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# Work From Wherever: The Challenge Of Leading Distributed Companies

BY THE KIN TEAM

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In a [previous post \(https://kinhr.com/home-office-design/\)](https://kinhr.com/home-office-design/), we offered some universally applicable advice on setting up a home workspace. Getting the home office set up is only half of the equation for distributed companies, though.

Having a remote workforce also introduces new challenges and responsibilities for the company's management, for its human resources department, and for the company's own culture.

This is the followup to that guide, then. For employers, here are some key factors to take into consideration when your company begins to introduce work-from-home arrangements. Knowing this in advance will go a long way toward creating conditions that set your employees up to succeed.

## **What's In It For The Employer?**

One easy case that is often made by the pro-remote work camp is distributed teams can save money on a company's bottom line.

Jennifer Parris at [WorkFlexibility.org](http://www.workflexibility.org/6-unexpected-employer-benefits-of-telecommuting/) cites a study (<http://www.workflexibility.org/6-unexpected-employer-benefits-of-telecommuting/>) that concludes remote workers can save their companies \$11,000 annually in overhead costs. Sarah White at [Monster.com](http://www.monster.com/technology/a/The-Benefits-of-Working-From-Home) cites another (<http://www.monster.com/technology/a/The-Benefits-of-Working-From-Home>) that pegs the figure closer to \$2,000.

Either figure might indicate a view that's too myopic, anyway. As Parris' piece points out, remote employees tend to reward the employers' trust with uncommon loyalty. That translates to motivated team members who are less likely to pursue jobs elsewhere.

"It's a fact: employees who are allowed to telecommute show more dedication and loyalty to their organizations than those who have to schlep into an office five days a week," she writes.

"That might not seem that important, but consider this: It's estimated that for an employee who earns \$50,000 a year or less, it costs about 20 percent of his salary to hire a replacement. When you consider the cost of hiring a new employee (and the time it will take to train said employee), it's a huge benefit to allow employees to work remotely."

Often, however, a company's first hurdle toward implementing remote-work policies is a lingering bias toward individuals who seek obvious work-life balances, Maria Wood writes (<http://www.skilledup.com/insights/beginners-guide-managing-remote->

workforce) at [SkilledUp](#).

Wood cites Harvard organizational behavior professor Lakshmi Ramarajan in the piece as introducing the term scholars use, “flexibility stigma.”

“Employers perceive both male and female workers negatively if they request to work remotely or want a more flexible work arrangement,” Wood writes.

## **The Employer’s Special Legal Obligations**

Having employees in different states creates a complex web of jurisdictional issues.

For every employer, this will mean tax-filing requirements across a number of states, each of which has its own reporting requirements. The company’s bookkeepers and accountants are good resources for helping sort tax-filing requirements.

Legal counsel might also be required, as many courts are currently putting their states’ labor laws to the test. These are far too numerous to get into here, but California attorney [Sebastian Miller](http://sebastianmillerlaw.com/remote-work-expenses-and-labor-code-section-2802/) demonstrates how nuanced these issues can be (<http://sebastianmillerlaw.com/remote-work-expenses-and-labor-code-section-2802/>) in his state.

Miller writes about a case in which a trial court said remote workers only needed compensation for marginal costs on a cell phone bill. So, for example, if an employee’s data plan allows for 5 GB of data per month, but work requirements pushed data usage into 6 GB for a month, that marginal cost of 1 GB was the employer’s liability.

A California appeals court rejected this marginal costs argument.

“The Court of Appeal reasoned that limiting expense reimbursement to marginal costs would allow an employer to get something for nothing (in this case, an employee who is available to take calls remotely),” Miller writes.

“So adopting the trial court’s view would permit precisely what [Labor Code § 2802] is designed to prevent — having the employee bear operating expenses that the employer would otherwise have needed to incur in order to ensure the employee’s remote.

“Hence, an employee’s fixed-cost, remote-work expenses must be reimbursed even if, irrespective of her employer’s demands, the employee still would have incurred the expense; by, for example, purchasing a personal cell phone, paying for data and minute plans, or supplying a home with internet access.”

It’s not so important to know how much California employers must compensate their remote employees for cell phone usage; rather, just understand that state courts are hashing out similar arguments around the country, and some legal due diligence may be necessary to determine your company’s own legal responsibilities to its remote employees.



