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Unlocking The Value Of Open Collaboration To Drive Enterprise Agility

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Executive Summary

Closer work between internal and external stakeholders, high employee expectations for a voice in decision-making, and the expansion of hybrid and remote work mark today's business landscape. In response, enterprises recognize the huge benefits that effective, consistent collaboration can bring to software development and the organization as a whole — but they're not collaborating the right way. They need to adopt open collaboration, which is a culture and company leadership strategy that focuses on optimizing employee experience.

Atlassian commissioned Forrester Consulting to explore the current state, challenges, and opportunities of open collaboration in software development. Forrester conducted a survey with 757 decision-makers in the United States and Europe with responsibility for software development strategy, execution, and purchasing in companies with more than \$500 million annual revenue.

We found that many firms collaborate somewhat effectively in certain areas, notably within their own departments. But most lack consistency and connection with outside groups and even highly mature performers fall short in consistently advancing key development and enterprise goals, such as increasing agility and customer satisfaction.







Key Findings

Most decision-makers view collaboration in software development as increasingly important. Eighty-three percent of survey respondents reported that better sharing and communication is crucial for their organizations. Seventy three percent said interdepartmental collaboration is more important now than it was three years ago and expect its importance to grow.

Lack of executive support, culture, and tools hold companies back from effective collaboration. Overall, only 54% of respondents said information flows freely between teams and departments through technology at their organizations. Open collaboration maturity is not just about technology, though — it must be people driven. Firms that Forrester defines as low maturity in terms of their open collaboration abilities are 25 times more likely to report not having a culture that supports open work collaboration and are nine times more likely to report that people in their organizations live in fear and don't speak up. All surveyed decision-makers noted that leadership must do more to foster open collaboration.

Open collaboration drives success throughout the business, not just in software development. Adoption of five basic tenets can help harmonize technology, process, and people, creating an open culture that enables organizations to deliver more effective and consistent information sharing, communications, and teamwork. This leads directly to organizational growth through greater team unity, improved customer experience, increased revenue, and the ability to recruit and retain a diverse group of top talent. Low-maturity firms struggle to keep up with the pace of change, maintain release cadence, develop meaningful KPIs, and align goals, expectations, and purchases. No successful software today is created in a vacuum. Collaboration in software development is more important — and more challenging — than ever. Among the key drivers are fast-moving markets and changing demands. Effective response to them requires quickly integrating feedback from frontline business groups and customers about user experience and requirements. So, too, the growing embrace of DevOps brings software development and IT groups together in new ways. The growing integration of information tee



of respondents said interdepartmental collaboration is more important now than it was three years ago.

ways. The growing integration of information technology and operational technology creates new demands for collaboration in the software development process and throughout the rest of the organization.

As global teams increasingly move to remote or hybrid work environments, they further fuel the collaboration imperative. Decision-makers expect that all these drivers — especially the number of departments involved in software development — will continue to accelerate.

Our survey found that decision-makers clearly understand the value of collaboration now and in the future. But they are also aware of their present shortcomings and the need to do much more to drive consistent results. Specifically:

 More than eight out of 10 respondents indicated interdepartmental collaboration is crucial for software development success. Seventythree percent of decision-makers said interdepartmental collaboration is more important now than it was three years ago.

Despite acknowledging the need, only 41% of respondents considered better collaboration a top priority. Some 74% reported IT, development, and lineof-business groups (LOB) are getting closer than ever before. Overall, more than two-thirds of respondents said more departments than ever are involved with software development. An equal number said collaboration is more challenging with hybrid work than in-office.

 Organizations struggle with facilitating effective collaboration. Both internal and external collaboration are difficult in software development. Surveyed decision-makers said they need to improve collaboration with other



Decision-makers are aware of current shortcomings and their need to do more.

departments (80%). Eighty-two percent said that, while they are more effective internally than externally, they don't feel particularly confident about their collaboration internally either; 75% said they need to improve collaboration within their own department (see Figure 1).

Figure 1

"To what extent do you agree with each of the following statements around collaboration within software development at your organization?"



