DISTRIBUTED WORK

RESEARCH REPORT #31

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Preface

Technology. Cost reduction. Employee flexibility. Reduction in real estate portfolio. Positive impact on carbon footprint. Recruitment tool. Each of these is a reason why distributed work strategies have become a "quiet revolution" (MSNBC) in the international workplace.

Though the term telecommuting was coined in the early 1970s, this first step in the distributed work strategy era was barely a blip in the workplace and few organizations were even aware of its existence. Telecommuting and other alternative work strategies began to enter into the U.S. mainstream with the passage of the Clean Air Act that required the most polluted areas of the country to reduce the number of single-occupant vehicles on the roads.

As technology made virtual working a more attainable reality, facility managers were tasked with creating and supporting off-site working environments. These technological advances coupled with companies looking to reduce their real estate portfolio, increase employees without adding more square footage or positively impacting the environment, spurred the growth of distributed work strategies.

Today, small organizations to multi-national businesses are finding ways to incorporate the distributed work strategy that works best for them into their corporate culture. For some companies, one on-site strategy is the answer while others are employing a mixture of both on-site and off-site components to create new highly productive workplaces.

About this Report

Distributed work strategy is a catchall phrase for work that is spread among teams in variable locations that occurs at varying times. Though not as common a phrase as "alternative work," it certainly is more descriptive, accurate and all-inclusive than alternative work. Simply put, taking part in a distributed work strategy is not an alternative work practice anymore but an accepted part of the 21st century workplace.

Researching and reporting on distributed workplace strategies has been an objective of IFMA since the early 1990s both through articles in FMJ and IFMA's research department. Early research reports on alternative workplace practices included, Alternative Officing Research and Workplace Strategies (1995), Managing the Reinvented Workplace (1996), and Alternative Workplace Study (1998.) A more recent IFMA study, Space and Project Management Benchmarks, Research Report #28, documents the shift from individual desk-centered space to more collaborative space used for formal and informal gatherings.

In this latest report, Distributed Work, Research Report #31, IFMA has documented both trends in on-site and off-site distributed work strategies as well as focused on defining the more common terms associated with these work settings. The increased participation in distributed work strategies has led to inconsistency in terminology used in this arena. We have discovered that many organizations – including those who are featured in the case studies – have developed their own names for distributed work strategies as applied to their organizations. For this report, we have based our definitions on those provided by HOK and have developed a glossary of terms that is used throughout the report.

Distributed Work is divided into two main sections. The first section is an overview of the results of IFMA's survey-based research on distributed work strategies and the second consists of 10 case studies that demonstrate distributed work in action in varying organizations. Taken together, this report provides a comprehensive resource on distributed work strategies in today's facility environment.

Bullets are used throughout this report to identify significant findings based on statistical tests. All descriptive information and analytical findings presented in this document reflect the use of nonparametric as well as bivariate and multivariate statistical techniques. However, to maintain real world usability of these research findings, statistics are most often provided in terms of absolute number of responses, percentages and averages.

Percentages may not add to 100% due to rounding or the acceptance of multiple responses. Some respondents did not answer all questions, usually because of questionnaire design and contingency patterns. Therefore, base numbers differ among the various quantitative questions presented.

Acknowledgements

Methodology

There are many who helped make this project a reality. Those who need to be recognized include:

- Subject matter experts who shaped the questionnaire.
- IFMA members who piloted the questionnaire and helped identify questions and definitions that needed clarity.
- IFMA members who responded to the lengthy questionnaire.
- Angie Earlywine of HOK Advance Strategies and Joel Ratekin of Ratekin Consulting who devoted a year of their time to developing the case studies.

The 10 companies and their champions who allowed Ratekin Consulting and HOK Advance Strategies to profile their distributed work settings. They include: Chris Hood (HP), Mindy Glover (Rio Tinto), Chris Calhoun (General Dynamics Advanced Information Systems), Dan Boutross (Bank of America), Chris Mach (AT&T), Theo Rinsema (Microsoft), Ron Blanken (Philips Corporation), Ernie Pierz (BP), David Dunn (Nortel), and Lea Ila Hoover and Scott Woodrome (Sprint Nextel.)

This study consisted of two components: an online survey and case studies. In July 2008, Whorton Marketing & Research fielded a Web-based survey to a sample of IFMA members to determine the prevalence, breadth of implementation and the key benefits, impediments and issues pertaining to implementing distributed work strategies. The survey was designed with four specific sections—on-site workplace options, off-site workplace options, implementing change and a description of the respondent's facility. The survey invitation was sent to a sample of 8,407 individual IFMA members, including all members of IFMA's Corporate Facilities Council. Reminder messages were sent on August 4 and August 11, with a deadline for response of August 15. When the survey closed, 951 responses had been received for a response rate of 11%.

Case studies were developed by two organizations, HOK Advance Strategies and Ratekin Consulting. Researchers contacted leading organizations known for successfully implementing distributed work practices. Companies that were selected were from a variety of industries with some operating internationally. In each case study, the researcher focused on how the studied company provided solutions that are linked to their overall business strategy and captured specific and measurable goals for implementing new solutions.

ACTIVITY SETTINGS
Variety of work settings to fit diverse individual or group activities.

AVERAGE
Also referred to as the mean – the sum or total of all responses divided by the number of respondents.

CONVERGENCE AREAS
Alcoves along corridors or widened areas of hallways or small spaces provided for employees to have brief, impromptu discussions.

DISTRIBUTED WORK
A catchall phrase for work that is spread among distributed teams, in variable locations and that occurs at varying times.

FACILITY
An environment that is built, installed or established to serve a work-related purpose.

FACILITY MANAGEMENT
Facility management is a profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology.

FACILITY SIZE
Survey respondents were asked to categorize the square footage of the facilities they manage. These facility sizes are broken in three categories that are referenced throughout the report:

Small – Up to 100,000 square feet

Mid-size – 100,001 to 500,000 square feet

Large – More than 500,000 square feet

FREE ADDRESS
Workspaces shared on a first-come, first-served basis.

GROUP ADDRESS
Designated group or team space for a specified period.

HOTELING
Employees call to reserve workspace in main office facility where there are fewer offices than staff.

HUDDLE ROOMS
Smaller rooms, usually assigned to a specific department, to be used for daily team or staff meetings or other quick get-togethers or stand-up meetings.

KIOSKS
Small offices that provide acoustic privacy for uninterrupted work or telephone calls.

MEDIAN
The middle value in a range of responses is the median. One-half of all respondents will be below this value, while one-half will have a higher value. The median is also known as the 50th percentile. The advantage in using the median is that it is not affected as much by extreme highs or lows in the range of values as is the case with the mean.

MOBILE WORK
A work-style in which a person consistently uses multiple spaces/ places in which to accomplish his work.

MULTI-USE
Used in this report to describe facilities with two or more primary uses, such as a single site that encompasses headquarter offices as well as production or research facilities.

N
The number of cases supplying the data being described. It is important to note the size of the sample for the value that is being compared.

NON-DEDICATED WORKSPACE
Category includes shared, group and free address, hoteling and touchdown space.

OASIS
Place where workers gather informally such as a café, coffee bar or recreational area.

REMOTE TELECENTER
Office drop-in center located away from main office and often closer to clients.

SATELLITE OFFICE
Full-service alternate office environment conveniently located for employees.

SHARED ADDRESS
Also referred to as desk sharing, shared address is where two or more employees sharing a single, assigned workspace.

TELECOMMUTE
To either periodically or regularly work from a location other than a typical office.

TOUCHDOWN SPACE
Location where employees or visitors work for a short period of time.

VIRTUAL OFFICE/TELEWORKERS
A generic term used to describe the concept of the workplace as being wherever one happens to be working at any point in time, that is, to perform all of one's work from any remote location.

WAR ROOMS
Larger conference room space, booked for weeks or months by a "team" for a project.

WORKSPACE
Desks, offices and the circulation to reach them.

On-Site Options

Unassigned workspace can be an indicator of the prevalence of on-site distributed workplace strategies. Sixty percent of facility professionals responding to this study report some unassigned workspace in their facilities while 40% either dedicate or assign all workspace. However, only 5% of total workspace is allocated as non-dedicated workspace.

Of the 10 identified on-site unassigned workspace categories, touchdown space is the most common classification cited by respondents with 57% housing this space in their facilities, followed by huddle rooms and war rooms. Even though touchdown space was the most common on-site workplace option currently used, 17% of non-users of this option were unfamiliar with it.

Hoteling was reported to be the on-site alternative workplace option being most evaluated or planned for in a pilot test. Reasons given by those who are considering or implementing unassigned workspaces include flexibility and an ability to accommodate more workers without increasing space, cost savings and increasing productivity.

Third-party workers, such as consultants and temporary employees, are most likely to use non-dedicated spaces followed by those working in auditing/consulting services, IT and sales.

Though facility managers reported more employees using unassigned workspaces, the amount of space classified as unassigned has not increase at a similar pace. While nearly half of responding FM practitioners noted an increase in employees utilizing unassigned workspace, only 37% have increased their unassigned workspace allocation.

While cost-savings may seem like a natural benefit of on-site alternative workplace options, respondents to this study would not agree with this statement. Very few FM practitioners indicated significant decreases or increases on overall operating costs and just more than 40% reported no effect.

Some of the answers to open-ended questions showed the potential benefit to the FM department with the implementation of on-site distributed workplace strategies. One IFMA member reported, *"Our facilities team spearheaded the alternate workplace strategy and now is considered a strategic partner within the company. We are invited to company-wide strategic planning meetings with the C-suite. Our alternate workplace strategy project called AWESOME (Alternate Workplaces Engaging Staff and Office Management Efficiencies) is tied to the company 2012 vision and has had an impact on moving the company to become more metrics driven…The facilities team now sees the impact they have on improving quality of life for employees, improving productivity and customer satisfaction. Our customer satisfaction scores are up from 90% to 94.6%."*

Off-Site Options

Telecommuting was the most common off-site workplace strategy reported with 56% of respondents noting its use within their organization, followed by virtual office/teleworkers (37%) and remote telecenters (15%). On average, 5% of total staff participated in telecommuting programs and 2% were engaged in telework arrangements.

Employee participation in off-site workplace options had changed only slightly over the past two years with 41% of respondents having indicated an increase and 42% having reported participation has stayed about the same. Job functions most affected by telecommuting/virtual work included IT, sales and other categories (43%).

The top reasons for considering or implementing an off-site work strategy included flexibility, work/life balance and cost savings. The major impediment encountered when researching or implementing off-site workplace options was management's resistance to change followed by organizational culture and technology constraints.

In contrast to on-site options, 32% of facility managers indicated that off-site workplace options decreased net overall operating costs. These lowered costs were reflected in decreases in costs for cost avoidance, current rent/lease/property costs and technology.

Off-site workplace options also were described in the open-ended question responses as a catalyst for increasing the facility manager's role within the organization.

Implementing Change

Communications continues to be critical to successful implementation of distributed workplace strategies. Employees most often are informed of pending changes to space or work processes via department meetings. Less frequently mentioned communications venues included memos, intranet communications, town hall or similar meetings, and Web communications.

Technology has become a key tool for worker productivity working in all environments. In the distributed workplace arena (on-site and off-site), the technologies used most often are laptops (92%), wireless access (70%), PDAs (53%) and videoconferencing (45%)

As could be expected, facility managers cited employees in the under 30 years of age category as having the most interest in distributed workplace options with 71% of employees in this age group appearing to be receptive.

ON-SITE
OPTIONS

Allocation of Workspace

40% Assigned workspace

60% Unassigned workspace

ALLOCATION OF WORKSPACE

Sixty percent of respondents had some unassigned workspace in their facilities while 40% assigned all workspace. Businesses with fewer employees were less likely to have non-dedicated workspace.

- Headquarters facilities were more likely to house some assigned space while a majority of education/training facilities, factories, health care and warehouse/distribution centers assigned all workspace.

- Within the institutional sector, a majority of educational organizations and city/county government entities had all assigned space.

- Telecom, insurance, consumer products and electronic manufacturers were most likely to offer non-dedicated workspace.

For whom do you provide non-dedicated workspace?

Employees	71%
Contractors	65%
Visitors	65%
Other	15%

WORKSPACE PROVIDED NON-DEDICATED WORKSPACES

Employees, visitors and contractors were cited as the most common users of unassigned workspace. Facility managers reported employees have access to non-dedicated workspace in more than two-thirds of facilities, a slightly higher proportion than the number who provided unassigned workspace for visitors and contractors.

- Businesses with large facilities were more likely to provide non-dedicated space for employees.

- Organizations with mid-sized facilities were most likely to provide non-dedicated space to visitors and contractors.

- Smaller businesses were not as likely to offer non-dedicated space to visitors and contractors.

- Organizations with the most employees were far more likely to provide non-dedicated space.

- Visitor workspaces often were found in training centers, factories, warehouses and energy sector facilities.

- Health care providers and electronics equipment manufacturers were most likely to provide non-dedicated space for employees.

- FM practitioners overseeing factories, data centers, warehouses, associations, chemical and medical equipment manufacturing operations were more likely to provide non-dedicated space to contractors.

On-Site Options

TYPES OF UNASSIGNED WORKSPACE

In the current work environment, there are 10 on-site unassigned workspace classifications:

- Activity Settings
- Convergence Areas
- Free Address
- Group Address
- Hoteling
- Huddle Rooms
- Satellite Office
- Shared Address
- Touchdown Space
- War Rooms

Touchdown space was indicated by facility managers as the most common unassigned workspace in their facilities followed by huddle rooms, war rooms and hoteling. Less common options were shared address, group address and convergence areas.
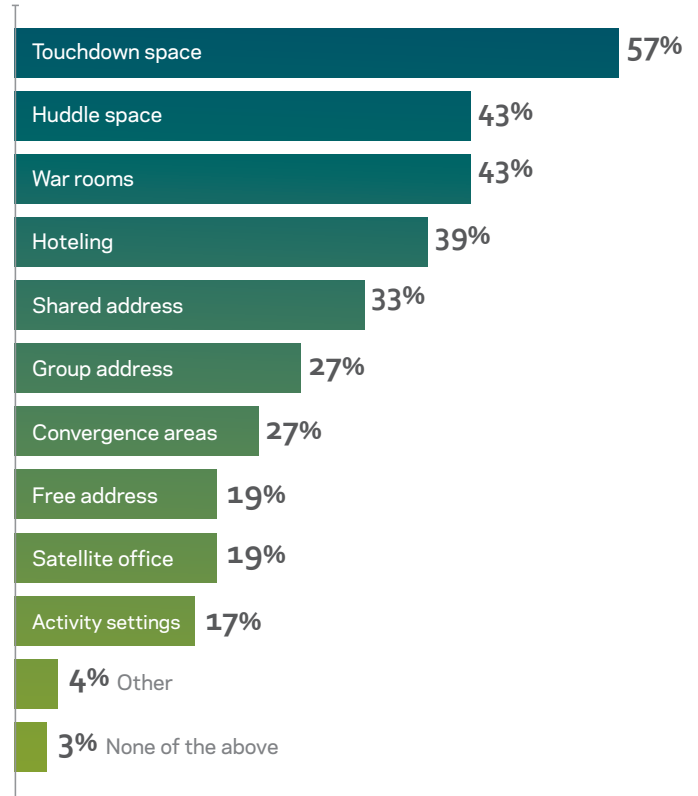
- Facility practitioners of the largest facilities were more likely to use a greater number of unassigned workspaces with touchdown space, huddle rooms and hoteling being the most common.

- Use of war rooms, hoteling, shared address and convergence areas was more common in larger facilities. Huddle rooms were more common in facilities with 1,000 employees; touchdown space and satellite offices in facilities for more than 3,000 employees; and activity settings more than 5,000 employees.

- Research centers, media and telecommunications facilities were most likely to have war rooms.

- Electronic and pharmaceutical manufacturing plants were common sites for shared address.
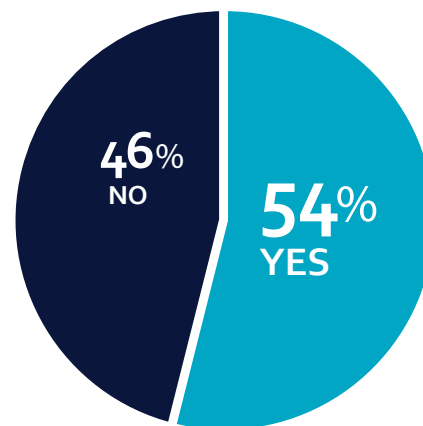
EMPLOYEES SHARING WORKSPACE

One of this research project's objectives was to find the commonality of workers sharing workspace, specifically where two or more workers were assigned to the same desk or workstation but at different times or shifts. More than half (54%) of respondents indicated they had employees sharing workspace.

- The proportion of companies with employees sharing workspace increased steadily based on the number of workers in the facility, doubling from 38% of facilities with 100 or fewer employees to 77% of facilities with more than 5,000 employees.

- FM practitioners working in the institutional sector were less likely to have shared workspace.

- Facility managers overseeing the largest facilities reported the highest proportion of workers sharing workspace with two points of sharper increase in the 100-500 employees and the 3,000-5,000 employee range.

- Health care, telecommunications, energy and consumer goods manufacturing organizations respondents were the most likely to report shared workspaces.

Most Common Types of Unassigned Workspace

Type	Percentage
Touchdown space	57%
Huddle space	43%
War rooms	43%
Hoteling	39%
Shared address	33%
Group address	27%
Convergence areas	27%
Free address	19%
Satellite office	19%
Activity settings	17%
Other	4%
None of the above	3%

Do employees in your facility share workspace?

46% NO
54% YES

How do employees reserve a workspace?