## **The Technology Connecting Distributed Teams**

It’s useful to imagine an office itself as a piece of technology. The space itself plus its infrastructure create this built-up environment that groups of people can leverage to synchronize tasks and work effectively as a unit.

From that frame, it’s easier to make the jump to remote work arrangements, which employ suites of collaborative technology to replace the need for physical proximity.

Every organization's needs are different, so it would be impossible for us to say which of these collaborative tools you definitely need. Here are a few possible options:

- Trello (<https://trello.com/>) for collaborative to-do lists
- Slack (<https://slack.com/>) for integrating project-specific conversations, file sharing and dozens of other tasks into one central hub
- Basecamp (<https://basecamp.com/>) for project management
- GoToMeeting (<http://www.gotomeeting.com/>) for group calls.
- HipChat (<https://www.hipchat.com/>) for instant messaging other team members
- Harvest (<https://www.getharvest.com/>) for time tracking
- iPassword (<https://agilebits.com/onepassword>) for managing passwords

Ghost founder John O’Nolan has a post titled “[11 Tools That Allow us to Work from Anywhere on Earth as a Distributed Company](http://blog.ghost.org/distributed-team-tools/)” that explores his team’s experiences with some of the above tools, as well as some others. Also, Buffer’s Kevan Lee has a list of [17 tools for remote workers](https://open.bufferapp.com/tools-for-remote-workers/) that overlaps a bit with those already been mentioned but also introduces several other options.

Collaborative technology is only part of a remote team’s IT suite, though. Next comes the much thornier issue of setting up remote access to the company’s main network and securing the information that flows along those pathways.

## **SETTING UP AND SECURING A VIRTUAL PRIVATE NETWORK**

Granting network access while protecting against data breaches is a delicate balancing act, but all too often this gets de-prioritized among many companies.

David Howell at TechRadar (<http://www.techradar.com/us/news/networking/how-to-set-up-and-maintain-a-vpn-1171347/1>) points to one survey in which 51% of companies that responded said their access control technology was at least three years old.

A modern, up-to-date VPN creates a safe passageway for sensitive data to travel between a company’s headquarters and wherever a remote employee is located. TechSoup’s Nick Mediati (<http://www.techsoup.org/support/articles-and-how-tos/everything-you-need-to-know-about-vpns>) aptly uses a tunnel metaphor to describe how VPNs provide a channel through the more Wild West regions of the Internet.

As with collaborative tech, VPNs come in a variety of flavors to suit the needs of a particular organization. Howell's piece at TechRadar lists five things a company should consider when selecting a VPN:

Audit company data to understand what features are necessary for a VPN.

Calculate how much bandwidth is currently available; a VPN can consume a significant portion of that bandwidth.

Determine what processes are in place to secure the VPN ("As a VPN could be in front of or behind a firewall, its security is of paramount importance," Howell writes. "Antivirus software should be in place and up-to-date.").

Make arrangements for any employees who might want to access the VPN from public WiFi.

Perform due diligence to ensure that the VPN client itself is secure.

The Infosec Institute has a great list (<http://resources.infosecinstitute.com/importance-effective-vpn-remote-access-policy/>) of possible methods for breaching a VPN's security and some policies a company could put in place to help prevent those.

## **Managing A Remote Workforce**

Aligning the efforts of a remote team requires open communication and trust, which isn't conceptually different from managing a local team. Still, setting up remote team members, who might be spread across time zones, to succeed in their work requires a slightly different mindset, some different approaches to building rapport, and a few tricky balancing acts.

### **GIVING THE TEAM STRUCTURE**

David and Carrie McKeegan, co-founders of Greenback Expat Tax Services, shared their own experiences with running a worldwide remote team in a piece for Entrepreneur.com (<http://www.entrepreneur.com/article/241087>), where they said one thing they've found is that a remote team requires a clearer structure.

“Because virtual companies already operate without a central physical location, it is even more critical to have structures and disciplines in place to have a smooth, integrated and effective workforce,” they wrote.

The McKeegans mention two things in particular that help give team structure some rigidity:

- Documenting processes carefully, and
- Crystallizing team members’ flexible work time into a predictable schedule

Not all teams will agree with the fixed-hours recommendation, and maybe that won’t work for certain creatives or developers on the team.