• Organizations are not sufficiently prioritizing improved collaboration.

Despite their shortcomings and insistence on collaboration's importance, most firms are not making it a top business goal. Collaboration is essential to top priorities including driving sustainability, raising efficiency product quality, and retaining employees. Yet, only 41% of decision-makers said improving interdepartmental collaboration is a top goal at their organizations (see Figure 2).

Figure 2

"What are your organization's top goals for the next year when it comes to software development?"

Ranked in top 5	
Improve sustainability/green IT	53%
Increase automation	50%
Improve product quality	45%
Improve engineering efficiency/effectiveness (i.e., how much time engineers spend on programming)	44%
Improve collaboration within our department	41%
Improve employee experience and retention	38%
Increase agility	36%
Improve collaboration with other departments	35%
Improve collaboration with other departments Take on more end-to-end responsibility of software	35% 33%
Take on more end-to-end responsibility of software Increase presence of underrepresented groups	33%
Take on more end-to-end responsibility of software Increase presence of underrepresented groups at all levels and roles	33% 28%
Take on more end-to-end responsibility of software Increase presence of underrepresented groups at all levels and roles Reduce costs	33% 28% 25%
Take on more end-to-end responsibility of software Increase presence of underrepresented groups at all levels and roles Reduce costs Improve differentiation in the market	33% 28% 25% 22%

Effective collaboration is not just about technology. Cross-team collaboration in the software development process is difficult, requiring a combination of effective technology, strong culture, and carefully thought-out processes (see Figure 3). Decision-makers were asked to rank the most important enablers in each category, then assess the current effectiveness of each. We found organizations have a lot of room for improvement.



Technology provides the floor raiser for peopledriven ceiling raisers like culture and process.

 Technology's effectiveness in enabling crossteam collaboration is relatively low. Having
 the right collaboration tools and technology is a floor raiser that provides the foundation for people-driven ceiling raisers like
 culture and processes. It's important that decision-makers avoid
 the common mistake of focusing too much on the technology
 while ignoring other key elements. In our study, decision-makers
 rated their organizations' technology most effective in relatively
 basic functions such as integrating shared workspaces and apps.
 The survey found that improvements are especially needed in
 more advanced areas like enabling automation and real-time
 collaboration (see Figure 4).

^{Only} **54%**

of respondents said that information flows freely between teams and departments, creating needless barriers for supporting high-quality work and innovation.

"How important do you believe each of the following are when it comes to enabling cross-team collaboration during the development process?"

(Showing "Important" and "Very important")

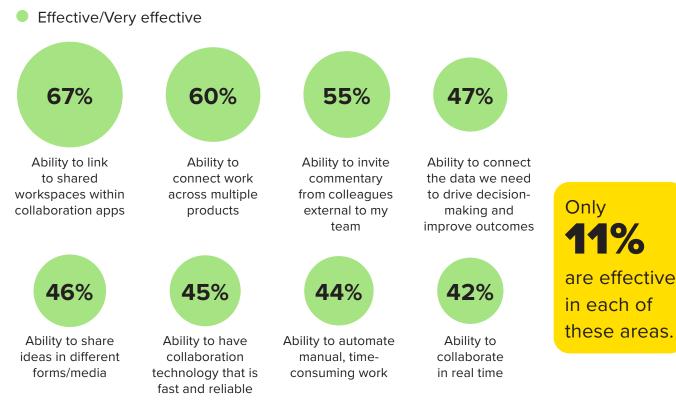
Technology Process Culture - 89% Having the right technology in place to collaborate and communicate seamlessly - 84% A culture of taking ownership and learning from mistakes - 80% Strong interpersonal connections with teammates - 75% Senior leadership that endorses and exercises transparent communication and collaboration among all team members — 73% Opportunities for employees of all levels to weigh in on decisions 73% Two-way feedback between people and their managers - 73% The freedom to share information and ideas with colleagues - 72% A clearly stated policy that provides guidelines for effective communication and collaboration - 70% A way to make comments anonymously **— 68**% Having a culture that welcomes challenges to existing thought and norms from everyone

Base: 757 director-level and above IT and software development decision-makers Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021



Groups involved in software development are positioned to model collaboration for the wider enterprise.