Method	%
E-mailing a service coordinator or central database	49%
Calling a service coordinator	45%
On the Web	24%
By phone using an automated system	5%
Other	22%
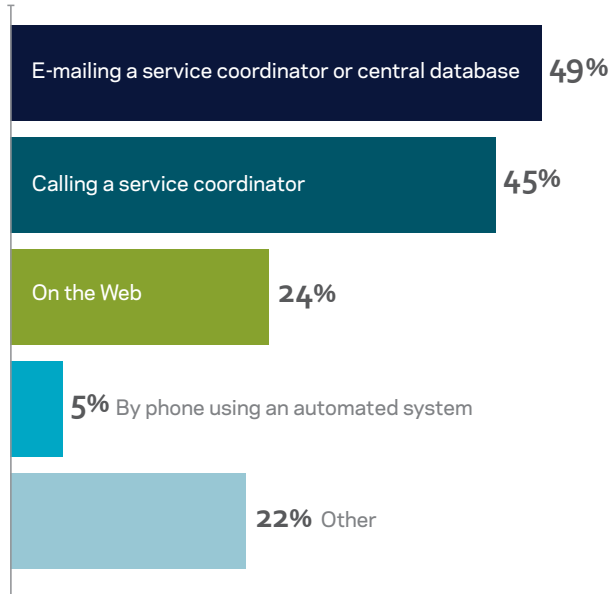
RESERVING WORKSPACES

There was almost an even split when facility managers were asked if workers could reserve a workspace in advance with 49% saying they could while 51% reported this was not an option. E-mailing a service coordinator or central database (49%) was the most common way to reserve a workspace followed by calling a service coordinator and Web reservations.

E-mailing a service coordinator or central database was the most common reservation option among managers of small facilities while Web reservations were more common for workers in large facilities. Those within the professional services sector were more likely to have workers call a service coordinator or concierge.

When asked what other methods were used to reserve space, some mentioned first-come-first served, note on door or using Microsoft Outlook®.

"If someone needs space at the corporate office, they go to their Outlook e-mail and request the office space to join their meeting."

"Scheduling through Outlook calendar has saved time for receptionist who used to manage bookings manually. It also eliminates power struggles over priority reservations that previously had to be mediated by Office Services. Now it is first come, first served and if there is a conflict then the employees have to work it out with each other."

Are collective workspaces assigned to specific groups?

40% Assigned to a particular group

60% Not assigned to anyone, available to all
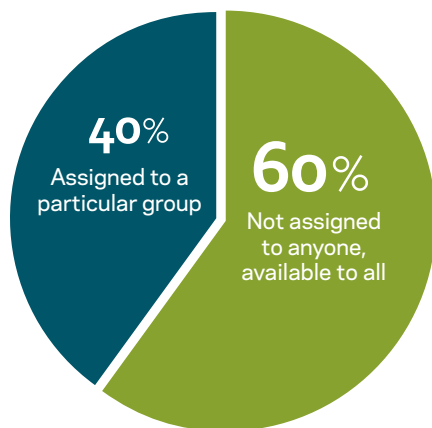
USE OF COLLECTIVE WORKSPACE

In the majority of facilities, collective workspaces (such as war rooms and huddle rooms) were not assigned to any team or department with 60% of respondents indicating spaces were available to all.

- Managers of smaller facilities were less likely to assign collective workspaces with the proportion peaking among those managing 250,000 or more square feet. Facilities falling into the mid-size range of total employees were most likely to have assigned collective workspaces.

- Facility managers in the manufacturing arena were more apt to assign collective workspaces to a particular group.
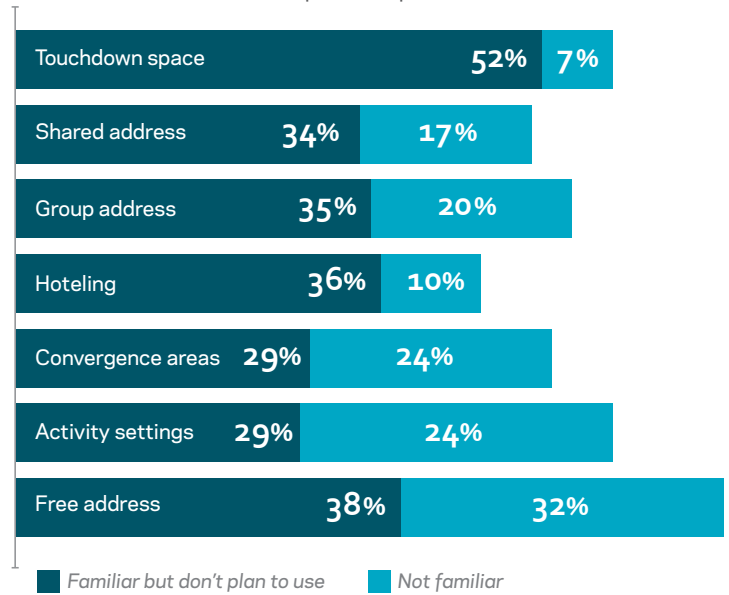
On-Site Options

FAMILIARITY WITH ALTERNATIVE WORKPLACE OPTIONS

Touchdown space was the alternative workplace option that facility managers were most familiar with while many were unaware of free address and activity settings.

- Managers of small facilities were most likely to be familiar with but not intending to use shared address, hoteling, convergence areas, group address and activity settings.

- Respondents in large facilities had the highest familiarity without intending to use free address, while familiarity without intending to use touchdown space was consistent across size ranges.

- Institutional sector facility managers had the highest familiarity without intent to use of group address, hoteling and touchdown space. Those who managed research centers, and state and provincial government sectors indicated they were more familiar with these settings but had no plans to utilize them.
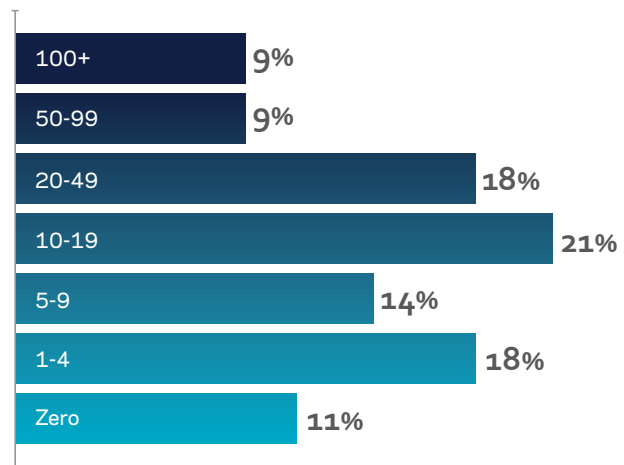
PROPORTION AND NUMBER OF TOTAL WORKSTATIONS THAT ARE UNASSIGNED
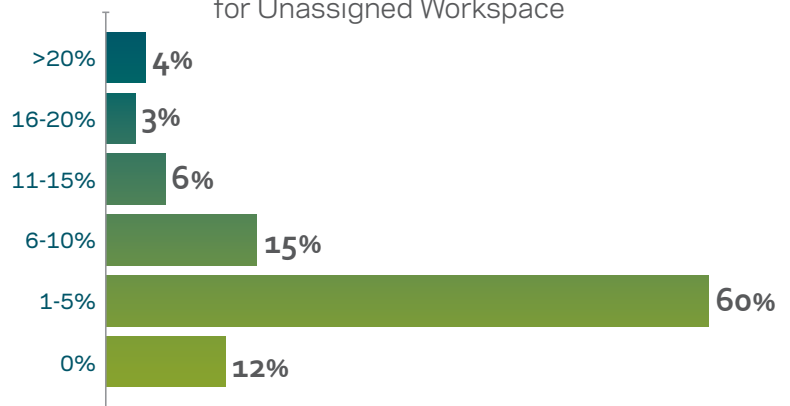
In this study, respondents noted that an average of 29 workstations within their facilities were designated as unassigned. When asked about the total workspace allocated as unassigned, FM practitioners reported an average proportion of 5%. As was predicted, a positive correlation does exist between the size of the facility and unassigned workspace.

- Facility professionals managing the largest facilities were far more likely to have more workstations provided for unassigned workspace with 66% of them having 20 or more workstations as compared to less than 25% for small facilities.

- Services sector respondents reported a higher proportion of unassigned workspace (8%) than those in manufacturing (5%) or the institutional arenas (4%).

Are you familiar with alternative workplace options?

Option	Familiar but don't plan to use	Not familiar
Touchdown space	52%	7%
Shared address	34%	17%
Group address	35%	20%
Hoteling	36%	10%
Convergence areas	29%	24%
Activity settings	29%	24%
Free address	38%	32%

■ Familiar but don't plan to use   ■ Not familiar

Number of Workstations Currently Provided for Unassigned Workspace

100+	9%
50-99	9%
20-49	18%
10-19	21%
5-9	14%
1-4	18%
Zero	11%

Proportion of Workstations Currently Provided for Unassigned Workspace

>20%	4%
16-20%	3%
11-15%	6%
6-10%	15%
1-5%	60%
0%	12%

Current/Past/Planned Use of Each Workplace Option

Workplace Option	Currently using	Evaluating or planning a pilot test	Used in past but not now
Touchdown space	52%	7%	4%
Shared address	39%	5%	7%
Group address	35%	4%	6%
Hoteling	34%	14%	5%
Convergence areas	34%	9%	5%
Activity settings	29%	8%	5%
Free address	20%	7%	3%

- Currently using
- Evaluating or planning a pilot test
- Used in past but not now
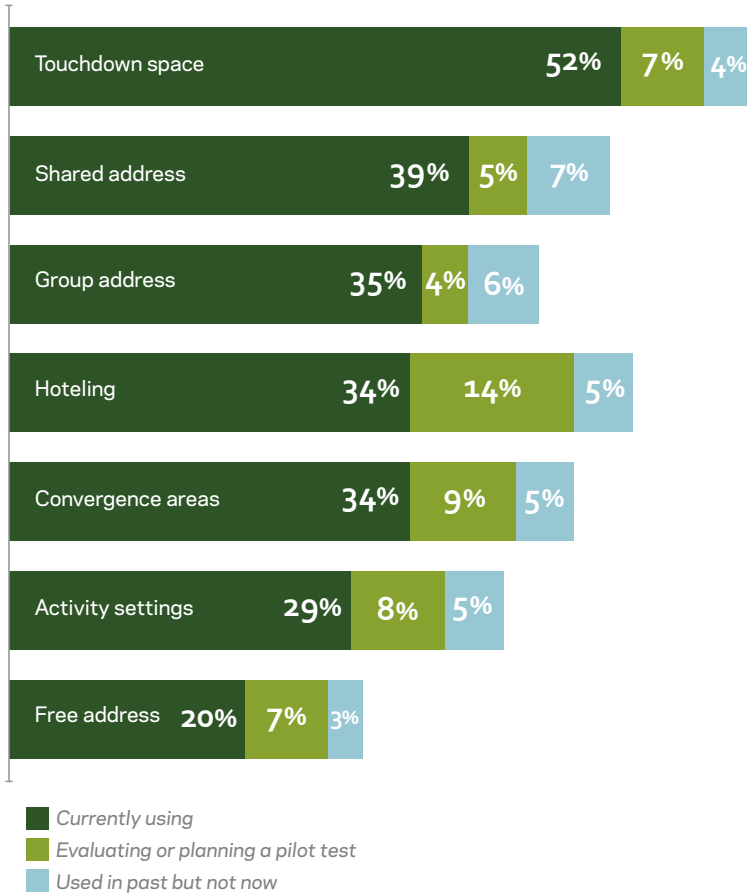
USE OF ON-SITE WORKPLACE OPTIONS

For this study, seven on-site workplace options were defined: activity setting, convergence areas, free address, group address, hoteling, shared address and touchdown space. Of these seven options, facility managers were asked to indicate use in their facilities as current, prospective (i.e., evaluating or planning a pilot test) and past but not current use.

Fifty-two percent of respondents currently were using touchdown space while 7% were either evaluating or planning a pilot test and 4% had implemented touchdown space in the past but have disregarded it.

Shared address, group address, hoteling and convergence areas were each used by one-third or more of the participants of this survey. In general, between 10% and 14% of facility managers were evaluating or had previously used most options, with hoteling being the option that will be a part of future plans.

- Facility managers located at smaller facilities were less likely to use activity settings, convergence areas and group address. They were the most likely to have tried but abandoned hoteling.

- Free address, group address, convergence areas and shared address were more often seen at larger facilities. Facility professionals in these environments were more likely to be considering shared address, group address, free address and activity settings.

- Due to multiple shifts, data and call center employees were much more likely to have shared address. In the past, touchdown space and hoteling were more common at call centers but their use diminished significantly.

- Practitioners in health care and educational organizations were more likely to be evaluating shared address while those working in manufacturing plants and data centers were considering free address.

- Group address and touchdown space were indicated in manufacturing facilities.

- Future use of touchdown space was more likely to be considered for use in computer hardware and software manufacturing facilities.

- Health care, telecommunications, energy and consumer goods manufacturing organizations respondents were the most likely to report shared workspaces.

On-Site Options

RECENT CHANGES IN PARTICIPATING EMPLOYEES AND SPACE ALLOCATION

Employees utilizing unassigned workspace increased over the past two years, but the amount of unassigned space had not grown at the same pace. Almost half of respondents indicated the number of participating employees had increased and only 11% indicated a decrease. In terms of allocating unassigned workspace, 37% reported an increase in unassigned workspace, 42% remained unchanged and 21% have decreased this space.

- Large facilities and those within the manufacturing sector were far more likely than other industry sectors to have experienced an increase in unassigned workspace.

- FM practitioners managing nationwide operations most frequently indicated an increase in participating employees and unassigned workspace.

- Industries that experienced growth in employee participating in using unassigned workspaces included research, consumer products, energy, professional services, and state and local government.

- Health care, energy and electronic manufacturing facility managers reported an increase in unassigned workspace.

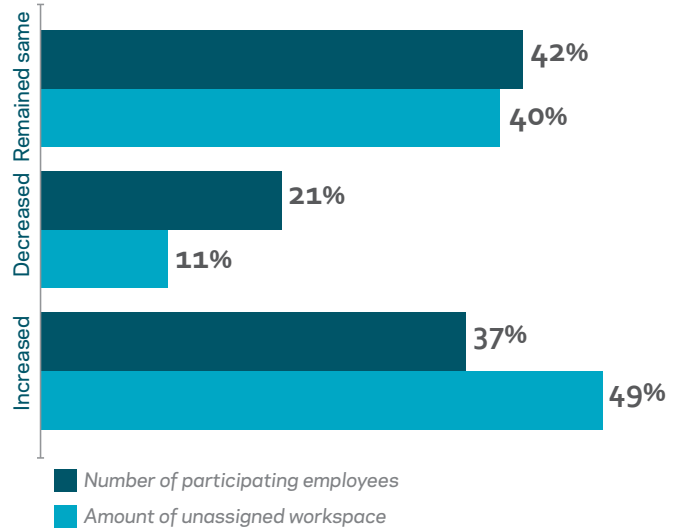## JOB FUNCTIONS AND UNASSIGNED WORKSPACE

Employees in auditing/consulting services, IT, sales and third-party workers were cited as the best positions to use non-dedicated workspace.

- Large facilities, both in terms of square footage and number of employees, had the most positions affected by unassigned workspace.

- Facility managers in the manufacturing sector reported more positions working in non-dedicated space while those in the institutional sector had the fewest positions using this space category.

- Those managing nationwide facilities indicated auditing/consulting and administration employees were assigned to non-dedicated space.
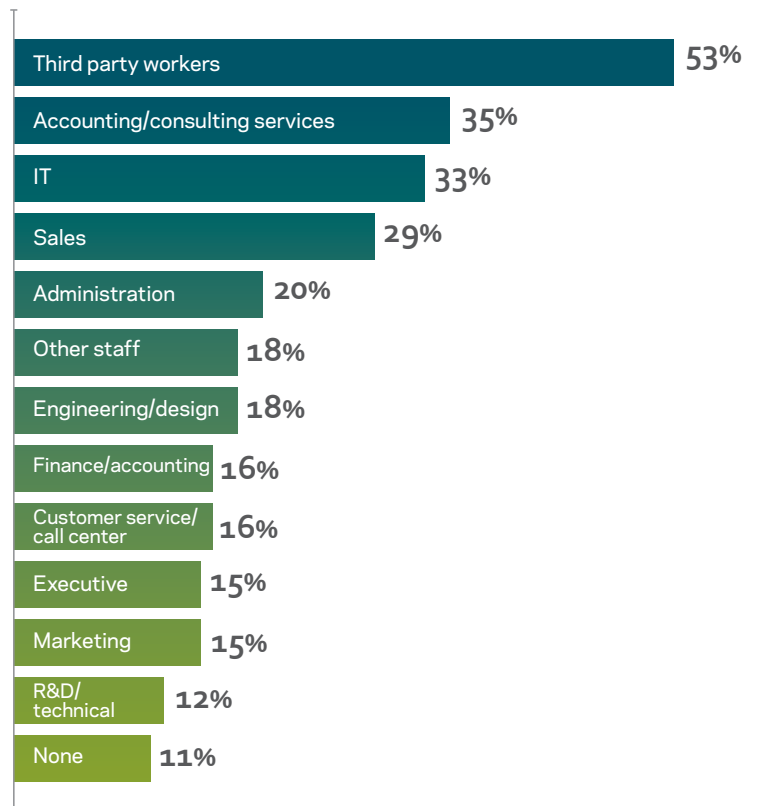
Other positions reported in the study that could use unassigned workspace included:

- Attorneys
- Case managers
- Editors/publishers
- Facilities
- Field staff
- Government relations
- Human resources
- Investigative lab staff
- Part-time interns
- Physicians/nurses
- Producers/editors
- Production staff
- Real estate
- Researchers
- Teachers
- Vendors

Changes in Unassigned Workspace Over Past Two Years

Remained same
- Number of participating employees: 42%
- Amount of unassigned workspace: 40%

Decreased
- Number of participating employees: 21%
- Amount of unassigned workspace: 11%

Increased
- Number of participating employees: 37%
- Amount of unassigned workspace: 49%

Number of participating employees
Amount of unassigned workspace

Which job functions have any employees working in unassigned workspaces?