“Having just left big corporations where a strict 9-to-5 schedule was the norm, we agreed to accommodate [flexible schedules], wanting our workforce to be empowered in both their work and time,” the McKeegans wrote. For them, however, this arrangement just didn’t work.

“And while allowing every employee to work whenever they wanted may have served their needs, it didn’t serve the needs of co-workers, customers or the company.

## **SETTING EXPECTATIONS AND BUILDING TRUST**

The hours question ultimately comes down to what is expected of team members. If there is an expectation that he/she will be available during morning hours EST, then a schedule must reflect that expectation.

If those expectations have a rolling Friday deadline, perhaps there is more flexibility.

“Ultimately, though, this comes down to trust, and trust can be found or lost on every page of a company’s policies,” Scott Hanselman wrote back in early 2013 (<http://www.hanselman.com/blog/BeingARemoteWorkerSucksLongLiveTheRemoteWorker.aspx>)

“You [the employee] were hired as a professional; are you trusted to be a professional? Working remotely requires your company to trust you can do the work not only without them seeing you, but also without constant physical interaction with your teammates.”

Ideally, as WooThemes founder Adii Pienaar wrote for UC Berkeley's Scalable Startups, that trust is earned during the team member's initial hiring (<http://scalablestartup.berkeley.edu/2013/02/22/trust-in-people/>).

"This means that from day one, new team members know what's expected from them, and they know that we won't be around (sometimes because it's physically impossible) to check up on them to make sure they meet those expectations," Pienaar wrote.

"This trust also creates a blank canvas for team members to do their best work, where they have the freedom to solve a problem in the best way they see fit, whilst possessing the opportunity to be accountable and responsible for their own work."

In Hanselman's arrangement, his team would receive a list of to-dos on Monday, then he would follow up with them on Friday to find out what was accomplished and what needed work.

Communication, then, is the key to facilitating the kind of trust needed to keep these teams focused.

## COMMUNICATION

"While we all need to work on mastering our communication skills, I can't begin to stress enough how vital communication is when remote working is taking place," TalentCulture's social media and content strategist Fernando Ramirez writes at Recruiter.com (<https://www.recruiter.com/i/what-it-takes-to-succeed-with-remote-workers/>).

This is where that suite of collaborative tools comes in; remote teams have to rely on those heavily to communicate, and there is a strategy to doing so that evolves across each team.

Ramirez has three big-picture recommendations for approaching communication across remote team members:

- Leaders and managers need to make themselves available for Q&A, especially in a project's initial stages. "Being on the same wavelength requires talking and being transparent about the work that needs to be done," he says.
- Let other team members know when they can expect a response. This goes back



to David and Carrie McKeegan's suggestion that team members have regular — or at least predictable — hours. "Remote workers need to be able to move around freely to access resources and information they will need," Ramirez says. "This is done by minimizing or eliminating any roadblocks remote workers may encounter."

- Make sure lines of communications go both ways. This includes supportive and encouraging comments, but this also includes team leaders taking the time to give individual employees feedback on their work. (That's why we advocate regular employee reviews (<https://kinhr.com/employee-reviews-keeping-em-fresh/>.)

Treehouse co-founder Ryan Carson described the communicational hierarchies (<http://ryancarson.com/post/63593803482/how-to-communicate-in-a-nomanager-company>) in his company's flat, remote structure that might help some teams struggling with their own internal communications.

First, the Treehouse team uses email as a very last resort. Instead, a collection of collaborative tools are used relative to how urgent the issue is:

- Phone calls or real-time Hangouts when an answer is needed immediately
- Text or IM if an answer is needed in an hour
- The team's project management platform if an answer is needed in the next 24 to 48 hours
- Email if an answer has a similar one- or two-day urgency but doesn't fit into the project management software

## **BUILDING A TEAM CULTURE**

One thing that gets lost among remote teams is water cooler chatter, or opportunities to simply catch up with someone when you bump into him/her in an office.