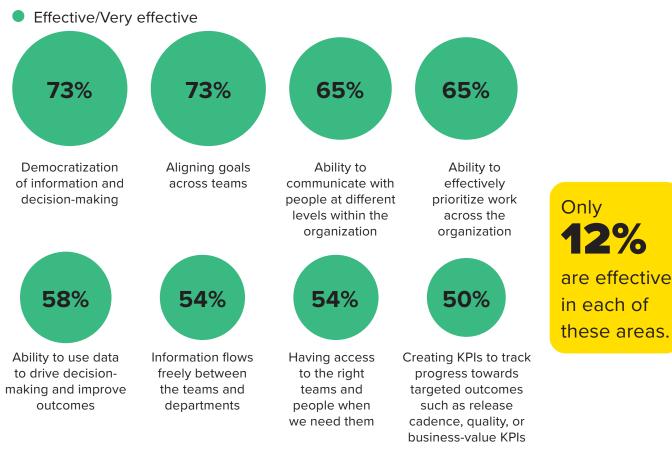
"How effective is your organization's <u>technology</u> stack at enabling cross-team collaboration in the following areas?"



Base: 757 director-level and above IT and software development decision-makers Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

 Process effectiveness is somewhat higher than tool effectiveness, but still has considerable room for improvement. Only half of respondents said their organizations' collaborative processes, which formalize the logistics needed for collaboration, are effective at enabling access to the right teams and people when they need them. Similarly, only slightly more than half reported that information flows freely between teams and departments. The rest created needless information silos which prohibits their organizations from having highquality work and innovation (see Figure 5).

"How effective are your organization's <u>processes</u> at enabling cross-team collaboration in the following areas?"



Base: 757 director-level and above IT and software development decision-makers Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

Culture sits between tech and process in terms of effectiveness. At a higher level, organizations need to improve their collaborative culture in relation to decision transparency (only 45% said their organizations are effective) and listening to employee ideas (see Figure 6). While this is a wide and complex challenge that requires high-level executive support, software development and IT leaders are excellently positioned to model and demonstrate successful collaboration that can be expanded and adapted across the enterprise within the realities of the organization's current culture.

"How effective is your organization's <u>culture</u> at enabling cross-team collaboration in the following areas?"



Improvements and alignments in technology, processes, and culture drive at a common goal of moving towards open collaboration. We define open collaboration as a company leadership strategy that focuses on optimizing employee experience.

Open collaboration differs from sustainability, automation, and product quality, which focus on *what* work gets done. In contrast, open collaboration focuses on *how* work gets done. It includes: Open collaboration offers a useful way to align culture, technology, and process to enable more powerful teamwork and communication.

- The freedom to share information and ideas with colleagues.
- Two-way feedback between employees and their managers.
- Opportunities for people of all levels to weigh in on decisions.
- Strong interpersonal connections with teammates.
- Technology that enables all the above.

For many organizations, open collaboration can be a powerful framework for thinking about how to align the key elements of culture, technology, and processes, enabling more effective companywide teamwork and communication.

Relatively few organizations today have operationalized all key tenets, including **just 3%** of mature companies.

Our survey found that relatively few organizations today have operationalized these elements (see Figure 7). Respondents cited their firms' cultural issues as the biggest impediment to sharing ideas across the organization. Even among those who have some success in open collaboration across technology, processes, and culture, most struggle with consistency. Fifty-nine percent said their organizations' open collaboration is inconsistent across departments; 44% said open collaboration is typical within teams but not outside of teams.



Lack of an open collaborative culture is the biggest impediment to sharing ideas across the organization.

Figure 7

"Please rate to what extent you think each of these elements of 'open collaboration' describe your organization."