Job function	Percentage
Third party workers	53%
Accounting/consulting services	35%
IT	33%
Sales	29%
Administration	20%
Other staff	18%
Engineering/design	18%
Finance/accounting	16%
Customer service/call center	16%
Executive	15%
Marketing	15%
R&D/technical	12%
None	11%

Reasons Why Unassigned Workspace May be Considered or Implemented

Reason	Very important	Somewhat important	Not at all
Accommodate more workers without increasing space	67%	26%	7%
Flexibility	64%	31%	5%
Company growth/shrinkage	57%	34%	9%
Cost savings	51%	35%	14%
Increase productivity	47%	39%	14%
Benefit for workers	38%	48%	14%
Real estate reduction	36%	35%	29%
Advances in technology	33%	47%	21%
Sustainability/reduce environmental impact	29%	48%	23%
Recruiting/retention tool	20%	37%	43%
Meet cultural/generational expectations	20%	49%	31%

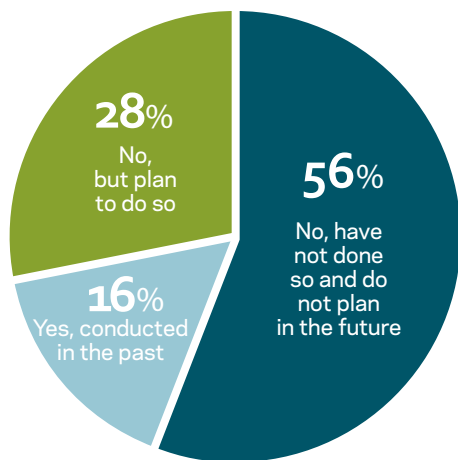■ *Very important* ■ *Somewhat important* ■ *Not at all*

REASONS TO CONSIDER OR IMPLEMENT UNASSIGNED WORKSPACE

What driving forces led facility managers to consider unassigned workspace? More than 60% of respondents indicated accommodating more workers without increasing space and flexibility as very important followed closely by cost savings and the ability to accommodate company growth or shrinkage. Other reasons noted by more than one-third of FM practitioners were increased productivity, employee benefit, real estate reduction and technology advances.

- Respondents managing large facilities indicated cost savings and real estate reduction as very important and were less likely to cite increased productivity, benefit for workers or technological advances.

- Service sector facility professionals were more likely to name cost savings as a key factor for unassigned workspace while those in manufacturing reported several reasons, particularly flexibility and accommodating workers.

- FM practitioners in the professional services industry were most likely to regard work/life balance and increased productivity as important reasons.

Trends in Evaluating On-Site Workplace Options

28% No, but plan to do so

16% Yes, conducted in the past

56% No, have not done so and do not plan in the future

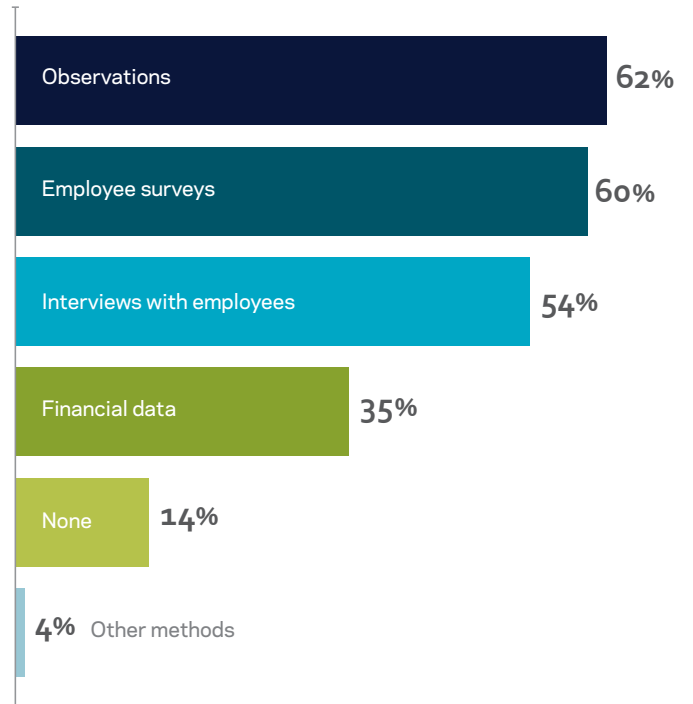## FORMAL EVALUATION OF ON-SITE WORKPLACE OPTIONS

Conducting formal evaluations of on-site workplace options was not a common practice. Only 16% of IFMA members responding to this survey had conducted a formal evaluation in the past and another 28% planned to do so. The remaining 56% had not done an evaluation nor do they plan to. Practitioners who managed facilities of 250,000 square feet or more were more likely to have conducted or planned an evaluation.
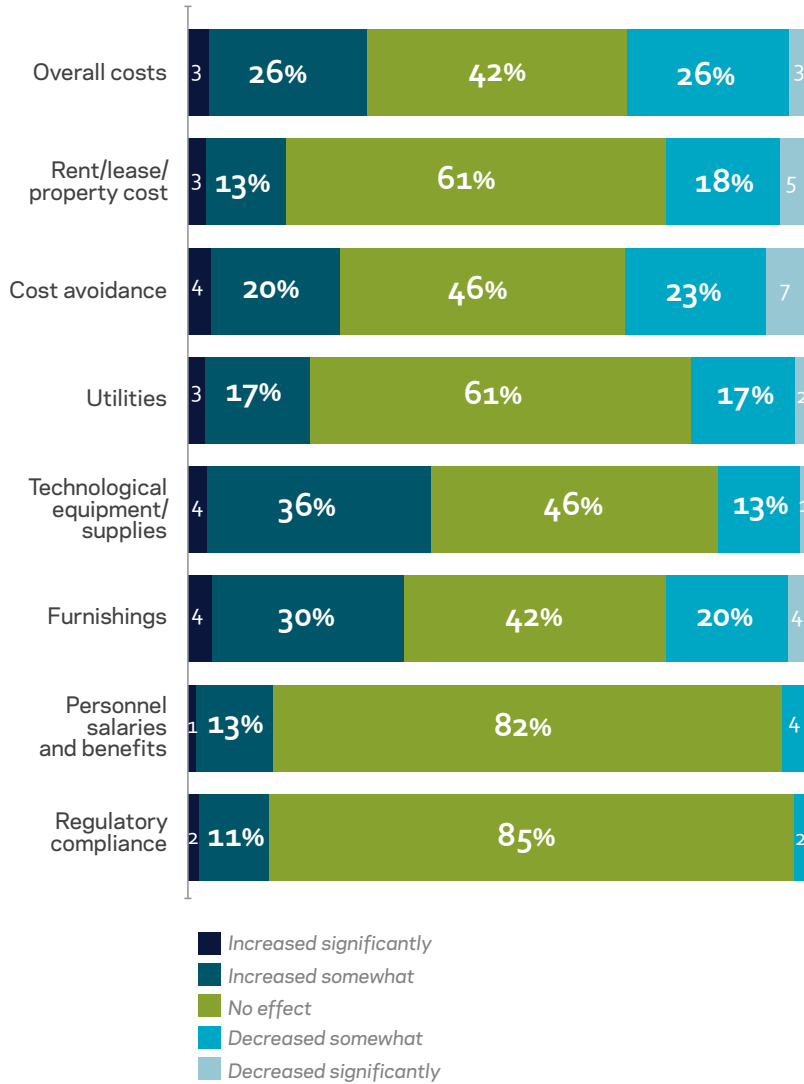
On-Site Options

EVALUATION METHODS USED
The majority of those who had conducted or were planning to conduct evaluations indicated three evaluation methods: observations, employee surveys and employee interviews.

Evaluation Methods for On-Site Workplace Options

Method	Percentage
Observations	62%
Employee surveys	60%
Interviews with employees	54%
Financial data	35%
None	14%
Other methods	4%

How has On-Site workplace options affected operating costs in the following areas?

Category	Increased significantly	Increased somewhat	No effect	Decreased somewhat	Decreased significantly
Overall costs	3	26%	42%	26%	3
Rent/lease/property cost	3	13%	61%	18%	5
Cost avoidance	4	20%	46%	23%	7
Utilities	3	17%	61%	17%	2
Technological equipment/supplies	4	36%	46%	13%	1
Furnishings	4	30%	42%	20%	4
Personnel salaries and benefits	1	13%	82%	4	
Regulatory compliance	2	11%	85%	2	

Increased significantly
Increased somewhat
No effect
Decreased somewhat
Decreased significantly

IMPACT ON OPERATING COSTS

Impact on operating costs was a reason for implementing a non-dedicated workspace program. Forty-two percent of the study respondents reported overall operating costs were impacted in a neutral way, while just more than a quarter each indicated that costs increased or decreased somewhat.

- Those managing the largest facilities were slightly more likely to report net decreases in utilities and technological equipment/supplies while those who oversee the smallest facilities were slightly more likely to report decreases in regulatory compliance, salaries/benefits, utilities, and rent, lease and property costs.

- FM practitioners in the service sector were the most likely to report decreasing overall costs while those working in manufacturing facilities were more likely to report a decrease in utilities costs.

- Insurance, pharmaceutical, educational and federal government facility managers reported cost increases.

Common Effects of On-Site Workplace Options

When given the chance to report how implementing on-site workplace options has impacted their FM departments and how they operate, respondents gave a broad mix of positive and negative experiences.

BENEFITS TO IMPLEMENTATION:

"We have multiple locations around the Washington, D.C., Metro area. Unassigned space allows personnel to work with different departments in other buildings. These departments don't have to worry about providing space and equipment. Also, since there is a lot of field work in different territories, unassigned space provides supervisors a place to work on temporary basis."

"Less reconfiguring of temporary offices/workstations. The availability of unassigned workstations addresses temporary and long term needs."

"*Great recruiting tool.*"

"It has freed up substantial time previously taken to accommodate last minute requests from travelers and project teams."

"A flexible work environment allows for facility managers and supervisors to sit anywhere in the building to **connect more** with customers/employees. Most F&S managers sit in the same place every day. They must sit in different areas for periods of time to understand how people really use space."

"Ability to allow teams or groups to better collaborate sitting in a shared area. Allows **better focus, more flexibility** as teams and personnel change."

"Improved operational efficiency and decreased operational costs. There has also been an improvement in worker flexibility which satisfies the both the organization's and the employee's needs."

"*Much easier to manage* contractor churn and to support new project start-up using contractor rooms (group address)."

"Out-of-town employees can work as if they are in their own office."

"Remain flexible in a changing economy. Reduction in costs for operations of a facility saves jobs. The lower the cost we can sustain the facility for its intended purpose vs. remaining fluid to accommodate the direction in which we are being utilized will allow monies to be allocated elsewhere."

"It is allowing us to decrease our real estate holdings, both owned and leased facilities."

"Permits my company to **accommodate our customer** within a shorter time frame, everyone on our team is aware of what workspace in which facilities are available and that customer requirements will be met."

"This strategy shift has caused the team to think **outside the traditional services** box and caused the team to place mobility and porting of services at top of mind."

"Better communication because personnel can drive from key center to key center and utilize their laptops to perform work at any single location while meeting face to face with other lines of business. They are not stuck working in the office when in-person interaction brings better results. Bad weather – they can work at the closer key center and not endanger their lives by having to drive to a farther location."

"By having outside consultants next to our employees we have also noticed an **increase in information and knowledge sharing** which is always an additional benefit in employee growth."

DOWNSIDES TO IMPLEMENTATION:

"*Managing these spaces can be a pain.* People reserve space for a full eight-hour workday, yet they are only in their assigned space an hour or two. There never seems to be enough space. People complain there are not enough offices."

"Our reality is that we are more in a **reactionary vs. a proactive mode** for these types of unassigned spaces. We attempt to 'build-in' to our logic with each project. However, the reality is that as organizations increase/decrease their need for permanent, contract and team assignments, we have a need to meet their requirements within the limitations of the space and technology available while balancing best value for money spent. We tried in the past to 'build it and they will come,' and have found this to be unsuccessful."

"Biggest problem with our new workplace solutions is **total lack of privacy**."

"*Complete chaos!*"

"*Decreased morale* somewhat."

"Specific preference to work environment setup is a challenge. Ergonomic issues fluctuate. Morale among associates co-located with other divisions may decrease due to **lack of interaction** with management or observation for good performance to increase opportunities for promotions."

EFFECT ON FM OPERATIONS:

"Education of the employee base is a huge factor in making it work (etiquette, no squatting, management support). These are perhaps roles that facility management have not been as involved in previously."

"**Cultural change;** increased use of technology; standardized business processes; standardized info/records management processes; increased training of use of tech tools; improved management practices due to increased measures and metrics tracking; improved productivity (less time taken to produce outcome, fewer steps in processes, common metrics, etc.)."

"Ensuring that the changes are not seen as only a cost-cutting exercise is important. For service changes, it has become much less of an issue who sits in which desk versus being able to identify desks and spaces by some common method so that service can take place."

"Generally, spaces that are unassigned **require more cost to maintain** (do you put as much care into a rental car as the car you are still making payments on?)."

"Decreased the amount of MAC requests."

"Avoided construction and capital expenses dramatically by sharing spaces."

"**Higher stress** on the buildings and site services group, janitorial and food service. We are serving more people out of the same infrastructure."

"Increase in the number of facility service requests."

"**Increase needs for automated space management system** and getting top management and directors to work on HC forecasts, which have never before been done."

"**Increased workload.** Users not cleaning up after themselves, reporting issues with space/furniture."

"Initial load increased as people had questions, especially re: reservation system, but it has tapered to nothing."

"Traditional services such as mail, shipping and receiving, and the like have been impacted the most as the mobile and telework population has continued to climb due to **increased transportation costs** for employees."

"It is **more difficult now to maintain workstation standards.** People are always looking for unique solutions outside the standards. There has been a negative impact on the total amount of meeting space available since meeting rooms have been commandeered for use as war rooms or team spaces. The budgeting process now has to take into consideration the potential build out of the alternative workspaces. The fact that we provide these spaces makes for more physical change than would normally occur in the work environment. Lastly we now plan on-site workplace options into any new space we create to accommodate the way people want to work these days."

"More **logistical changes** with colleagues finding places to sit and work comfortably. Colleagues not accepting of cultural change so more demanding on FM needs/team."

"Need to be creative with storage options for employee files, etc."

"**Security and parking are an issue.** Not knowing when people are showing up to work out of one facility causes an impact."

ORGANIZATIONAL ACCEPTANCE IS KEY:

"Our facilities team spearheaded the alternate workplace strategy and is now considered a strategic partner within the company. We are now invited to company-wide strategic planning meetings with the C-suite. Our alternate workplace strategy project called AWESOME (Alternate Workplaces Engaging Staff and Office Management Efficiencies) is tied to the company 2012 vision and has had an impact on moving the company to become more metrics driven. The new teaming spaces helped to break down silos and enhance creativity and innovation. The AWESOME project is one of the key company goals, which means there is a lot of pressure to deliver space savings and increases in department productivity. The facilities team now sees the impact they have on **improving quality of life for employees, improving productivity and customer satisfaction.** Our customer satisfaction scores are up from 90% to 94.6%."

"The fact is that there are several alternatives in the industry for use. However, convincing leadership that these best practices provide savings in the long run is a tough sale. One must be in an organization with **forward/visionary thinkers.**"

"This is a difficult transition for a very traditional company with many senior, long term (30-46 year) employees."

"Upper management doesn't understand need for options. Believe it's a **waste of space** unless an assigned workstation is in place."
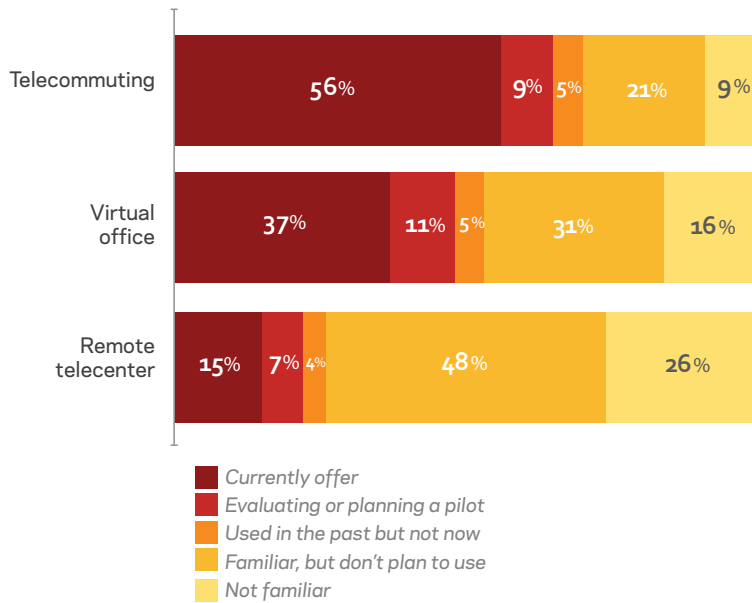
"We have such a small percentage of on-site workplace options that no considerable benefits have been noticed. The facilities team is trying to incorporate these into what we do, as a means to start a grass-roots effort. We support various workplace options, but we have been unable to get any **meaningful impact from senior management**."
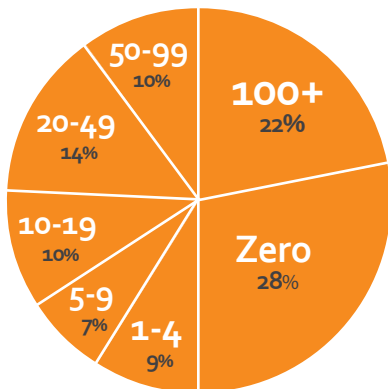
OFF-SITE
OPTIONS

Off-Site Options

Telecommuting: Currently offer 56%, Evaluating or planning a pilot 9%, Used in the past but not now 5%, Familiar but don't plan to use 21%, Not familiar 9%

Virtual office: 37%, 11%, 5%, 31%, 16%

Remote telecenter: 15%, 7%, 4%, 48%, 26%

Legend:
- *Currently offer*
- *Evaluating or planning a pilot*
- *Used in the past but not now*
- *Familiar, but don't plan to use*
- *Not familiar*

PERCENTAGE USING WORKPLACE OPTIONS

Distributed work takes place both on premise and off. To that end, respondents were asked a series of questions related to off-site work options including telework, virtual office and remote telecenters (as defined in the glossary of this study).
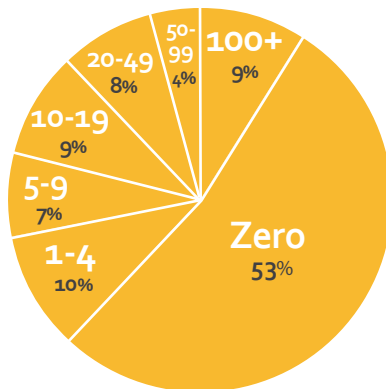
Fifty-six percent of respondents provide telecommuting as an option followed by 37% supporting virtual office/teleworkers and 15% of participants' organizations having telecenters. Each of these options was being evaluated or pilot tests planned by between 7% and 11% of respondents. More than 25% of IFMA members answering the survey were unfamiliar with the concept of remote telecenters.