Rebecca Knight, writing for the Harvard Business Review, offers a couple of steps (<https://hbr.org/2015/02/how-to-manage-remote-direct-reports>) team leaders can take to compensate for these lost opportunities:

- Invite team members to always have video ready to go for impromptu, face-to-face chats. The experts she cites in her piece admit that this can feel weird at first, but after a while an invitation to hop on Skype or Google Hangouts can become

normal.

- Also, team leaders should take time at the beginning of group chats to simply check in with everyone, she writes, and let team members share anything interesting that might be going on in their lives.

Highfive's head of growth, Michael Freeman, reiterates the power of video and social chatter (<https://highfive.com/blog/how-to-stay-connected-while-working-remotely>) among team members. "A weekly team standup, one-on-ones and impromptu huddles enabled us to coordinate our work," he writes. "More importantly, though, seeing each other helped us build the bonds that made everything else we did so much more effective (and fun). At Highfive, all of our meetings use video."

Freeman also recommends leaving room on communication platforms — especially IM or something like Slack — for a reasonable amount of banter.



## **WORK RETREATS THAT INCLUDE FAR-FLUNG TEAM MEMBERS**

We are all social people; team members who work remotely still need or may demand a chance to meet up in person. Work retreats are great for this because they allow everyone to come together on unfamiliar ground and build that in-person rapport from scratch.

Zapier co-founder and CEO Wade Foster has an excellent post (<https://zapier.com/learn/the-ultimate-guide-to-remote-working/how-run-company-retreat-remote-team/>) on how to plan, throw and get feedback on a company retreat. Zapier's all-remote team has had several stateside company retreats at this point, and his insight on making that work is worth sharing here.

Here are four things Foster says you should consider when planning a work retreat for a remote team:

- 1 "Make it somewhere easy for folks to get (i.e. less than two hour drive from an airport).
- 2 "Go somewhere that can hold everyone. We've done AirBnB and HomeAway houses. Hotels feel sterile, but houses feel inviting. Get a really big house that folks couldn't normally afford on their own.
- 3 "Don't worry so much about being close to tons of activities. We used to think having a really active city nearby would be important, but then realized we rarely took advantage of the full city amenities.
- 4 "That said, do have some activities very near the house. Beachside houses or houses with big games rooms (pool, ping pong, etc) are great because people can entertain themselves in downtime without driving places."

## **Embracing Remote Work**

Whether in a startup or a more mature company, remote work requires a commitment from the employer. In our experience at Kin, this has played out in a couple of ways.

First, remote work has to be woven into the company's culture so that employees not physically in the office don't feel left out or of secondary importance. Even little mistakes such as forgetting to dial a team member into a video conference can contribute to a perception that remote workers are not as respected.

Second, companies have an extra level of filtering when they hire for remote positions. Remote work is not for everyone. Some people think they can work remotely, but in practice they just cannot bridge that gap. A good way to test this is to first see how a candidate communicates via email and video. In the next step of the hiring process, it might be useful to give a candidate an ambiguous assignment that forces them to ask followup questions.

## MAKING A SWITCH TO REMOTE WORK

Finally, it is worth briefly discussing the changes a company or team has to undergo when it makes a dedicated shift toward remote work.

The team at The Future of Work Collective cite three stumbling blocks

([http://thefutureofwork.net/assets/Managing\\_a\\_Remote\\_Workforce\\_Proven\\_Practices\\_from\\_Su](http://thefutureofwork.net/assets/Managing_a_Remote_Workforce_Proven_Practices_from_Su)  
[PDF] for many organizations:

- **A lack of leadership.** “Leaders at any level in the organization who give only lukewarm support (or active resistance) to distributed work programs doom them from the beginning,” they write. “The resulting attitude of ‘We’re doing this because corporate told us to do it’ can sabotage any change program almost immediately.”
- **Rushing the changes and giving up too soon.** “A thick skin and a willingness to ‘tough it out’ through the inevitable battles and short-term productivity declines as the changes take hold are almost as important as aggressive sponsorship and a well-designed program.”
- **Failing to incorporate continuous learning.** “Other organizations have learned to thrive in very stable environments and so have had little need for continuous learning and adaptation. So, when a major change in the work environment comes along they simply don’t know how to adjust. The absence of long-term experience with change as a way of life, or the lack of a formal change/adaptation process, will wreak havoc with even the best-designed programs.”

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