Mostly/Completely describes us

The freedom to share information and ideas with colleagues	40%
Two-way feedback between people and their managers	54%
Opportunities for employees of all levels to weigh in on decisions	58%
Strong interpersonal connections with teammates	64%
Technology that enables all of the above	49%

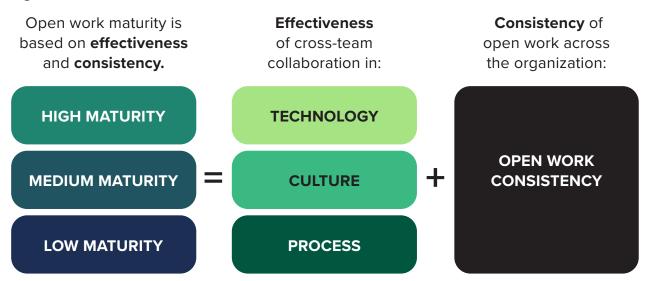
Open Culture and Proper Tools Are Crucial For Success

As with every technology-driven initiative, firms differ widely in their maturity, effectiveness, and results in implementing collaborative systems supporting software development. To better understand what success in open collaboration looks like and what it requires, we segmented the companies surveyed into maturity levels.

Analyzing the differences between high- and low-maturity firms can provide useful insights into the best practices, key challenges, and priorities for firms working to improve collaboration in software development.

The maturity rating is based on the respondents' self-assessed effectiveness in cross-team collaboration, and consistency of open work across the organizations. Both must be present for truly effective collaboration. We found that there were many respondents whose organizations had a high level of effectiveness with collaboration in certain areas but were not consistent with it or were inconsistent across departments (see figure 8). Predictably, highly mature organizations embrace the tenets of open collaboration as a useful way to enable more impactful teamwork and communication.

Figure 8



Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

We found:

 High-maturity organizations are far more aligned with the tenets of open collaboration. Across the board, high-maturity organizations were more likely to say that the different elements of open collaboration described them (see Figure 9). Even in this advanced group, there is still much room for improvement. Only 33% of respondents at high-maturity organizations said that all five characteristics "Mostly describe us," while only 3% said all five "Completely describe us."

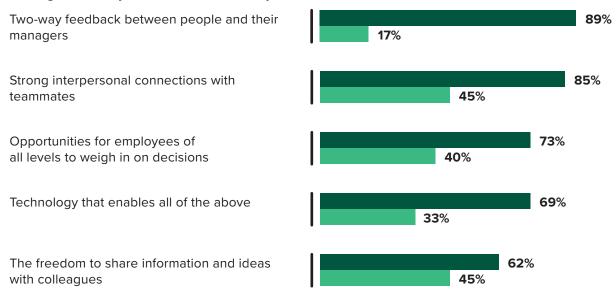
Low-maturity firms are **25x** more likely to say they don't have a culture that supports open collaboration.

Figure 9

"Please rate to what extent you think each of these elements of 'open collaboration' describe your organization."

(Showing "Mostly describes us" and "Completely describes us")

High maturity
Low maturity



 The gap between high and low maturity is most evident in organizational culture.
 Again, open collaboration maturity is not just about technology — it must be people driven.
 Respondents at low-maturity firms were 25 times more likely to say their organizations don't have a culture that supports open work collaboration and were nine times more likely to say that people in their organizations live in fear and don't speak up.

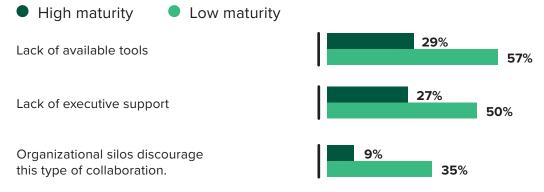


of both groups said senior leadership needs to do more to foster open work.

• **Open collaboration starts at the top.** Overall, 83% of respondents said senior leadership needs to do more to foster open work. As with every major initiative, sustained executive support is crucial in opening the door to transformation and financial results. For low-maturity firms, a lack of the right tools compounds this challenge; they face these obstacles at much higher rates than their high-maturity peers (see Figure 10).

Figure 10

"Which of the following have held your organization back from creating/improving a culture of open collaboration?"



