proliferation of tools ushered in during the Covid years, more frequent updates and more use cases for IT generally are just some of the pressures. Skills attraction has never been more difficult, or important.

Our polling of IT professionals reveals that 59% say IT budgets have seen no, or not enough, increases to deal with the changes brought about by hybrid work. This is despite 78% of respondents saying that IT teams now have to cover new work with extra hours or cut back on activities in other areas to service hybrid work demands.

The amount of information that needs to be structured and searchable continues to grow, due to increased use of instant messages and more video calls, for example. And the next wave of tools such as AI-enabled MS Copilot, mean decisions loom about search and risk management, especially for those businesses that are not yet working across a single platform, such as Microsoft 365.

At the same time, users crave simplicity. They want to work effectively and find the information and tools they need to do their jobs with minimal hassle.

## RESEARCH BOX

IT Professionals say:

- 14% > IT budgets have not increased to deal with changes brought about by hybrid work
- 45% > IT budgets have increased, but not enough
- 34% > There has been an increase in hours to cover extra work
- 38% > Have cut back on other activities to meet hybrid work-related demands

## *‘T-shaped’ and ‘N-shaped’ people*

The depth and breadth of the job IT is facing means a wider range of people and skills are essential for the function to continue adding value.

When asked about the main challenges ushered in by distributed workforces, 30% of our IT cohort referenced the difficulties of managing an expanded technology stack, while some 28% said that handling a greater volume of support queries from people working outside the office was the main challenge. Other challenges included integrating existing or legacy systems with capabilities that enable hybrid work (23%) and hardening the increased attack surface of the organisation in these new arrangements (18%).

Today, businesses must have access to ‘T-shaped’ professionals, that is, those highly specialised in a single area, such as cloud, databases, automation or devices. They also need ‘N-shaped’ people, who can grasp issues across disciplines, communicate widely and constructively with others and exert influence at the highest levels.



### ***(Unintentional) shadow IT***

An enterprising individual develops their own systems, and even their own tools, which are adopted locally and gradually become integral to operations. Welcome to unintentional IT sprawl. Doherty Associates recently worked with a private equity firm that had five tools overlapping in one area, and this in a business of under 50 people. The results were, predictably enough, confusion and duplication with some applications running in a semi-trial state.

Such scenarios are a problem more common in small to mid-sized businesses as larger companies typically have more controls, policies and governance around what can and can't be done without permission. Indeed, many larger businesses would benefit from more experimentation and disruption. For both, though, the principles of life cycle management are the same: set things up to be safe and scalable, and always in line with a deliberate enterprise application architecture.

### ***IT closer to the heart***

As well as keeping businesses running, IT is being asked more directly to support business and enterprise performance. In the realm of reporting, for example, organisations are using Power BI and other analytics tools to surface business risks and

opportunities so that leaders can make faster, better decisions, based on data-backed insights.

Working with contractors and business partners who are not directly employed by the organisation is another area where IT must walk the risk versus opportunity line. If the business models dictate this must happen (and they do increasingly), then IT must find legal, secure ways of accessing and sharing data that are compliant with data regulations.

## **WHAT GOOD LOOKS LIKE**

### ***Streamline systems and free IT from the day to day***

High-performing firms use fewer tools, but use them well. They streamline their applications, allowing them to reduce overhead and risk exposure while also properly training their teams in the chosen toolset. When choosing toolsets, they consider interoperability, usability and support overhead, often choosing SaaS applications that score well across these points.

IT teams are then able to drive further initiatives to reduce overhead and improve user experience. Technologies such as passwordless authentication, Single Sign On, Self Service Password Reset and Autopilot are ways to empower the end user to help themselves, while reducing IT overhead.

The best IT teams have either attracted and retained the right 'N' and 'T-shaped' individuals or augmented internal capability through relationships with trusted partners. They've evolved to be more business facing than technology facing, freeing themselves to be more collaborative and engaged in adding business value.



# Productivity

The good news for fans of the changes flowing from the workquake is that twice as many people feel that hybrid working has improved organisational productivity than believe it has had zero or negative impact.

A third of survey respondents, however, say they are yet to see productivity benefits or report negative impacts. This group cited the following negative experiences:

- ‘Unable to retrieve information to meet deadlines.’
- ‘Added security and monitoring make it difficult to access document and emails and send information to others.’
- ‘Extra monitoring has made it more stressful because every break from my desk is now monitored.’
- ‘The VPN doesn’t work, then it restricts access to files we need for business-as-usual tasks.’

Productivity problems can stem from having too many tools, and not enough knowledge and experience of how to use them. This can lead to a ‘collaboration maturity gap’, where businesses are investing in CRM, knowledge-based systems and document templating, but are frustrated that their people are yet to use the tools in a meaningful way.