- Facility managers of the largest facilities reported the highest current usage level of all three off-site workplace options.

- Institutional sector facility managers cited the highest use of telecommuting programs and lowest participation in virtual offices.

- Facility managers in the Northeastern United States were more apt to offer remote telecenters while those in the Pacific region were more likely to accommodate telecommuters.

- Research, information services and health care settings were the most likely industries to offer telecommuting programs.

How many of your employees telecommute?

100+ 22%, Zero 28%, 1-4 9%, 5-9 7%, 10-19 10%, 20-49 14%, 50-99 10%

How many of your employees telework?

100+ 9%, 50-99 4%, 20-49 8%, 10-19 9%, 5-9 7%, 1-4 10%, Zero 53%

NUMBER OF EMPLOYEES TELECOMMUTING OR TELEWORKING

When asked how many of their organizations employees could be classified as telecommuters or teleworkers, those respondents with active programs indicated a median of 26 telecommuters and 12 teleworkers.

While the distribution of programs included some extensive off-site programs with more than 100 participants, the normal profile of an off-site workplace program was modest in terms of total participation. For this survey, the given facilities reported on had a median of 560 total employees with a median of 6% employees classified as telecommuters and 3% as teleworkers.

- Practitioners in large facilities reported more extensive telecommuter and teleworker programs.

- Manufacturing facilities had much larger programs, particularly for telework, than average while almost half of institutional sector facilities reported no telecommuters.

Off-Site Options

CHANGE IN EMPLOYEE PARTICIPATION

Participation in off-site workplace options experienced a significant increase over the past two years with 45% of the respondents citing growth in this area. Respondents within the manufacturing sector were more likely to report that participation had increased while those from institutional sector indicated constant participation.

Has employee participation in Off-Site workplace options changed in the past two years?

3% Significant increase

Increased somewhat **42%**
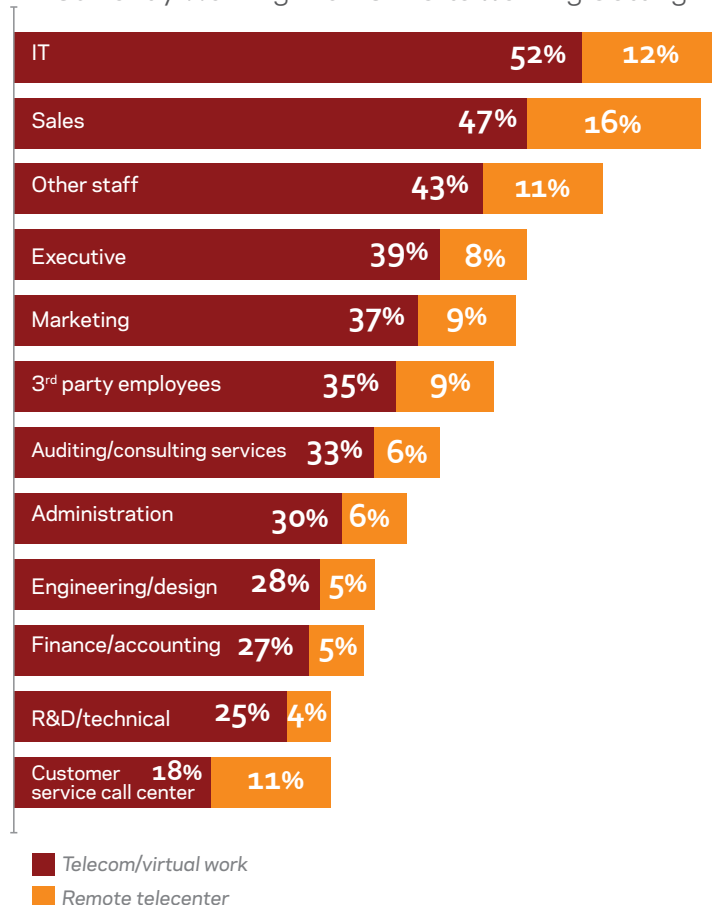
About the same **41%**

Decreased **5%**
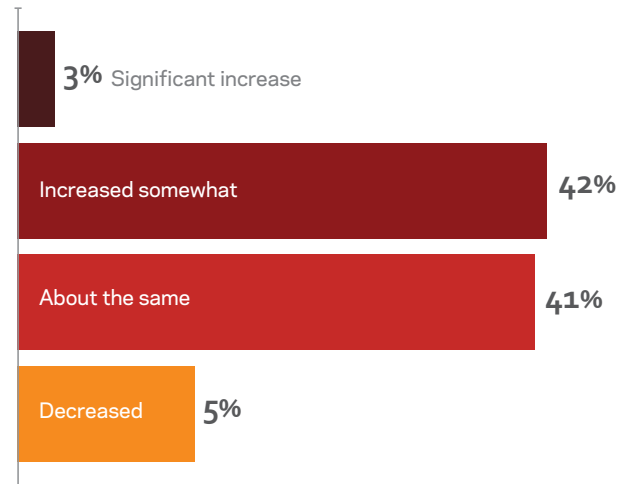
JOB FUNCTIONS WITH EMPLOYEES WORKING IN AN OFF-SITE WORK SETTING
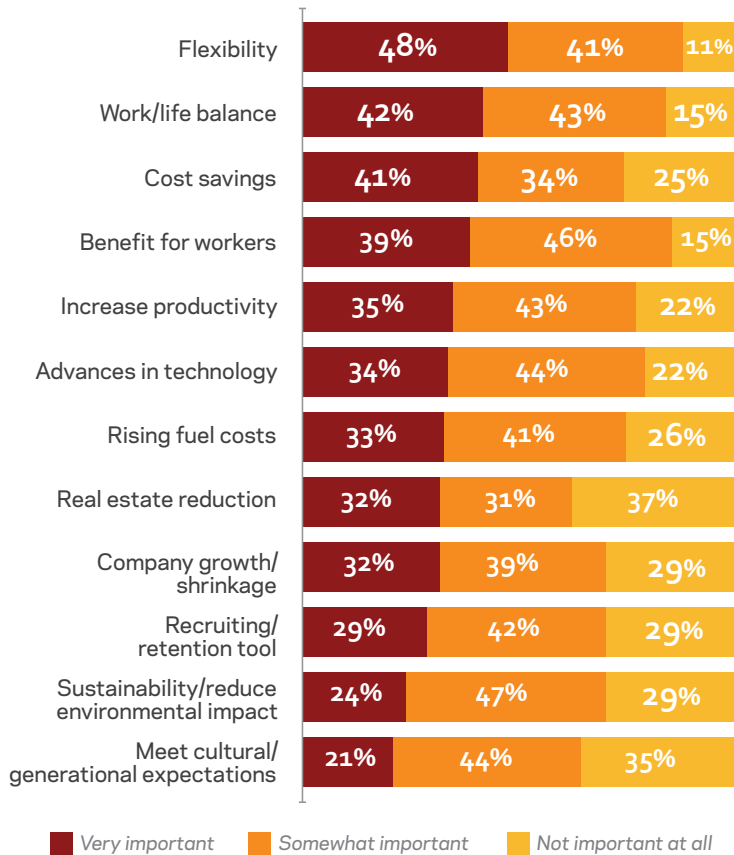
Respondents were presented a list of job functions and asked to indicate which positions were likely to telecommute, use a virtual offices and/or a remote telecenter. IT and sales employees were most often cited as participating in an off-site workplace option. More than 30% of facility managers indicated their company executives, marketing, third-party workers, auditors and administration staff telecommuted or worked virtually. A far smaller proportion of each job functions worked in remote telecenters, with sales and IT staff being the most common participants.

- Respondents managing the largest facilities were more likely to report sales and customer service staff telecommuting and sales, marketing, customer service, IT positions working from remote telecenters.

- In general, executive, administration and technical staff in off-site work settings was consistent across facility size ranges.

Job Functions With at Least Some Employees Currently Working in an Off-Site working Setting

Job Function	Telecom/virtual work	Remote telecenter
IT	52%	12%
Sales	47%	16%
Other staff	43%	11%
Executive	39%	8%
Marketing	37%	9%
3rd party employees	35%	9%
Auditing/consulting services	33%	6%
Administration	30%	6%
Engineering/design	28%	5%
Finance/accounting	27%	5%
R&D/technical	25%	4%
Customer service call center	18%	11%

Telecom/virtual work
Remote telecenter

What are the most important reasons that led you to consider or implement an off-site work option?

Reason	Very important	Somewhat important	Not important at all
Flexibility	48%	41%	11%
Work/life balance	42%	43%	15%
Cost savings	41%	34%	25%
Benefit for workers	39%	46%	15%
Increase productivity	35%	43%	22%
Advances in technology	34%	44%	22%
Rising fuel costs	33%	41%	26%
Real estate reduction	32%	31%	37%
Company growth/shrinkage	32%	39%	29%
Recruiting/retention tool	29%	42%	29%
Sustainability/reduce environmental impact	24%	47%	29%
Meet cultural/generational expectations	21%	44%	35%

■ Very important   ■ Somewhat important   ■ Not important at all

IMPORTANT REASONS FOR OFF-SITE WORK SETTINGS

Flexibility, work/life balance, cost savings and worker benefits were found to be the most important reasons for considering or implementing off-site work options. Survey participants cited increasing productivity, advances in technology, rising fuel costs, real estate reduction and company growth or shrinkage as somewhat important with recruiting/retention tools, sustainability/reduction in environmental impact and meeting cultural/generational expectations as relatively unimportant reasons for off-site work options.

- Those who managed the largest facilities were more likely to report real estate reduction as very important as compared to those who manage the smallest facilities who were more likely to report advances in technology as very important.

- Services sector facility managers responded that important reasons to have off-site options included serving as a recruiting/retention tool, employee benefit and cost savings.

- Call center FM practitioners named cost savings and real estate reduction as the most important reasons for off-site programs.

- Research and federal government facility managers as well as those working in Canada were most concerned with work/life balance.

Have you conducted a formal evaluation of your off-site workplace options?

NO: **27%** but plans to do so

NO: **59%** Have not done so and do not plan in the future

YES: **14%** Conducted in the past
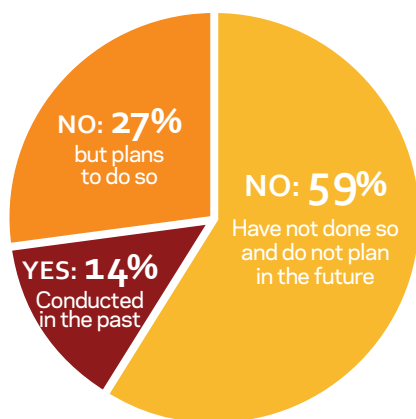
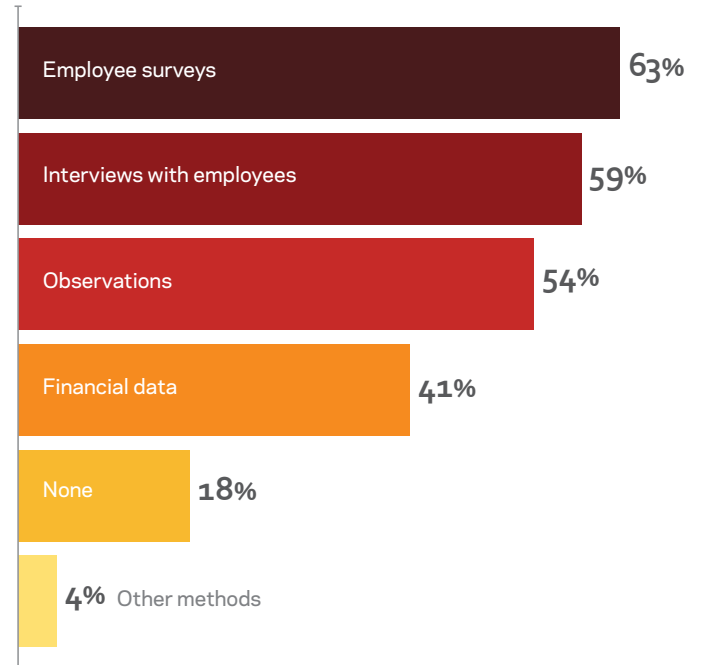## FORMAL EVALUATION OF OFF-SITE WORKPLACE OPTIONS

As with on-site workplace options, formal evaluation of off-site workplace options were not a common practice. A mere 14% of those surveyed had conducted a formal evaluation.

Off-Site Options

EVALUATION METHODS USED

Facility managers indicated that employee surveys, employee interviews, observations and financial data were the methods utilized to evaluate off-site workplace options.
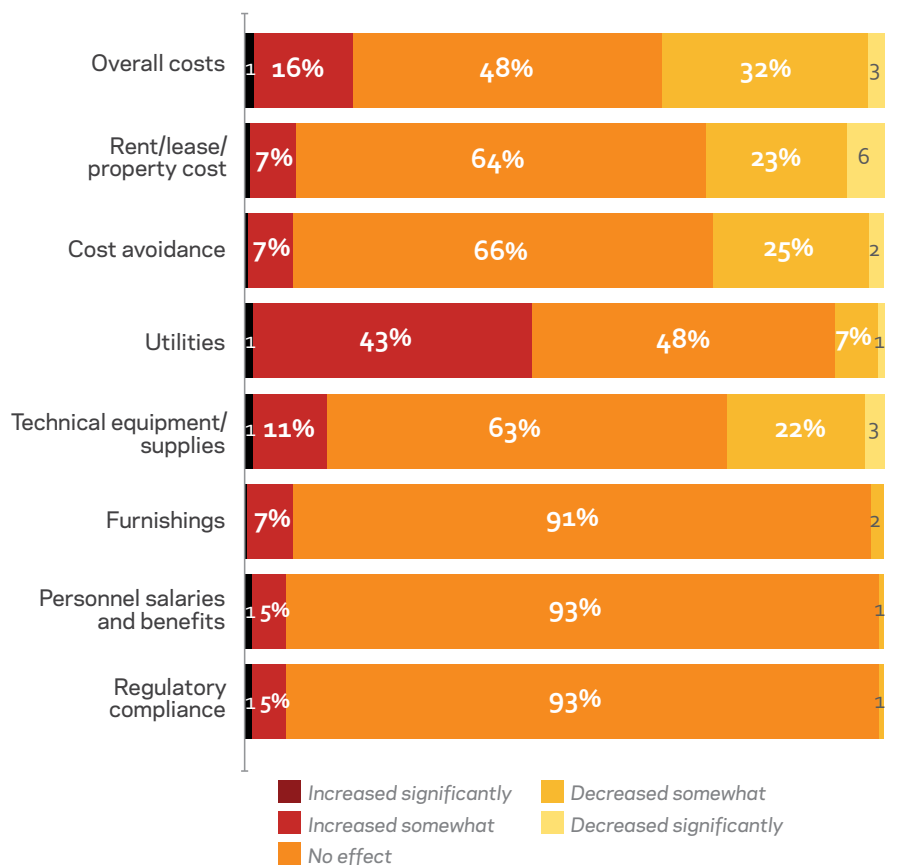
What methods have you used to evaluate off-site workplace options?

Method	Percentage
Employee surveys	63%
Interviews with employees	59%
Observations	54%
Financial data	41%
None	18%
Other methods	4%

EFFECT OF OFF-SITE WORKPLACE OPTIONS ON OPERATING COSTS

Almost half (48%) of the respondents indicated that provision of services to off-site workers had no effect on overall costs. In terms of technological equipment and supplies, facility managers were split between those who saw an increase or no effect with 25% indicating a cost decrease. Most respondents indicated an increase in utility costs and about 7% each indicate cost increases for property and furnishings costs. Costs were otherwise generally unaffected for categories such as worker salaries/benefits and regulatory compliance.

- Institutional sector facility managers were more likely to report increasing cost for leasing and overall costs.

- Service sector practitioners experienced decreasing technological equipment/supplies costs.

- Educational sector members were far most likely to report an increase in overall costs, while information services and computer manufacturers reported declining overall costs.

- Those who manage facilities in the Northeastern United States were most likely to report increasing overall costs while Canadian facility managers reported a drop in overall costs.

Do off-site workplace options impact any operating cost categories?