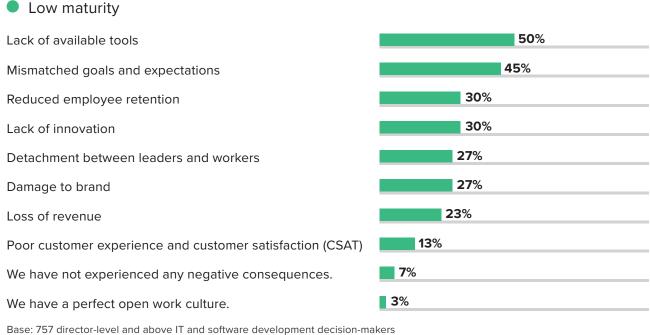
 A lack of open collaboration maturity has significant negative consequences. For low-maturity organizations, a lack of open collaboration within the development process leads to reduced agility, mismatched goals and expectations, reduced employee retention, lack of innovation, and more (see Figure 11). This poor performance could have long-term consequences. Even at this early stage, the dramatic differences between high- and low-maturity firms seem almost certain to create a widening divergence that will put the latter at a significant competitive disadvantage unless focused measures are taken.



For low-maturity organizations, a lack of open collaboration within the development process leads to reduced agility, mismatched goals and expectations, reduced employee retention, lack of innovation, and more.

Figure 11

"Which of the following consequences has your organization experienced from a lack of/imperfect open collaboration within the development process?"



Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

What did high-maturity firms do to get where they are? How can low-maturity firms — and all organizations better improve their open collaboration? What benefits have both groups realized, and hope to realize?

High-performing firms invest in the long-term work of creating open culture.

We found:

 It takes work to become a high-maturity firm, and there's more work to be done. The most common ways high-maturity firms foster open work are through HR training, hiring external culture consultants, and leadership communicating support (see Figure 12). While these tactics alone will not create a collaborative culture overnight, they are effective steppingstones that enable demonstrable advantages over competitors that do not take these steps. Even so, the relatively low numbers suggest there is still much work to be done even among this high-performing group.

Figure 12

"Which of the following has your organization done to foster open collaboration in software development?"

High maturity My organization has implemented HR training **69**% and team building activities. Leadership has endorsed this concept and communicated 47% it directly to workers at all levels. My organization has hired external consultants to help 45% improve culture. Workers at all levels are enrolled in employee paid classes to educate them on effective workplace 44% communication to help everyone understand how to collaborate effectively and respectfully. My organization has purchased an enterprise 36% work management platform to connect work across the enterprise. 35% We've held workshops to support our open work efforts.

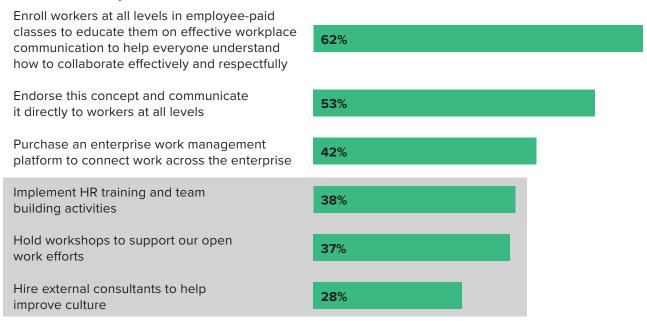
 Low-maturity firms won't commit to consistent open collaboration. When asked what plans they had to foster open collaboration going forward, respondents at low-maturity firms were much more likely to mention enrolling workers in self-paid classes, which doesn't cost the organization anything. These companies also are more likely to simply add a tool, such as an enterprise work management platform, to solve all their problems instead of investing in the cultural change programs favored by their more mature peers (see Figure 13).

Laggards focus on tools and employee-paid training. The result? Reduced agility, low innovation, and mismatched goals and expectations.

Figure 13

"To the best of your knowledge, which of the following does your organization have plans to do in the future to foster open collaboration in software development?"