## RESEARCH BOX



## From ‘survive’ to ‘learning to thrive’

Firms need to concentrate on employee experience by choosing and implementing a set of tools that work well together and in the same way, wherever people are working. They should be secure and managed centrally. Workers demand ‘good’ tooling, but they also don’t want to make choices themselves (see [Gartner research](#)). Crucially, simply having more tools does not equal better outcomes.

Again, some solutions are within relatively easy reach. Common platforms are an undoubted boon for productivity. If users have email in Outlook, tasks in MS Tasks and files in OneDrive, they can safely open operations up to automation tools that can seamlessly move data between applications.

Some organisations are also beginning to open access to data sets for users to create their own applications in the spirit of the 'citizen developer'. When done well, this approach can unlock huge productivity gains, where traditional technical development and long lead times are replaced by empowered workforces that can self serve. Again, the organisation and IT department must walk the line between opening the door to shadow IT and encouraging innovation. And this oversight role is soon to be tested to the max with the next generation of business tools.

Finally, productive organisations that are already leveraging consolidated tech stacks, with empowered and well-trained workforces, are the best placed to capitalise on AI functionality as it arrives. Their data is in the right place. Collaboration trails can be interrogated. Corporate assets and knowledge can be surfaced. That's a great start for AI to be set to work in the most productive ways.



## WHAT GOOD LOOKS LIKE

### *Develop a structured programme for technology adoption*

The pace of change means it's not possible to stand still, or look for single solutions. You need a methodical approach to introducing technology. Progressive firms are making this an integral part of the way they operate. They are systematically looking at how they can apply technology effectively to their problems by creating working groups empowered to continually change the way the business uses technology.

The answer might be new technologies (for example, workflows from Power Automate to integrate data from different systems), or simply using existing features better – shared whiteboards, multi-editing of documents and effective data exchange between organisations. This review process is continuous, replacing old systems and practices, so that the complexity avalanche doesn't intensify.

## Afterword

***The future is bright.*** With the advent of practical and soon-to-be-widely-available AI-powered tools, we are on the precipice of transformative changes that will finally allow humans to use machines for work in a seamless way. To take advantage of this though, you need to be ready.

Readiness is a journey, a scale, a spectrum. A key piece of advice is that you need to assess and understand where your organisation is on this technology readiness spectrum. Are you poised to leap on every opportunity that comes your way, or do you need to make technology changes to position yourself at a more basic level, or somewhere in between?

***Companies are somewhere along a spectrum, which can be divided into three sections. Starting with:***

### Secure & Optimise the Edge

*The implementation of modern device and people management practices to simplify, secure and optimise how end users and devices connect with your application ecosystem and corporate network.*

### Transition to the Cloud

*The adoption of cloud-based infrastructure and application services to eradicate traditional on-premises infrastructure, and enable application portfolio optimisation, and modern working practices.*

### Digitally Thrive

*The evergreen process of business-driven evaluation and adoption of technologies that underpin your digital strategy to achieve business goals. You can't do this effectively if you haven't achieved stages 1 and 2.*



# About Doherty Associates

**Doherty Associates is a London-headquartered IT consultancy and service provider with over 30 years of experience providing technology solutions and 24/7 managed services for our clients, including banks, venture capital and private equity firms, and fund and asset managers.**

Nominated as Best Managed Services Provider at the private fund operations focussed Drawdown awards, in 2021 (winners) and 2023, Doherty Associates understands the pressures and expectations of working with financial services organisations. With a client attrition of just 1.4% in 2022, service excellence singles out Doherty Associates in a services market that is both crowded and diverse.



*Terry Doherty  
Founder and CEO  
Doherty Associates*

*Here at Doherty Associates, we can help you chart your position on the spectrum compared with the higher-performing organisations in your sector. We call this process SmartPath, where we help you to think about your existing IT operating model vs good practice and common industry standards, to land your best IT strategy and action plan.  
**That's our offer to you.***

## Microsoft partnership

As a long-standing Microsoft partner, Doherty Associates has satisfied the rigorous requirements of experience, customer satisfaction and know how to be recognised as being in the top tier of Microsoft's 'partner ecosystem'. Our four main Microsoft Solutions Partner designations span the crucial areas of cloud computing, data analysis, communication and collaboration and server infrastructure.

 **Microsoft**  
Solutions Partner  
Modern Work

 **Microsoft**  
Solutions Partner  
Infrastructure  
Azure

 **Microsoft**  
Solutions Partner  
Digital & App Innovation  
Azure

 **Microsoft**  
Solutions Partner  
Data & AI  
Azure