Category	Increased significantly	Increased somewhat	No effect	Decreased somewhat	Decreased significantly
Overall costs	1	16%	48%	32%	3
Rent/lease/property cost		7%	64%	23%	6
Cost avoidance		7%	66%	25%	2
Utilities	1	43%	48%	7%	1
Technical equipment/supplies	1	11%	63%	22%	3
Furnishings		7%	91%		2
Personnel salaries and benefits	1	5%	93%		1
Regulatory compliance	1	5%	93%		1

Legend:
- Increased significantly
- Increased somewhat
- No effect
- Decreased somewhat
- Decreased significantly

Organizational Barriers to Off-Site Workplace Options

Barrier	Important factor	#1 Single most
Management resistance to change	63%	41%
Organizational culture	59%	22%
Technology constraints	51%	24%
Employees' resistance to change	24%	7%
Other	7%	6%
Cost	20%	4%
Existing space/building requirements	15%	4%

■ Important factor
■ #1 Single most
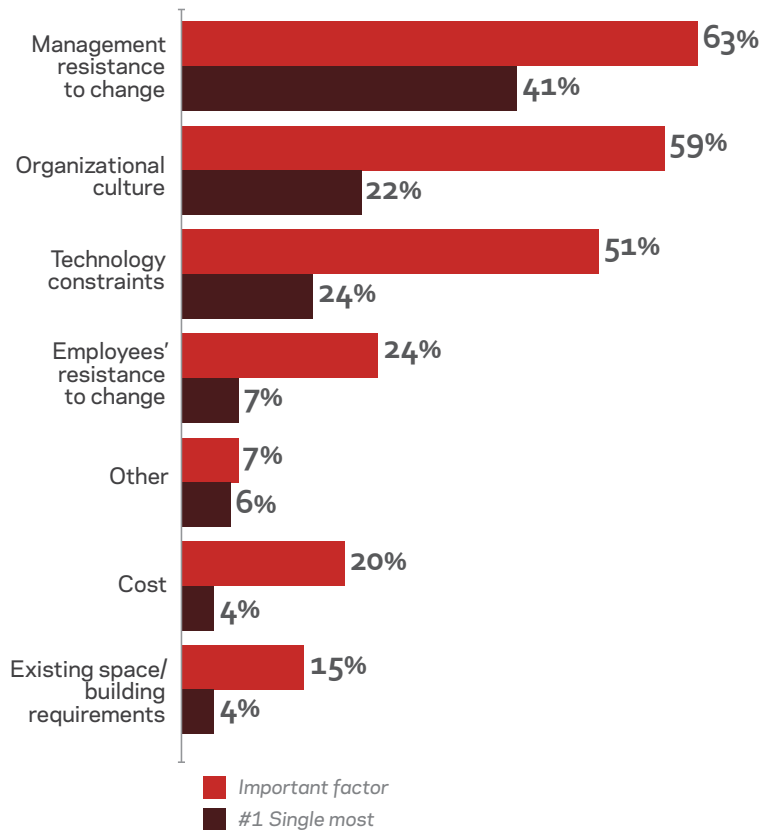
IMPLEMENTATION CONSTRAINTS

What are the barriers organizations encountered when researching or implementing off-site workplace options? A majority of responding facility managers indicated that management's resistance to change was the major challenge followed by organizational culture and technology constraints.

Other barriers respondents listed included:

- Control of confidential information.

- Ensuring that teleworking does not come to be seen as an employee entitlement.

- Health and safety issues.

- How to handle ergonomic issues outside of the office.

- HR, legal, security and regulatory considerations.

- Liability concerns.

- Logistics of what the company would or would not provide for the off-site work.

- Manager trusting that employees will be working while off-site. Managers need to "see" their people.

- Productivity concerns - Our work is generally done in teams, and when one or more members are absent from the workplace, there can be problems with communications, speed of response to clients and overall internal grumblings.

- Random determination of who can/cannot participate.

- Tax implications in states where we don't currently have offices.

- Union contract.

- Work-at-home documentation and agreements required.

- Workers compensation.

Off-Site Options

As was to be expected, telecommuting and virtual work has altered the way facility professionals manage their facilities.

BENEFITS TO IMPLEMENTATION:

"*Allowed staff to be flexible* in minimizing time lost for travel when off-site work is required in the vicinity of their home."

"Our organization is becoming more and more a business where the workers can work anywhere and anytime. Our facilities span across seven states and with workforce reductions, rotational assignments and team initiatives. *Working on the road is commonplace*."

"Allows for employees who live an hour away to *work the complete week*."

"It allows our sales, customer service and installation techs to live closer to the customer without having to provide a brick and mortar location for them to work from."

"This was a gradual change that was between individual managers and their staff. *It is all about employee retention.* Home basing works out very well for mothers who want to stay home with their children."

EFFECT ON FM OPERATIONS:

"I use remote access to alter BAS set points after hours."

"*Lessen the burden of requests.*"

"More employees working off-site overall means *less housekeeping required and lower utility costs* for water and power for lighting."

"Due to laptops, we do not need our FM team to manage moves in our office."

"You have to manage to visit these sites on a regular basis. We try to have somebody on site (ex: general maintenance employee on site)."

"It creates *a bit more work* for both FM and IT staff."

"The start up of the small office was difficult because they wanted the same services 40 miles away."

"It has *eased the space crunch* that we were experiencing and cut costs on parking expenses."

"Sometimes it's challenging because some telecommuting employees also feel they should have a permanent home in the nearest office. Holding unused space is sometimes a challenge. But it's not that often."

"*More contracts.*"

"Keeping staff who do not regularly come into the office aware of office events is important. Mail/document delivery varies from FedEx type accounts to individuals arranging to pick up mail in the office. *Keeping track can be a chore*."

"Reduce facility footprint, reduced office build-outs"

"There *has not been much savings* for providing workspace in other offices or working from home. We still carry a space for them in the headquarters property and we still need to provide technology for the employees."

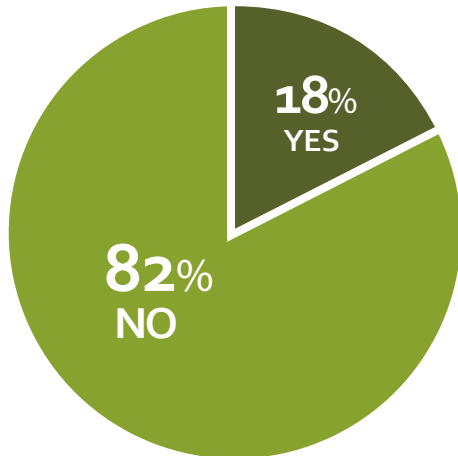"We've had to rely on doing things by phone for furniture cabling, have not seen the sites."

"Opened satellite shops, added a supervisor and increased productivity. Staff reports to the shop instead of the main facility and this *allows quicker response times* to our customers and reduces our fuel costs because travel time has been greatly reduced."

"Our facilities team spearheaded the alternate workplace strategy and is now considered a strategic partner within the company. We are now invited to company-wide strategic planning meetings with the C-suite. *Telecommuting has improved* participating department metrics and employee engagement. The facilities team now understands how they affect the bottom line of the company. *Morale has increased and customer satisfaction scores are up.*"
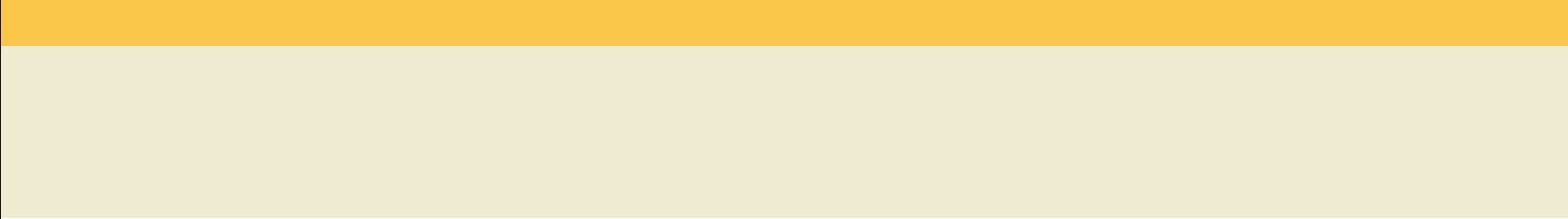
IMPLEMENTING
CHANGE

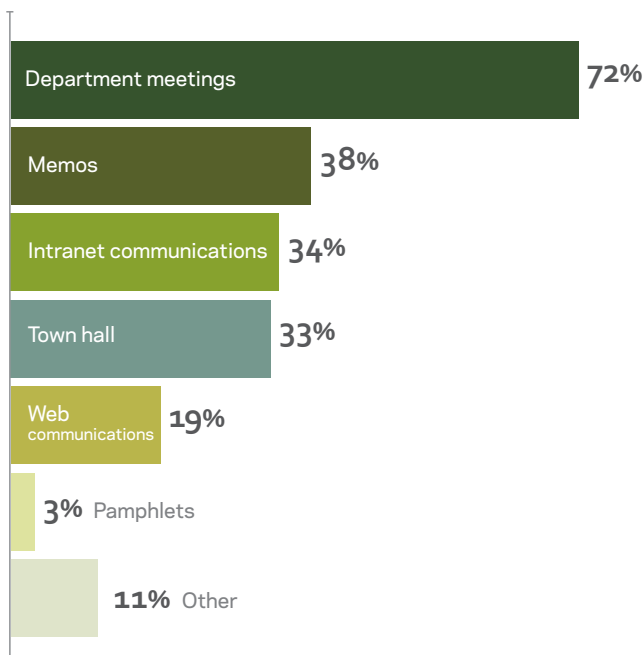## Do you offer an "incentive" to an employee when workspace is reduced or taken away?

18% YES

82% NO

How are employees informed or pending changes to workspace or work processses?

Department meetings	**72%**
Memos	**38%**
Intranet communications	**34%**
Town hall	**33%**
Web communications	**19%**
3% Pamphlets	
11% Other	

INCENTIVES OFFERED

Humans are territorial by nature and changing workers' habits and space can be a daunting task. Some organizations offered incentives to ease the transition when modifying space or moving from dedicated space to non-dedicated but only 18% of those responding to this study offered such an incentive.

Collaborative space, work schedule flexibility, updated furnishings and tools, and enhancements to facilitate working from home were a few of the incentives provided to those impacted by workspace changes. Others incentives facility managers mentioned include:

"Pay for their connectivity costs; provide laptop and required equip to work efficiently anywhere."

"Internet subsidy for home."

"Shredders and equipment at home."

"Flexibility to work anywhere."

"Increased collaborate and team space, as well as privacy areas for personal meetings and phone calls."

"Additional conference room space"

"Workstation tools and personalization options."

"Flat panel screens for computers and training on reasons why."

"Nicer office space when shared space was used, better furniture better resources."

"Better chair, choice of workstation location."

"New furniture, art on the wall."

"Opportunity for window seating; work hours adjustment."

"Lower space and service charge to the different departments."

"Recreational functions."

INFORMING WORKERS OF PENDING CHANGES

Communication has been identified as one of the nine core competencies required of a Certified Facility Manager (CFM). In regards to communicating with employees about pending changes to workspace or work processes, the department meeting was the most common communication vehicle. Far less common were memos, intranet communications, town hall or similar meetings and Web communications.

Implementing Change

SUPPORT TECHNOLOGIES USED

Technology has become a key tool for worker productivity. In the distributed workplace arena (on-site and off-site), the technologies used most often are laptops, wireless access, PDAs and videoconferencing. Other examples of technologies utilized for alternative workplace access included:

- Call center scheduling/management software
- Electronic/network team boards in shared areas
- Instant messaging
- Mobile phones
- Public workstations
- Push-to-talk phones
- Virtual Private Network (VPN) connections for computer access
- VoIP
- Webinar and collaboration software

Technologies Used to Support Distributed Workplace Options

Laptops	92%
Wireless	70%
FDAs	53%
Videoconferencing	45%
Other	8%
Concierge software	4%
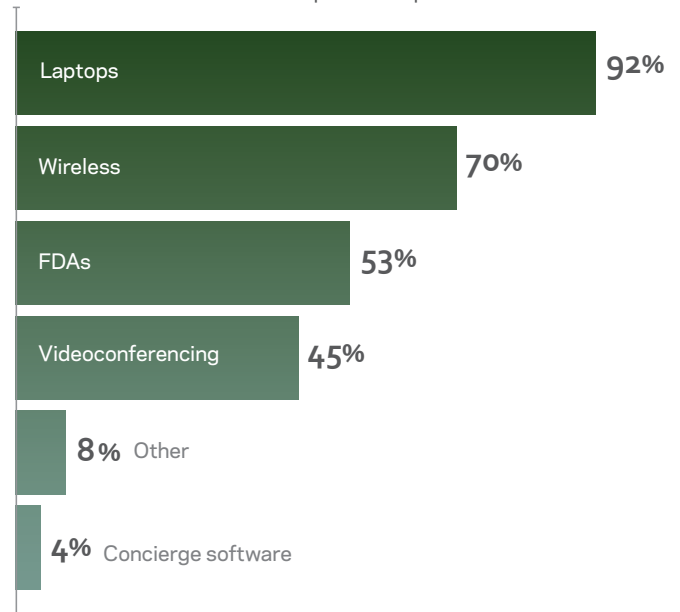
ADDITIONAL TRAINING REQUIRED

Workplace change often mandates training. When workspace or work process were modified, more than half of facility managers reported training was needed to apply new technologies and modify team communication and interaction. A smaller but still substantial proportion required training in etiquette protocols and business process change.

Types of Additional Training Required

New technology, tools, and software	61%
Team norms (expectations for communications & interaction)	51%
Etiquette protocol	42%
Business process change	38%
Other	4%
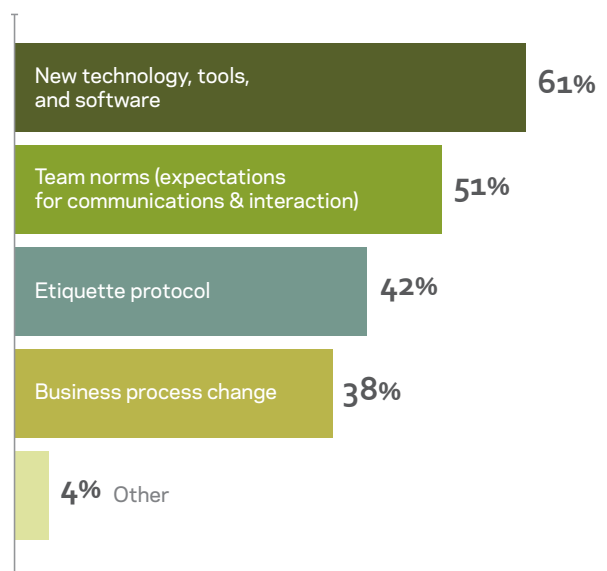
How well do distributed work options appeal to employees by age range?

Age range	Strong appeal	Moderate appeal	No appeal
Under 30	71%	23%	6%
30-39	48%	47%	5%
40-49	23%	63%	14%
50+	15%	44%	41%

- Strong appeal
- Moderate appeal
- No appeal
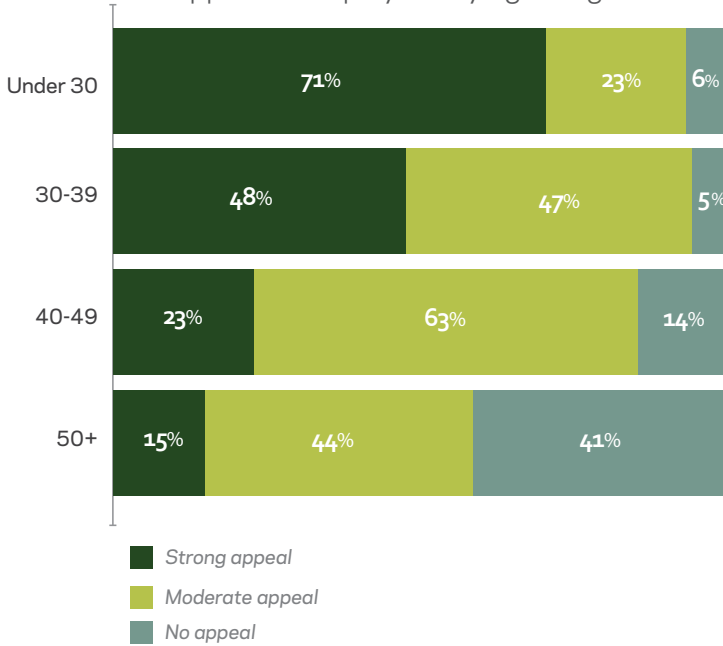
APPEAL OF DISTRIBUTED WORK OPTIONS BY AGE RANGE

Today's facility professional is challenged with the task of creating an appropriate work environment that may need to meet the needs of four generations occupying one work environment. In this study, respondents revealed their observances on how well distributed work options appeal to employees in several age categories–employees under 30, between 30 and 39, between 40 and 49, and 50 or older.

Not surprisingly, distributed work appealed most to younger employees with more than two-thirds of respondents indicating a strong appeal to workers under 30. Distributed work also had strong appeal to almost 50% of those 30 to 39 years of age but had relatively small strong appeal to employees 50 years of age or older. As one respondent said, "The introduction of open workspace has given a 'culture shock' for senior workers. (It's) for the newer ones."

About the Respondents

ABOUT THE RESPONDENTS
Many of the results in this survey were categorized based upon facility size, type and industry served.