Low maturity



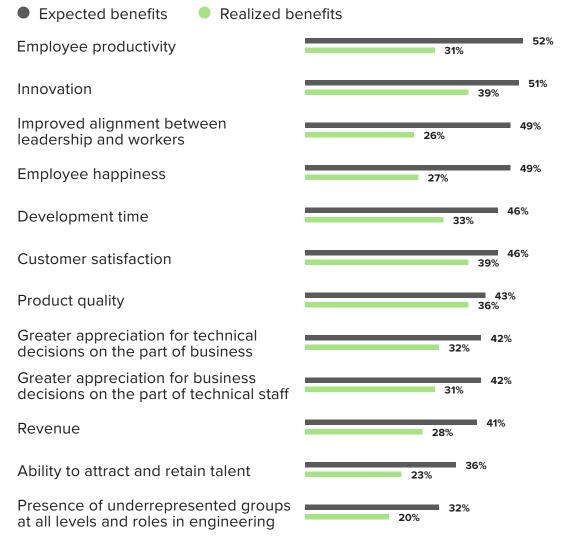
 Benefits are high, but organizations realize there's substantial room for improvement. Even in early stages, firms see substantial benefits from open collaboration. They also understand that an ideal culture of open collaboration would yield far greater benefits (see Figure 14).

Gaps between desired and actual benefits is closing, especially greater appreciation of technical decisions by business groups.

Figure 14

Expected Benefits Of Ideal Open Collaboration Vs. Actual Benefits Today

(Showing "Significant positive effect")

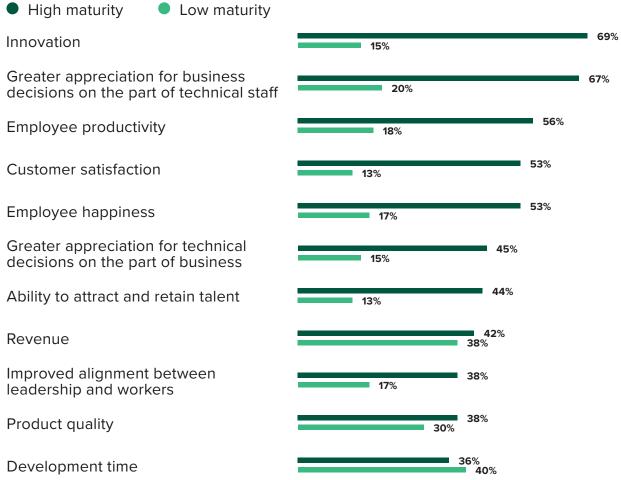


• Success in open collaboration can be a real driver for wider business change. High-maturity firms see much greater organizational benefit than low-maturity firms (see Figure 15). Leaders said open collaboration directly drives organizational growth through better team unity, improved customer experience, increased revenue, improved top talent recruitment and retainment, and increased presence of underrepresented groups at all levels and roles in engineering (see Figure 16).

Figure 15

"To what extent has your organization experienced the following benefits from its level of open collaboration?"

(Showing "Significant positive effect")



27%

15%

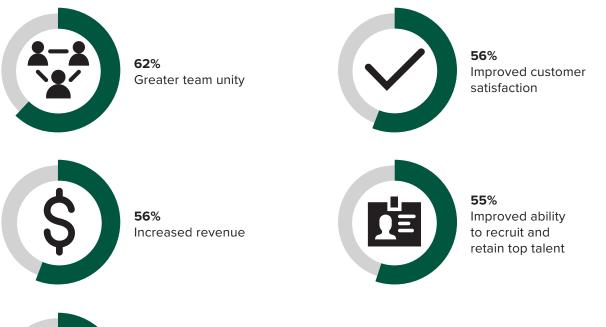
Base: 757 director-level and above IT and software development decision-makers Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

Presence of underrepresented groups

at all levels and roles in engineering

"In what ways has open work contributed to organizational growth?"

High maturity





45% Increased presence of underrepresented groups at all levels and roles in engineering Base: 757 director-level and above IT and software development decision-makers Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

Open collaboration directly drives organizational growth through greater team unity, improved customer experience, increased revenue, better ability to recruit and retain top talent, and increased presence of underrepresented groups at all levels and roles in engineering.

Key Recommendations \longrightarrow

Key Recommendations

Don't just focus on what work gets done, focus on how work gets done.

