

Remote Vs. Distributed: What the Differences Are And Why Distributed Is the Future of Work

Remote work has snowballed over the years and has primarily been driven by employees wanting to achieve a better work-life balance.

The idea around remote work has almost suddenly become paramount as teams were forced to quickly transition and fit into the remote work culture at the onset of the Covid-19 pandemic.

When asked about the future of work, 74% of professionals answered that they believe remote work will become the new normal. 76% of entrepreneurs also shared this opinion in a survey conducted by [Growmotely](#).

The terms “remote and distributed” are often used synonymously. However, it is worth noting that they have different meanings. It becomes essential to understand the differences when comparing them.

Employees working together, remotely, from all around the world is becoming the norm. Learn more about remote and distributed companies, their differences, benefits, considerations, and how distributed teams are becoming the future of work.

Let's start with remote companies

The term “remote” focuses more on where the team members are and does not necessarily address what you need to do or how to do it.

In remote companies, most team members are at the headquarter and may be required to regularly meet up at the office. However, some employees can work or collaborate from different locations. This arrangement can be temporary or permanent, occasional or frequent.

What are the benefits of having a remote company?

Remote work has several benefits ranging from staff motivation, increased productivity, employee retention, and many more. Here are some major benefits:

1. Freedom and Flexibility

Remote workers can plan their day to suit both their work and home life as long as they can set reasonable working hours. They gain the flexibility to tend to other personal matters without having to ask for special permission.

It helps to build trust between the employer and employee and offers more job satisfaction.

2. Increased Productivity

Without additional home distractions, such as personal calls, pets, chores, etc., employees can focus on assigned tasks and increase work productivity.

With remote work, individuals can avoid numerous work distractions like unimportant meetings, office gossip, casual phone calls, and interruptions from coworkers.

3. Cost-effective and time-saving

Commuting daily to work usually takes a significant amount of time, energy, and money. Without a doubt, it is possible to spend the extra hours and finances more productively. Expenses like travel costs, parking, lunch, coffee, snacks, and others, though minute, can amount to a substantial amount. They can be curbed significantly with remote work, hence providing more disposable income available for other things.

Having a remote job also means workers can manage their schedules to a large extent, as long as time is managed efficiently without interfering with work or deadlines.

4. Health and Wellness

Remote workers have the advantage of not physically interacting with people regularly. It was essential during the Covid-19 pandemic as employees avoided frequent contact and mitigated the risk of infections.

General health and wellbeing can also improve with remote work, as there is less stress, and working in a comfortable environment can be relaxing, resulting in better quality work.

What considerations should be made with a remote company?

Some key elements companies need to consider with remote work are outlined below:

- **Varying schedules can make communication more challenging and leave some people feeling excluded.**

A common issue with remote teams is focusing schedules around the vast majority, which leaves people in distant time zones bearing the burden of staying connected for meetings.

Additionally, different groups of employees may have different communication preferences. Some people may be used to picking up the phone, and others may rely on email, Slack, or other communication tools. Unifying communications channels, workflows, and processes throughout the workforce is a significant hurdle for many remote teams.

- **Having a growth mindset**

No matter where employees are located, the company culture should be welcoming and consistent for everyone. Moreover, it should provide the employees with the right opportunities to grow, learn new skills and explore beyond the boundaries of what they can accomplish.

Some examples of remote teams are: Trello, Microsoft, Hitachi, Chevron

Now, let's explain more about distributed companies

Distributed teams are composed of employees who work remotely from all around the world rather than being centralized at a single physical headquarters.

Working in distributed teams offers a more efficient way to manage the remote and non-remote workforce to support the entire team, regardless of where they're located. Distributed teams are diverse, empathetic, efficient, harmonious and a thriving workforce fosters collaboration, employee engagement, and, ultimately, better customer outcomes.

The model for the distributed team yields significant benefits for most companies because it allows an entire global workforce to stay connected and work toward the same organizational goals and objectives.

What are the benefits of having a distributed company?

1. Improved Record Keeping

While growing distributed teams, one of the critical dynamics to develop is proper communication and documentation to accommodate distributed co-workers in varying time zones. It helps to build an impeccable auditing system whenever the need arises to pull up information instantly.

2. Enhance Innovation

A well-designed distributed workplace powered by the right technology offers a virtual playground for innovation and highly productive work.

3. Improved Employee Satisfaction and Retention

Distributed work policies offer more satisfaction and, equally, a better work/life balance. Individuals working from their comfort zone usually have a sense of control over their lives to plan work and other personal tasks. It gives a sense of achievement and boosts productivity.

4. Adapting cross-functional collaboration

Technology has allowed for a level of boundary-less connectivity and opened doors in the business sector. Distributed workforces can enable access to resources that were previously unavailable without relying on an on-site structure. It brings about diversity, drives top talent to the company, and promotes other positive qualities in the overall work design and layout.

What considerations should be made with a distributed company?

For companies embracing the distributed culture, there is a need to cultivate and introduce suitable systems and practices to create an environment of transparency and productivity while giving employees a sense of belonging.

- **Maintaining clear and effective communication**

Communication can become an issue with distributed teams, especially if employees are diverse and worldwide. Without a clear policy on working asynchronously, distributed teams might experience more delays in responses and feedback. As a distributed team, it is pertinent to invest in communication software, such as Slack, Zoom, Google Meet, etc., to help scale team communication as quickly and efficiently as possible.

- **Use of technology**

Combining various tools and technology enable remote teams to stay connected and forms a more significant part of the working culture. There should be clear information on the required tools or technology to accomplish the job and how to support the needs of team members from afar.

- **Setting clear expectations for your distributed workforce**

With the perceived lack of direct accountability, it's essential to set clear expectations for the distributed workforce. Ensure each person or team understands the task to complete for the week and set agreeable goals, timelines, and expectations.

A distributed workforce is only as good as the management and understanding how to get the most of the teams outside the traditional office environment. Platforms like [Oyster](#) are focused on building the future of distributed work by opening up a whole new world of remote teams and distributed opportunities, where companies can hire brilliant people wherever they are in the world.

The SaaS-based employment infrastructure simplifies the hiring process for a better employment experience. It provides benefits management, HR administration, and payroll compliance for the employer, including payment and permanent job security for employees.

A distributed workforce can help you hire top talent (regardless of location) and retain them through flexible work arrangements. Technology enables employees to collaborate effectively and form long-lasting friendships. In addition, it saves money on real estate costs as in some cases there won't be any need to sign a long-term lease on a company headquarters.

Examples of distributed companies

A distributed team's ability to be effective narrows down to a combination of planning, leadership, and using the right tools. Unless you know what productive distributed teams look like, it's impossible to empower your team to succeed. Many successful companies use the distributed model. Some examples include Zapier, Groove, Buffer, Hotjar, Help Scout, Automattic, InVision, etc.

When it comes to remote vs. distributed, distributed is the future of work

Building a distributed team and developing a solid working culture where employees feel trusted and empowered to perform their best is an ongoing process that requires a lot of time and hard work.

Whether in transitioning an entire organization to become distributed or adding a new remote team member, It is essential to understand the best practices and stay equipped with the necessary tools that ensure a smooth working process.

A distributed team structure enables companies to work with more agility. The whole idea is to make the most of the work culture and foster transparency to create an environment of trust that keeps the organization moving forward.