SERVICES SECTOR: 40%

Banking	*Consumer, Commercial, Savings, Credit Unions*	38
Health Care	*Health Care*	34
Hospitality	*Hotel, Restaurants, Hospitality-Related*	8
Information Services	*Data Processing, Information Services, E-Commerce*	38
Insurance	*Health, Life, Auto, Mutual, Casualty, Flood*	50
Investment Services	*Securities and Investment Services*	19
Media	*Entertainment, Media, Broadcasting, Publishing*	15
Professional Services	*Legal, Accounting, Consulting, Engineering, Architecture*	72
Telecommunications	*Telecommunication, Internet Services*	19
Trade	*Wholesale, Retail*	1
Transportation	*Transportation, Freight*	15
Utilities	*Water, Gas, Electric*	16
Other Services		53
		N = 378

MANUFACTURING SECTOR: 17%

Aircraft/Industrial	*Aerospace, Industrial Equipment*	8
Building/Construction	*Building, Construction Materials*	6
Chemical/Pharmaceutical	*Chemical, Pharmaceutical, Biotech*	28
Consumer Products	*Food, Paper or related*	25
Computer	*Computer Hardware or Software*	13
Electronics	*Electronics, Telecommunications Equipment*	22
Energy	*Energy related, Mining or Distribution*	14
Medical Equipment	*Medical Equipment*	13
Motor Vehicles	*Motor Vehicles*	7
Other Manufacturing		21
		N = 157

INSTITUTIONAL SECTOR: 12%

Association	*Association, Society, Federation*	12
Cultural	*Cultural Institutions*	5
Educational/Training Center	*Higher Educational/Training Center, K – 12*	24
Federal Government	*Federal Government*	14
State/Provincial Government	*State/Provincial Government*	18
City/County Government	*City/County Government*	30
Special District/ Quasi-Government	*Special Districts, Transportation Authorities,*	5
	Improvement Districts, Quasi-Government	2
Military	*Military*	4
Religious	*Religious, Charitable*	6
Research	*Research*	**N = 120**

OTHER: 31%

Industry Not Specified	31%
	N = 295

Facility Use

Facility	Percentage
Headquarters	60%
Non-Headquarters: branch, regional offices	29%
Multi-use	11%
Call center	9%
Computer/data center	9%
Educational/training center	7%
Warehouse/distribution center	7%
Other	6%
Research center	6%
Factory/plant	4%
Health Care	3%
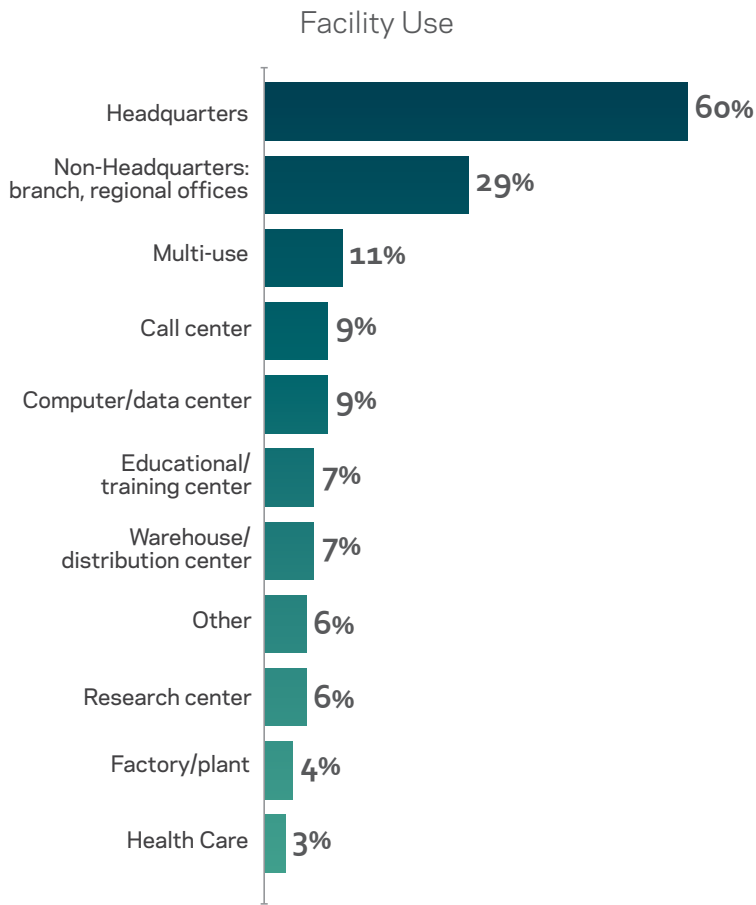
FACILITY USE

In addition to those listed in the chart, facilities included in other category were recreational, arena, theater, clinic, correctional, convention center, transportation, courthouse, multi-residential, retail and museum.

Size of Facility

Size	Percentage
More than 1,000,000 SF	15%
50,000 SF or less	18%
50,001-100,000 SF	14%
100,001-250,000 SF	24%
250,001-500,000 SF	15%
500,001-1,000,000 SF	14%
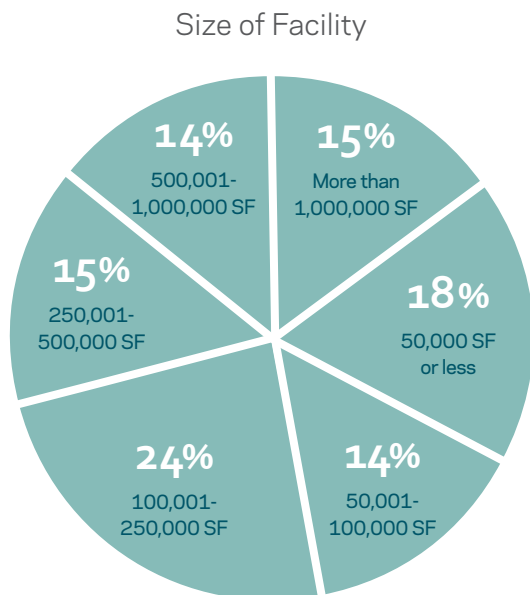
SQUARE FOOTAGE

The average size of facilities managed by respondents was 805,000 square feet with a median of 200,000 square feet.

About the Respondents

TOTAL EMPLOYEES
The median total workers at facilities managed by practitioners responding to this study were 525.

Number of Employees

- 12% 1-99
- 7% >5,000
- 6% 3,001-5,000
- 20% 1,001-3,000
- 36% 100-500
- 19% 501-1,000
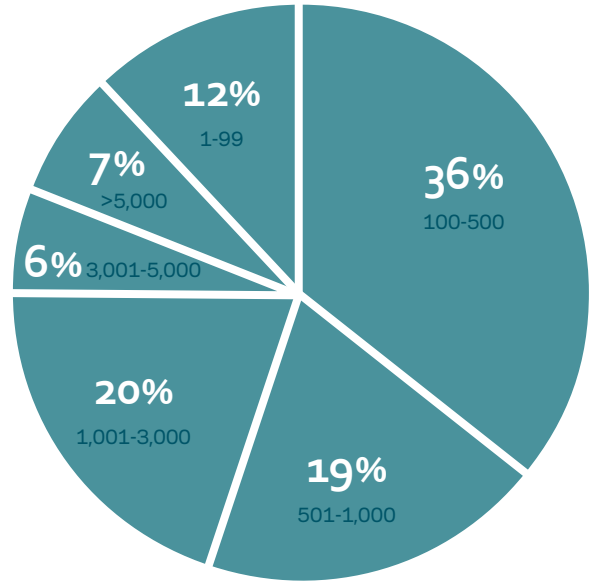
NUMBER OF FACILITIES MANAGED
Respondents indicated they manage a median of four total facilities.

Number of Facilities

- 7% 100+
- 5% 50-99
- 10% 20-49
- 13% 10-19
- 23% 1
- 24% 2-4
- 18% 5-9
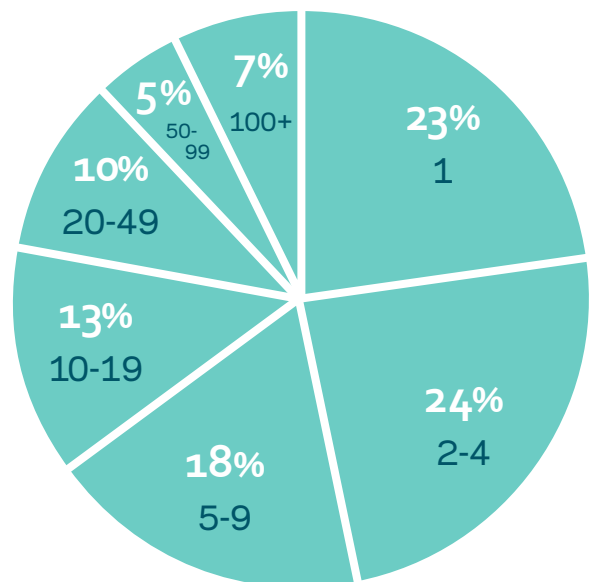
REGION:	N:	% OF SAMPLE
International (Belgium, Brazil, China, Columbia, Czech Republic, Germany, India, Italy, Ireland, Malaysia, Netherlands, Singapore, Japan, Romania, South Korea, Sultanate of Oman, France, Mexico, Switzerland, Taiwan, Trinidad and Tobago, United Kingdom)	70	8%
Canada (AB, BC, MB, NS, ON, QC, SK)	68	8%
New England (CT, MA, ME, NH, NJ, VT, RI)	50	6%
Northeast (DE, NY, PA)	67	8%
Mid-Atlantic (DC, MD, NC, SC, VA, WV)	68	8%
Southeast (AL, FL, GA, MS, TN)	74	9%
Midwest (IN, KY, MI, OH)	57	7%
North Central (IA, MN, MT, ND, SD, WI)	59	7%
Heartland (IL, KS, MO, NE)	50	6%
South Central (AR, LA, OK, TX)	49	6%
Mountain (AZ, CO, ID, NM, NV, UT, WY)	59	7%
Pacific (AK, CA, HI, OR, WA)	124	15%
U.S – not specified	37	5%

GEOGRAPHIC LOCATION
Respondents provided their country of business as well as the state or province in which they were located. Five percent did not specify their location but rather indicated they manage facilities throughout the United States.

Nortel Integrated Work Environment

"Work is about how, when, and where people come together and how they leverage tools, opportunities and choices to do their work."

David Dunn, leader of Nortel's Real Estate Workplace Planning team

With headquarters in Toronto, Ontario, Nortel is one of North America's leading makers of telecom equipment manufacturing core network switching, wireless and optical systems for customers worldwide. Nortel's operations include Carrier Networks, Enterprise Solutions, Metro Ethernet Networks and Global Services business groups.

NORTEL'S INTEGRATED WORK ENVIRONMENT (IWE) PROGRAM GOALS

Nortel has built on nearly 25 years of workplace research and innovation by implementing an Integrated Work Environment (IWE) strategy. "Work is what you do, whether you're together with or remote from your team, which may be globally distributed," said David Dunn, leader of Nortel's Real Estate Workplace Planning team. "It is no longer about the workplace in the traditional sense. It's about how, when and where people come together and how they leverage tools, opportunities and choices to do their work."

The IWE program goals include:

- Creating dynamic, appealing work environments
- Developing spaces that foster collaboration and enhance productivity
- Delivering significant bottom-line savings by reducing the size of the real estate portfolio
- Accommodating how employees really work by focusing on flexible personal desking solutions
- Enhancing collaboration spaces throughout the work environment.

MEASUREMENT TOOLS

Nortel has developed levels of employee mobility based on their historical profiles of the work performed by their teams. Profiles were created through a series of studies including:

- Observational studies
- Focus group sessions with employees
- Analysis of security access card data
- Parking lot counts
- Pilot project results
- Sensing technologies in chairs

In recent years, Nortel has moved toward investigating more direct technology opportunities for measuring space utilization, including embedding sensing technologies in chairs. "We're shifting our focus away from understanding teams toward understanding individuals," explained Dunn. "It's similar to saying we have 35,000 employees, so we should have 35,000 profiles. Then we can be more direct about how that individuality binds together to create teams and drive needs. It's a constant evolution of our thinking and constant opportunities for looking for tools, technologies and innovations to clarify that evolving behavior."

BUSINESS DRIVERS

Nortel is deploying their IWE strategy wherever a group can make a business case for doing it.

"Whether it's a greenfield site in a new location or retrofitting an existing location, we will deliver the IWE program to the extent that the business case allows," noted Dunn. "Clearly when we go into a greenfield location, we can use new furniture and wall system solutions, but we also can implement much of the strategy by reusing, redeploying and recycling in existing facilities. We just approach the organization of the space in a slightly different way."

FINANCIAL DRIVERS

Nortel's IWE program recognizes that people have changed the way they work and are increasingly out of the office. Why pay high costs for real estate when occupancy is low?

Nortel's global observational studies and site investigations conducted at the IWE program's outset revealed the company had almost twice as much space as they needed based on how employees were working and time spent in the office. To accommodate this change in work habits, space needed to be reconfigured. "It's a lofty goal, but we think we can cut space use by almost half over time," Dunn said. "We had been averaging about 330 to 350 rentable square feet per person. Today, we are delivering significant projects anywhere between 150 and 200 square feet per person. We're chipping away at the big target, which is 200 rentable square feet per person served, in pretty dramatic fashion." Nortel uses the term square foot per person "served" to express the fact, in addition to the physical footprint, the IWE space serves very mobile populations.

FACILITY DRIVERS

In 2006, Nortel applied the IWE strategy by compressing the people and functions of their single-floor, 1-million-square-foot world headquarters in Brampton, Ontario, into a 160,000-square-foot, 11-story building. Even with the burdens of space utilization created by headquarters functions — such as community spaces, an executive floor, a multimedia facility and a demo center — Nortel was able to reduce their space utilization from 350 square feet to 200 square feet per person.

NORTEL INTEGRATED WORK ENVIRONMENT

WORKSETTINGS

Nortel's metric of 200 square feet per person served includes two space standards:

- 48 square feet for assignable individual workstations; and
- 120 square feet for closed and open universal offices.

Worksettings typically are configured in team neighborhoods that often are supported by fixed spaces such as break and copy rooms. Nortel provides a variety of work environments for their employees including:

- Touchdown facilities
- Phone booths
- Enclaves (private offices are built and configured more as enclaves for use by teams as opposed to individuals)
- Flexible meeting rooms
- Project studios
- Sales studios (team-based work environments offering a variety of flexible work settings)

Powered by Nortel technologies, the dynamic sales studios create a living, breathing technology demo for Nortel sales teams worldwide. "These sales studios operate at phenomenal levels of efficiency with a totally free address and significant sharing ratios," noted Dunn. "At the same time that we are reducing our footprint, we also are capturing the imagination of our customers. It's a win-win."

LOCATION, LOCATION, LOCATION

Nortel has begun to concentrate public oasis spaces, project studios and meeting areas that are available to the entire community in concentrated, more appealing parts of the building, such as the outer edges.

"People might as well have a great place to sit or a view of the city," Dunn said. "We're being more efficient and focused on creating these concentrated areas rather than scattering soft seating, which people often don't feel comfortable using, all over the place."

SUPPORT FROM HR, IT, REAL ESTATE

Nortel facilities group is collaborating with their real estate, human resources and IT teams in the IWE strategy — what Dunn calls the "three legs of the stool" — with help from colleagues in finance, sales, safety, ergonomics, marketing and communications, and other departments as necessary.

"Our holistic approach to the work environment focuses on satisfying people's expectations involving flexibility, work-life balance, choice, attraction and retention," said Dunn. "IT is

providing the tools and technology that enable us to deliver all those choices. These work settings and enabling technologies, in turn, allow employees to make the choices the company wants them to be able to make from an HR point of view. These three legs of the organizational stool have to collaborate because no single group among us can deliver on all the organization's objectives."

Sales groups have increasingly been inviting Dunn's team to speak with customers about how the IWE program uses Nortel's communications technology to free people from fixed workplaces. "It's not just the wireless technology and soft phones on laptops with VoIP, but what we are doing with it," Dunn said. "We can show customers what this program has meant to Nortel from HR, IT and real estate points of view."
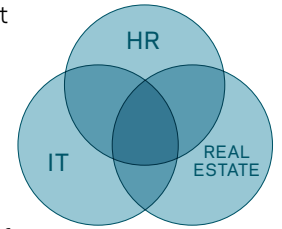
CHANGE MANAGEMENT

Change management for individual projects includes connecting with business group leaders and engaging with the client group through vision and focus groups. "We want people to understand what we're trying to achieve, what to expect, what's on their minds and what they're sensitive to so that we can tailor our efforts around those things and deliver the projects along with them," explained Dunn.

Success is based on listening and then responding, added Dunn. "It's not hard to get the bricks and mortar and technology right from a design point of view. But if you're not connecting the occupants of the space to process, goals and objectives, outcomes, and all the cool ways of using the new space, then you're missing the boat."

To help employees understand their workplace options, Nortel has developed a regularly updated intranet site that synthesizes all IWE strategy and mobility information.

Nortel is an innovation, design and engineering-driven company. Based on the design ethic that permeates their culture, there is a strong desire among Nortel employees to be engaged in the change – to understand what's happening, participate in the program and suggest improvements. "Our strategies set out a framework, like a continuum or menu, within which the IWE program operates," said Dunn. "Our planners and designers tailor their solutions to meet a team's needs within that framework. There's never any one right answer in our culture. That doesn't mean we don't set strong targets that we really want people to achieve, but we achieve them together. We very rarely impose solutions."

Enclave space

Oasis area (break room)

Workstation area

Touchdown area

TECHNOLOGY SUPPORT

At the inception of the IWE program, Dunn's team was challenged to coordinate investments in technology with those in real estate. "That problem has since abated, but it involved aligning new technologies being deployed with when and where we were doing significant workplace projects," said Dunn.

The company is using Nortel's communications technology as the "grand enabler" for new workplaces. Using their own technologies to help activate and power these environments has been an invaluable selling point to customers. "Turning our work environments into demonstration areas and proof points shows we walk the talk," said Dunn.

Dunn himself often works from his home office in a town about 50 miles south of Ottawa. His laptop, which uses Nortel's IP telephony to provide a unified communications solution, is his phone and he has a high-speed connection to Nortel's network.

On-site employees are supported by a wireless LAN. "Our technology literally enables you to work wherever you want," said Dunn. "Our people can be at home, in a coffee shop, with a customer, in an oasis space, the cafeteria in the office or even at a hotel in Beijing."

SUPPORTING TELEWORK

Nortel's IWE HR toolset includes training related to how to manage remote workers and training those who telework on the habits of successful mobile teleworkers.

Becoming a teleworker is a joint decision made between an employee and a manager. A structured process leads them to an agreement on the type of work settings that will be most advantageous to the individual, his/her team and the company. Using a management by objectives approach, the Nortel manager puts in place a set of objectives and then measures actual employee performance against them.

Early on in their telework program, Nortel did provide employees with home office furniture. Today, the company pays for high-speed Internet access but no longer provides furniture. "Fifteen years ago, we were very concerned about the configuration of home offices and the availability of ergonomically sound furniture," said Dunn. "Today, there is such an array of quality product available and many people already have their home offices configured, so we invest in training and resources that support the program."

METRICS

Pre-and post-occupancy surveys conducted anytime between three and six months after move-in give Dunn's team an understanding of employee satisfaction. Nortel tracks several workspace metrics including:

- Levels of employee mobility
- Proportion of space that's free address
- Amount of desk sharing
- Overall square footage reductions associated with the IWE program

Space demand across the company has dropped 25% since Nortel implemented the IWE program in 2004. "That's against the backdrop of wanting to create a 50% reduction," Dunn said. "For us to be able to point to 25% demand reduction across a global company is a profound number."