Modern companies leverage their entire workforce to unlock innovation. They see benefits that include improved CX and increased revenue and employee retention. With these companies, open collaboration didn't have a name — it's just how work gets done. But placing a name on this style of work can help cut through confusion and help companywide adoption. Merely purchasing new technology and setting mandates doesn't achieve open collaboration — it takes a blend of leadership, culture, processes, and technology.

Forrester's in-depth survey of software development decision-makers yielded several important recommendations for how to foster open collaboration in your workforce:

Get leadership onboard with open collaboration.

Most firms encourage collaboration among the ranks, but getting leadership to come onboard and be open to collaboration from their direct — and indirect — reports might not be easy. Yet it's crucial to making open collaboration work. Leadership must not only commit, but also endorse and welcome contributions and criticism from all ranks — and it works both ways. Individual contributors should expect to see questions and comments from leadership up the chain.

Don't just say it, do it.

After endorsing open collaboration, put it into action. Firms that successfully conduct open collaboration get their HR team involved with training and team-building activities. High-maturity organizations also bring in outside experts to help foster this new approach. This sets all employees and informs them that open collaboration is not only endorsed, but encouraged, supported, and nurtured by the business.

Dollars speak louder than words.

It's hard to put a dollar value on teamwork, but some level of investment is needed to make open collaboration effective and successful. Whether it's training, technology, or simply time allotted to team activities and team building, there is a price tag for investing in this way of work. But our data shows it has a healthy ROI with the vast majority of high-maturity companies reporting benefits in innovation, employee productivity, customer satisfaction, and more.

Track progress with outcome-driven KPIs.

Teams that practice open collaboration successfully use KPIs to drive outcomes such as faster cadence, higher quality, and better Net Promoter Scores[™] (NPS). Maybe because a single person — or even a single team — can't drive most outcomes, outcomes require alignment throughout the entire organization.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 757 software development process decisionmakers in the US, the UK, Germany, and France to evaluate the current state, challenges, and benefits of collaboration in the software development process. Survey participants included decision-makers in IT and software development, all of whom were at least decision influencers in both the software development process and purchasing decisions. Respondents were offered a small monetary incentive as a thank-you for time spent on the survey. The study began and was completed in July 2021.

Appendix B: Demographics

INDUSTRY	(TOP	10)
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Financial services and/or insurance	11%
Healthcare	10%
Government	10%
Manufacturing and materials	9 %
Technology and/or technology services	8%
Retail	7 %
Construction	6 %
Telecommunications services	4 %
Energy, utilities, and/or waste management	4 %
Business or professional services	4 %

COMPANY REVENUE	
\$500 million to \$999 million	50%
\$1 billion to \$5 billion	39%
>\$5 billion	10%

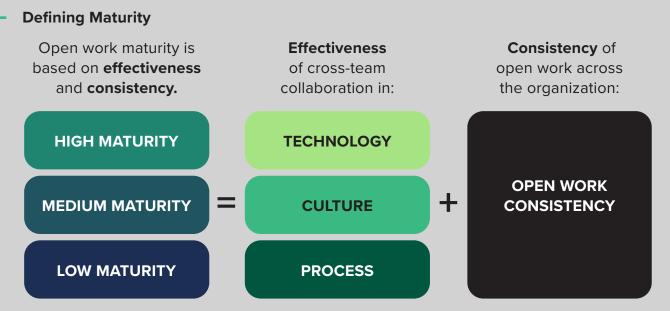
RESPONDENT LEVEL	
C-level executive	9%
Vice president	21%
Director	71 %

DEPARTMENT	
IT	53%
Software development	47 %

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United States	40%
United Kingdom	20%
Germany	20%
France	20%

Appendix C: Supplemental Material



Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

	Low effectiveness	Medium effectiveness	High effectiveness
High open work consistency			HIGH MATURITY (55 RESPONDENTS)
Medium open work consistency		MEDIUM MATURITY (643 RESPONDENTS)	
Low open work consistency	LOW MATURITY (60 RESPONDENTS)		

Source: A commissioned study conducted by Forrester Consulting on behalf of Atlassian, July 2021

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