One IWE project in Atlanta, Ga., allowed Nortel to reduce office space from 80,000 square feet to 39,000 square feet. In this project, a $3.5 million capital investment yielded annual savings of $2.6 million, for a payback of 19 months. This project also reduced Nortel's annual CO_2 emissions by 2,735 metric tons, cutting their annual electricity costs by approximately $350,000.

Dunn believes the IWE strategy is allowing the company to finally achieve what is possible in terms of the vision behind alternative officing. "The IWE strategy has given us an equal connection among the three critical legs of the stool," he said. "We now have the wireless and VoIP technology we had all dreamed about for years. We were out there pushing the limits around telework 15 years ago when people were trying to figure out how to leverage their slow dial-up connections. It has been an interesting journey."

Bank of America My Work®

"...Our program grew in a hurry. We went from 2,200 to 9,600 participants in one year!"

Dan Boutross, My Work® Executive, Bank of America

Informal collaborative workspace

Informal collaboration

Galley area

Open desking

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company serves more than 59 million consumer and small business relationships in more than 150 countries.

According to progressive business leaders at Bank of America, it is increasingly important they provide associates with the opportunity to work where and how they are most productive. The company accomplishes this objective through the My Work® program, a revolutionary approach to delivering adaptive work environments created by Bank of America's internal corporate workplace organization. My Work® provides eligible associates with the ability to exchange their dedicated office or workstation for the ability to work in the manner in which they are most productive; be it from home, a team 'flex' space, or one of the bank's My Work® centers.

PROGRAM GOALS

By providing a platform for associate flexibility, Bank of America is able to accomplish My Work's® four primary goals:

- **Real estate savings:** Significantly reduce the cost of real estate once employees are enrolled and their space is redeployed to address pending real estate needs or eliminated entirely.

- **Associate satisfaction:** Increase associate satisfaction through the delivery of personal flexibility and empowerment to choose where and how to work.

- **Business continuity:** Provide the ability for Bank of America to operate effectively during times of business disruptions by establishing a distributed workforce trained to continue working in multiple situations.

- **Environmental sustainability:** Maintain a positive force in the community for environmental friendliness while reducing waste and increasing corporate health.

According to Dan Boutross, My Work® executive for Bank of America, the program's four goals are focused on delivering an environment that accommodates the way people already are working. "By using a Six Sigma approach to program creation and delivery, it all begins with voice of the customer and provides them with the tools, resources and flexibility they need to work as productively and efficiently as possible."

BEST CASE IMPLEMENTATION

My Work® initially was tested with a My Work® center in Ballantyne, a suburb of the headquarters city of Charlotte, N.C. "This was a highly visible pilot for us, as it provided an opportunity to hone our focus on change adoption" said Boutross. "An initial effort right outside our headquarters helped us prove our ability to increase our workspace utilization and associate satisfaction levels while learning valuable lessons for future program enhancements and locations."

The results of the Ballantyne effort were used to develop Bank of America's plans for a Boston My Work® center. As the program continues to grow, portfolio optimization opportunities are being developed as My Work® is being integrated into a business-as-usual model.

USING SIX SIGMA TO ENGINEER RESULTS

Bank of America is very focused on using Six Sigma to understand and improve their operations and services. The Six Sigma DMAIC (Define-Measure-Analyze-Improve-Control) process was used to re-engineer the end-to-end process to meet the increased demand and make the program and the processes scalable.

The 'voice of the customer' gathered in the pilot phase helped inform many of the key guiding principles in the re-engineering effort, specifically 'align, simplify and integrate.' Processes were aligned to support business needs and promote associate choice; simplified to make the tools intuitive and easy to use; and integrated with key partners and process including HR, technology, information security and others within corporate workplace. The streamlining effort resulted in three new stages of program adoption: engagement, campaign/change management and enrollment. Critical capabilities and tools to support each of these phases were tested and developed.

ALIGN	▪ Support business needs... make it flexible ▪ Promote associate choice	
SIMPLIFY	▪ Intuitive, easy to use, well executed ▪ Clearly communicated and documented	
INTEGRATE	▪ Enterprise platform with business partners (Business units, Tech, HR, Info. Protection) ▪ "Business as Usual" process within CRE	

BUSINESS-CENTRIC APPROACH

The new engagement models developed were built around the business units. Shifting the focus to the business was key in developing national rollout plans by line of business. The goal for the business alignment approach was to reward the early adopters and build successful case studies for marketing the program to other business units.

The first generation of the multi-generation plan focused on planning and investment for business self-direct solutions. The idea was to let the business own change while anticipating some early questions. Once the early successes were marked, the focus shifted to other business units with market specific opportunities while continuing to build overall awareness. This second generation focused on enhanced capabilities and deeper integration, both with business intelligence and geographic opportunity. The mature state would have My Work® as a business-as-usual process and solution.

WORKPLACE DELIVERY

After testing their solutions in Ballantyne by delivering brand new space into the portfolio, the company looked to expand the program within their existing portfolio. "In Ballantyne, our philosophy was 'build it, and they will come,'" said Boutross. "In most other cities, our philosophy changed 180 degrees. Now, we offer the program to lines of business and individuals without immediately deploying a new environment. We can reinvent space once we have the scale and workforce demand. Our new philosophy is 'they have come, now build it!' This is a game-changing dynamic for us."

The new program delivery model is focused on achieving buy-in by line of business level, not by geography. The resulting change management approach is more solid for the company. Charters are prepared for senior executive approval and deployed throughout the organization at multiple sites. Instead of attacking change at the local level, Bank of America program executives conduct a national campaign to affect change at the business unit level. This allows for quick program adoption and distribution.

FUNCTIONAL SUPPORT

The corporate workplace organization is well supported by various functional groups within the corporation including HR, business continuity, technology, risk, supply chain and legal. Within the corporate workplace organization, all functional teams have engaged for support in moving forward. Dedicated My Work® locations have a trained My Work® center coordinator who ensures security and risk requirements are met at the site and assists with operations to make certain maximum productivity for associates. The coordinator also helps measure workspace utilization and tracks workplace performance issues.

MEASURABLE RESULTS

Bank of America is achieving impressive results against their targeted goals. As for the financial results, the company projects that more than $5,500 per program participant per year will be realized. Associate satisfaction has increased by 14% for program participants. Business continuity and corporate sustainability has improved anecdotally as well. Bank of America has a strong corporate position on environmental sustainability, focusing on continually improving their triple bottom line position of people, planet and profit. "The company's focus on sustainability positions the My Work® program for growth and scalability," said Boutross. "For example, the My Work® associate per workspace ratio was originally targeted at 2:1. We are now experiencing desk sharing at a ratio of 5:1 and higher."

STUMBLING BLOCKS

My Work® has grown rapidly from 2,200 participants in 2008 to more than 9,600 participants in early 2009. "One of the greatest challenges has been to simplify the overall process of enrollment and ensure we execute with excellence," said Boutross. "Prior to re-engineering our process, associates entering the program were faced with lengthy enrollments timeframes and questioning about processes and tools. Simplification has been one of our headlines in driving accelerated enrollment numbers."

Optimizing the real estate portfolio is also a challenge. "Enrolling associates and executing plans to consolidate space is an increasingly complex issue," said Boutross. "As our program grows and our vacancy rates increase, we will face issues like, what's the right amount of vacancy, how long to hold vacant space and when to pull the trigger to sublet, terminate or sell space." The corporate workplace group has set a target to eliminate the unneeded workspace related to each program participant's location within two years of their decision to join in the program.

Having so many people enroll over a short period of time also has tested the program's ability to deliver the training and education necessary to avoid lost productivity. To meet this challenge, there are seven specific My Work®/virtual work-related education courses on the learning portal for bank associates and managers.

MEASUREMENT TOOLS

My Work® uses a balanced scorecard approach to measuring program performance. The scorecard is split into four specific quadrants: (see right) My Work® performance metrics are used by My Work® executives and business leaders to fine tune the various dimensions within the program's design and delivery model.

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
90% Non-reservable	Laptops	My Work®: Allows for many types of workers	My Work® Center Coordinator
Mix of space types	Mobile devices Blackberries & cell phones	1. Work at My Work® Centers	Security Requirements Ensure business continuity risks are managed
No linear desk runs	Headsets to manage noise	2. Work with teams	
Open seating & living areas	Office communicator	3. Work at home	Support productivity
90% Open, 10% closed	SharePoint	4. Highly mobile	Centralized office supplies
Lower panel heights	Collaboration software	*Provisions vary by workstyle*	Instructions at each desk (Printing, mail, etc)
Integrated 120° desk layouts	WiFi	ASSIGNED Standard workspace	Tech Support
	VPN		
	VoIP		

PROGRAM'S LIFETIME

The corporate workplace team formally launched My Work® program in 2005, with slow growth through late 2007. The program leaders chose to re-engineer the program in mid-2007, re-assessing some of the key assumptions related to program adoption, scalability and delivery. The primary change and focus of re-engineering was simplification, alignment and integration. These guiding principles have proven to be vital in sustaining the overall program. The program team is no longer simply rolling out the program project by project, but rather allowing adoption to happen using an integrated approach with the bank's lines of business and executing on that plan person by person. The subsequent growth has been tremendous.

An interesting and unintended outcome of the downtime in 2007 was that by suspending the program, a lot of interest in the future of the program was generated. The final result is that the program is focused on aligning with business units on a national scale, not simply aligned by real estate project opportunities at the local level. Participating lines of business, their associates and the My Work® team share a vested interest and sense of commitment to ensuring the success of the program.

MY WORK® BALANCED SCORECARD

ASSOCIATE & BUSINESS LEADER SATISFACTION	FINANCIAL VALUE PROPOSITION
LOB National Satisfaction (% geography adoption, % eligibility, % ubiquitous)	Workstations eliminated, reduced square feet, build and execute My Work® centers of excellence
MY WORK® BALANCED SCORECARD	
ENVIRONMENTAL & COMMUNITY IMPACT	PROCESS IMPROVEMENT & CYCLE TIME REDUCTION
Corporate Sustainability	(Cycle time production, employee satisfaction, synchronization, infastructure support)

FUTURE ACTION

The success and growth of My Work® will ensure Bank of America is positioned well for hiring and retaining the best talent. To keep focused on that overarching goal, the company must continue to drive a sustainable program that meets the productivity needs of their associates. It is important to continue to enable enrolled associates through innovations in technology, work styles and places to support a flexible work environment. Issues that need to be monitored include lower associate engagement, loss of connectedness to fellow associates and managers, and lower overall program satisfaction. The deployment of a Web 2.0 virtual tool will better support growth and scalability, and, hopefully, sustain and even increase program satisfaction. "Our future is dependent on how well our associates are learning to connect with one another virtually," said Boutross. "I have no doubt that the program will continue to grow and reap the myriads of benefits we've come to expect from the power of delivering workforce flexibility."

PROGRAM DRIVERS

FINANCIAL DRIVERS The top financial drivers for the My Work® Program	▪ Overall lower cost per headcount ▪ Speed of merger and acquisition activities ▪ Lower cost of turn-over and on-boarding new employees
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of the My Work® Program	▪ Employee attraction and retention ▪ Employee satisfaction ▪ Technology change ▪ Information sharing
EFFICIENCY DRIVERS The top three efficiency drivers for the My Work® Program from a facility management perspective	▪ Increase space utilization ▪ Improved associate choice and control ▪ Improved satisfaction with the work environment

BP New Work Environment

"Our job as property professionals is to provide work environments that allow employees who work in each business segment to excel."

Ernie Pierz, BP Director of Projects for Integrated Supply and Training

Plant and rock garden featured in corridor

Cafeteria with food stations

Diner informal seating

With 96,000 employees and operations in more than 100 countries across six continents, London-based BP is of one of the world's largest energy companies. Formed in 1998 from the merger of British Petroleum and Amoco – and having grown by the acquisition of Atlantic Richfield Company as well as other related companies – BP's main businesses include exploration and production of oil and gas; refining, manufacturing and marketing of oil products and petrochemicals; transportation and marketing of natural gas; and a growing business in renewable, low-carbon and alternative energies.

PROGRAM GOALS

With the 1998 merger, the combined entity set out to establish a unified global culture based on the company's brand values:

- Performance
- Innovation
- Progressiveness
- Sustainability

In 2000, BP unveiled their New Work Environment workplace strategy, which moved employees from traditional, enclosed office spaces into more open, progressive and collaborative environments. The official name of the program gradually faded away as this style of working simply has become the BP norm. "The idea is that if I walk into an office in Johannesburg, Mexico City or Chicago, I will say, 'This feels like a BP office,'" explained Ernie Pierz, Director of Projects for Integrated Supply and Training for BP. The strategy's overarching goal is to co-locate businesses that make up BP's "value chain" and encourage them to work as one integrated team instead of as largely autonomous business units. BP recognizes that properly designed work environments can trigger collaboration and conversations between these businesses.

BUSINESS DRIVERS

In 2006, BP disbanded their centralized property management group (commonly known as CRE in other organizations) and embedded property professionals in the front lines within their business units, with a goal to improve the group's speed and responsiveness. This decentralized group supports BP's real estate and facility management functions for BP's business units, which include refining, marketing, exploration, production, supply, trading and alternative energies. A small centralized team of real estate experts was maintained for the strategic and cost effective delivery of large transactions.

BP is improving their real estate's performance via their workplace environment with several goals in mind:

REBALANCE	BP is redistributing office space by shifting predominately individual workstation areas into more open, collaborative plans in order to rebalance the ratio of open to enclosed spaces.
ENABLE COORDINATION	BP's progressive approach to designing the best possible workspaces is to design open environments where people can see each other and have casual conversations therefore enabling collaboration.
IMPROVE CONSISTENCY	BP wants the design of each individual workspace throughout the world to support their core values with a consistent look and feel regardless of which city you are in while still reflecting the local culture.
SUSTAINABILITY	BP is committed to following sustainable design principles in its design and construction projects around the world.
IMPROVE UTILIZATION RATES	BP is increasing space density by reducing its square footage use per person.
TECHNOLOGY & RENOVATION	BP leverages innovation and collaboration withthe use of tried and true technologies. "We look to be near the leading edge - just not too far, implementing only proven technologies for mainstream applications," says Pierz.

FACILITY DRIVERS

BP's space utilization goals are for open plan environments with 200 to 225 rentable square feet per person, depending on the business unit. This includes about 25% collaborative space such as conference rooms, break areas, huddle rooms, soft seating areas and copy centers.

"We call the intersection of the target rentable square feet and the target collaborative space the work environment zone," said Pierz. "The businesses have great flexibility in deciding how much of this collaborative space they want in getting to 200 to 225 square feet."

Though the quality of space must be what Pierz calls great in order to attract and retain people, BP is careful to take a market-based, cost-effective approach to creating fit-for-purpose office environments that never appear ostentatious or wasteful to customers.

BP NEW WORK ENVIRONMENT

FINANCIAL DRIVERS

BP charges business units for their space by dividing the real estate operating cost by their total amount of square footage. "This helps them understand that by using real estate more efficiently they can impact the bottom line of their individual businesses and the company," said Pierz.

SUSTAINABILITY

In addition to their traditional businesses, BP emphasizes promoting the company's expansion into alternative and renewable energy sources. BP not only is focused on making a positive impact on the environment, but also taking steps, such as using recycled carpet, sustainably harvested wood and monitoring a facility's energy use, so employees see tangible evidence of the company's concern for the planet's health. "We do a lot of LEED-certified projects and, more importantly, always want to do the right thing from an environmental perspective," said Pierz. "All of our sustainable design initiatives are current, not something to consider as we move forward. BP has been operating this way for years."

WORKPLACE CHARACTERISTICS

BP assigns space by function, not hierarchy. All employees, whether they joined BP last week or have been with the company for 30 years, sit in workstations. "It's one size fits all, regardless of title or grade," said Pierz. Workstations are open plan, with low-height, 42" to 48" high panels.

Although BP's leadership are housed in the same open workstations, they do enjoy "back-porch opportunities" behind their primary work areas, for necessary access to dedicated huddle rooms and meeting areas. "We know that individuals spend much of their time away from their workstations, either in meetings or in collaborative areas," said Pierz. In response to this trend, BP is building collision points or spaces between these two areas that enable collaboration. These can be copy and print areas, mail stations, coffee stations and soft seating areas with a whiteboard. BP also offers formal four-person huddle rooms.

BP's six-to-eight person conference rooms have technology such as whiteboards and LCD screen projection capability while 10- to 12-person rooms feature LCD projection, in-table technology and network port/power. "We used to provide phone booths but our people didn't feel comfortable being in them for long periods of time," said Pierz.

SERVICES SUPPORT AND AMENITIES

BP currently maintains IT support and facilities help call centers. About 60% of BP's people use Voice over Internet Protocol (VoIP) technology, with the rest of the company scheduled to be connected by sometime in 2010. Phone headsets are available on request.

Cafeteria and food service is typically available in all large buildings. Fitness centers are in some buildings while small concierge services are provided on the largest campuses and provide employees with amenities such as shops, dry cleaners and DVD rentals.

DISTRIBUTED WORK PROGRAM

The term flexible working covers a wide range of working arrangements at BP including part-time, full time or partial home working; job sharing and full time hours delivered on a flexible basis. Arrangements may be formal (e.g., a reduced hours contract) or informal (e.g., an arrangement to vary when hours are worked, agreed locally with a line manager). Ad-hoc or emergency needs also are supported wherever possible. Those approved to work outside the office have the use of touchdown spaces for their visits to the office.

Branding signage adjacent to cafeteria

Conference room adjacent to open work area

Informal seating/collaboration

CHICAGO PROJECT METRICS

BP currently is renovating the two-tower Chicago Mercantile Exchange complex to serve as their new 225,000-square-foot Chicago office for their U.S. supply, trading and fuels value chain business units. When the space is complete in 2010, about 1,000 people will move to this downtown location from BP's offices in Chicago's western suburbs. The facility will include a 30,000-square-foot trading floor between two office towers. The employees using traditional workstations will be able to look over the dynamic activity on the floor, while the traders buying and selling the crude and products will be able to interact with the people they are supporting.

This project only will yield a small reduction in BP's space utilization, as many of the business moving already were occupying offices at the 225 rentable square feet metric. However, collaborative space has increased significantly to the 25% metric from approximately 15%. This project supports the company's overall "make every dollar count" strategy by improving the collaborative nature of the work environment while holding square footage per person and without adding real estate.

CHANGE MANAGEMENT

The Chicago Mercantile Exchange project is a strategic project driven by the company's top leaders. "Our project only will be successful if we have individual business leaders on board who are championing our efforts," said Pierz. "We've made it clear this is a business initiative, not a real estate effort, and that it is being done to improve our business results. We have a strong business engagement program that uses and leverages these leaders."

BP expects the office relocation to downtown Chicago will help attract and retain world-class talent. In this case, the improved location of the new office becomes an element of the change engagement program. One challenge with this relocation is to help BP's office workers, many of whom will experience major lifestyle changes from commuting into the city from the western suburbs, adapt to the new environment. It helps that the strategic decision to move downtown was led from the highest levels of the company.

Hewlett Packard Workplace Transformation

All photos courtesy of Hewlett Packard

"...We don't have to push mobility, workers are already doing it. It's what you do, not where you do it that really matter!"

Chris Hood, Workplace Transformation Executive, Hewlett Packard
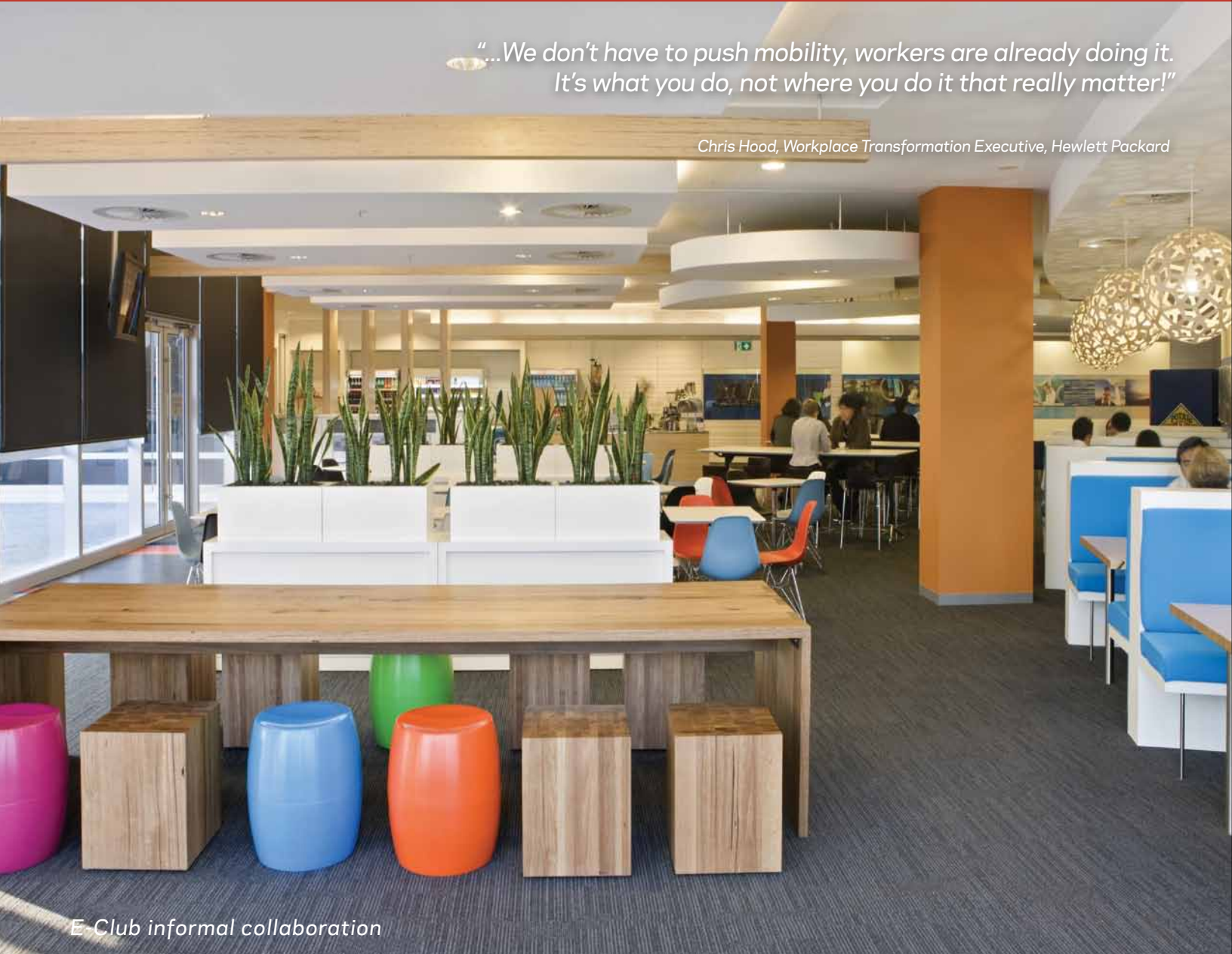
E-Club informal collaboration

Halo Room - High Definition Collaboration *Touchdown & Grove - Individual Work*   *E-club branded experience*

Hewlett Packard is a forward-looking company. According to Chris Hood, HP's Program Manager for the Workplace Transformation Program, "We want to continue to lead the world in the area of workplace strategy, and maximize our corporation's competitive advantage through the implementation of cost-saving and environmentally-friendly mobile work solutions." Although Mr. Hood declares that HP did not drive workers to use the technology that is empowering their personal flexibility, they are happy to leverage this new phenomenon as a way to accomplish their company-mandated initiative to significantly reduce HP's real estate expense.

PROGRAM GOALS

Saving money is the primary goal of HP's Workplace Transformation Program. The savings are achieved by enabling worker mobility, increasing the utilization of space while reducing the overall footprint of the real estate portfolio needed to support the business. By introducing desk sharing for mobile workers, and delivering new types and styles of workplace settings that better support the needs of the workforce, HP's new Workplace Transformation Program increases individual and group work performance while reducing real estate cost.

The savings that are achieved through the deployment of the new workplace solution are reinvested in three different ways. First, savings are reinvested into the business, providing financial resources for growing areas like sales, marketing or R&D. Second, the savings are reinvested into the changed workplace, providing resources that are needed to build new environments for the portfolio. The third use for savings is for improving the performance of the company by applying them directly to the bottom line.

The most interesting thing about the Workplace Transformation Program is that HP is able to reduce its real estate costs while simultaneously improving workplace satisfaction, enabling positive impacts for the environment and increasing satisfaction with employee's work/life balance.

BEST CASE IMPLEMENTATION

In Melbourne, Australia, HP consolidated four of their existing properties into one site by utilizing the newly-produced HP Workplace Transformation guidelines. This was the first HP project to utilize the full aspects of Workplace Transformation program. The new site is 14 acres, with approximately 105,000 rentable square feet of office space.

"The Woodvale project in Melbourne is our best example of the Workplace Transformation Program," said Mr. Hood. "Melbourne was our first effort to implement the new program from the beginning. It is composed of many different types of business units, somewhat like a regional headquarters environment. The business leaders there were really excited about the program. We achieved all of our program targets, and are now able to share the results of the project with others to build momentum for the program."

WORKPLACE DELIVERY

Hewlett Packard is a Fortune 14 company with 320,000 employees in 170 countries around the world. In order to meet their CEO mandate to significantly reduce real estate operating costs, the new Workplace Transformation Program must be built upon a scalable infrastructure that can be implemented in multiple projects simultaneously around the world.

In order to accommodate this level of flexible scalability, a corporate guideline was created to help support and steer teams at the local level with their design, development and implementation efforts. The program guidelines are meant to help deliver a common experience to HP workplace throughout the world, while sustaining a flexible framework that respects cultural and regional sensitivities.

The Woodvale facility in Melbourne is a newly built facility, created specifically to accommodate the HP business consolidation in Australia. Although it is sometimes easiest to build progressive solutions in brand new facilities, the Workplace Transformation Program can be used for remodeled areas as well. The program guidelines help project teams provide solutions that are efficient, future-focused and inspire innovation on a daily basis. It is the belief of the program team that by properly implementing the program guideline, the workplace will inspire ongoing employee loyalty and commitment.

FUNCTIONAL SUPPORT

The HP Workplace Transformation Program was developed through a concerted effort of real estate and facility management experts, IT professionals, human resource and finance experts, as well as business management representation. It is not an accident that the development team was composed of all the cross-functional experts required to build a world-class, progressive workplace effort.

It is common to have a local team of cross-functional experts working together for specific project delivery efforts that utilize the skills and information provided by the larger HP Workplace Transformation team, via the HP Workplace Transformation Guidelines and by on-site or virtual interactions. Interaction between team members and the business unit are performed through business champions, who funnel information back and forth between project teams and local business management at the project level.

Project teams are typically composed of practitioners who are not located in the same facility, and may not even be located in the same country. This is typical of the HP workforce, who 40% state that they do not sit in the same facility as their manager, and 60% of the workforce located outside of the U.S. state that their manager is located in a different facility. It is helpful that the functional support teams who are working on implementation efforts together utilize virtual collaborative environments similar to their customers. This lends itself to insights and perspectives that can help deliver a more effective and higher-performing solution.

MEASURABLE RESULTS

HP is very focused on achieving measurable business results from their program. "We use a balanced scorecard approach to measure the efficiencies and effectiveness gained from implementing our program." Said Mr. Hood "I believe it is important to get away from talking to business leaders about cost per square foot, and begin learning how to talk to them in a language they can understand. Measurements like increased revenue per person, more number of patents issued, faster speed of product delivery, and increased employee attraction and retention metrics can be more helpful to learning about the power of our workplace efforts."

Regarding efficiency metrics, the results from the Melbourne Woodvale project were impressive. The Workplace Transformation program helped HP reduce its space need by 62%, leading to an operating expense reduction of over 50%.

Energy costs were reduced by 60%, and CO2 emissions were reduced by 60% as well. Space utilization went from 50% to 70%, as measured by the amount of time offices were actively used. The amount of space needed to support the workforce went from seventeen to seven square meters per person.

"We had very strong business leadership," said Mr. Hood. "The business was reinventing itself at the same time as we were consolidating the portfolio. We not only reduced our footprint per desk, but we reduced our overall space by reducing lab space, demo rooms, and project rooms. Our business learned to share space like they've never done before."
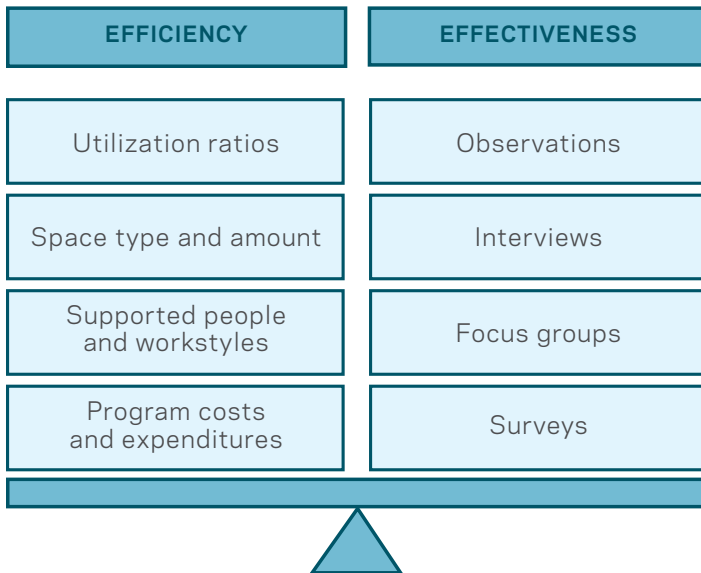
STUMBLING BLOCKS

Of all the potential issues that can arise during the deployment of a large scale distributed work program, the largest is typically in the area of managing worker and manager resistance to change. HP is no exception. However, one good thing about the HP program is the good support they have from the top of the house.

In Melbourne, the workforce initially displayed a moderate level of resistance to the idea of worker mobility and sharing their personal workspace. Once the on-site leader publically supported the program at various meetings and events, the resistance pretty much fell away.

This reaction is typical in situations where corporate groups are implementing new workplace change. However, in HP's case, they have an ace in the hole. Their CEO has mandated a dramatic reduction of real estate, and is supportive of achieving it through the implementation of the HP Workplace Transformation Program. "Having the CEO supporting our program has been a blessing," said Mr. Hood. "Once workers get over their resistance to change, they realize the new environment is much better for supporting their work. If we stalled out due to worker resistance, it would difficult to imagine any other way to successfully achieve great portfolio reductions while retaining workforce productivity and satisfaction."

MEASUREMENT TOOLS

HP uses a balanced scorecard to measure their workplace performance. The two primary dimensions of the scorecard are efficiency and effectiveness. Efficiency is focused on typical cost and utilization metrics, while effectiveness is targeted at worker perception, satisfaction and sense of program success or failure.

EFFICIENCY	EFFECTIVENESS
Utilization ratios	Observations
Space type and amount	Interviews
Supported people and workstyles	Focus groups
Program costs and expenditures	Surveys

PROGRAM DRIVERS

FINANCIAL DRIVERS The top financial drivers for HP's Workplace Transformation	• Cost reduction, with savings to be split three ways: 1. Grow sales force 2. Reinvest into the business 3. Improve the company's bottom line
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of HP's Workplace Transformation	• Improve speed of business • Enhance corporate innovation • Improve employee and Attraction/retention
EFFICIENCY DRIVERS The top three efficiency drivers for HP's Workplace Transformation from a facility management perspective	• Eliminate project churn • Reduce size of carbon footprint; cost and quantity of energy consumption • Increase quality of work environment

PROGRAM'S LIFETIME

According to Mr. Hood, the program has been in place for about two years. Melbourne Woodvale is the latest and most intense implementation of the strategy.

The initial strategy began as a way to reduce vacancy and wasted space in the portfolio. The corporate mandate to save money came after the program was begun. "Getting the mandate to save space and reduce square footage actually accelerated our progress." said Mr. Hood.

FUTURE ACTION

The program team has developed a model for determining the square feet needed to support specific amounts of workers. The model is continuing to evolve, as it embraces learnings from existing global space standards and new HP workplace implementation results. "Melbourne implemented as described in the book, which helped the overall success of our program and our model development."

Said Mr. Hood , "We are excited to continue the deployment of our program." We are saving money for the corporation while improving business performance and worker satisfaction. But we are also excited about our positive impact on the environment. We are helping others to learn that if we deploy mobile work programs throughout the world, we may not have to build new buildings for a very long time. Perhaps twenty years or more. The carbon footprint savings of that direction would be monumental."

The HP Workplace Transformation program may not be right for everyone, but it certainly meets HP's needs on a global scale, and is a shining beacon to those seeking to learn how to use mobility to achieve a more sustainable and higher performing workplace environment.

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
Move from dedicated desks to shared settings	Laptops	You can retain your dedicated desk if proven that you are at your desk >60% of the day	Heavily outsourced
Free address	Mobile phones		Cleaning times and quantities are changed to align with common sense need
Touchdown space	WiFi	Choice of settings for mobile and resident workers	No concierge or constant-manned service
Open team areas	VoIP		
Conference rooms	Halo		Printing on multi-function devices eliminates the need for pre-printed stationary and personal laser printing at the desk.
Focus space	IM	Use Herman Miller Utilization Measurement to drive ratios of setting types based on actual usage	
Quiet space	E-mail		
E-club	Virtual classrooms		

AT&T Evolving Workplace

"…The Evolving Workplace saves AT&T more than $100,000 every year in avoided lease costs."

Chris Mach, CRE executive, AT&T

High tech collaboration

Open desk area

AT&T is the largest communications holding company in the world by revenue. Its subsidiaries and affiliates, AT&T operating companies, are the providers of AT&T services in the United States and around the world. Among their offerings are the world's most advanced IP-based business communications services, the nation's fastest 3G network and the best wireless coverage worldwide, and the nation's leading high-speed Internet access and voice services. AT&T employs more than 300,000 people.

A leader in the communications and networking industry, the AT&T brand has had an incredible ability to survive and thrive throughout its lifetime. The stated mission of AT&T is "…to connect people with their world, everywhere they live and work, and do it better than anyone else." With a mission like this, it is no surprise that innovation is occurring within the company's own workplace.

"The AT&T Evolving Workplace program is changing the way we strategically support the business," said Chris Mach, workplace executive at AT&T. "We are continuously improving our cost structure and seeking real estate efficiencies. The Evolving Workplace program is also improving our employee collaboration practices and our speed of decision-making." As a former teacher and mentor once advised me, "the primary output, the widget of the knowledge worker is the decision. The degree of which we can improve the speed, quality and volume of effective decisions through the built environment is the basis of influencing performance improvement for the occupant," said Mach.

An additional issue is representing the AT&T image correctly inside the workplace. "We want to reflect the AT&T image in our new workplace," said Mach. "We leverage the retail brand approach, but the progressively innovative culture of our internal lines of business is paramount. Getting this right was very important to us."

PROGRAM GOALS

With locations already launched in Detroit, Los Angeles and San Francisco, the Evolving Workplace is gaining momentum within AT&T's portfolio. The primary goals of the program are:

- **Cost efficiency:** Utilize workspace as effectively as possible by introducing desk sharing and right-sizing individual and support space to meet the need of mobile workforce.

- **Employee collaboration:** Remove constraints that hamper employee engagement and replace them with new design and new virtually technology elements.

- **Decision speed:** Deploy a work environment that promotes real-time access to people and information, so internal and external customer decisions can be made quickly and effectively.

- **Workplace image:** Reflect the spirit and culture of AT&T's business via the work environment in a way that inspires creativity, innovation and excellence.

BEST CASE IMPLEMENTATION

The Detroit installation is one of the best examples of the Evolving Workplace program. The Detroit business team is the primary outsourcing and sales support staff for AT&T's General Motors account. The company had just been awarded $1B in new business, growing the existing staff to 100 workers, an increase of more than 80 percent. In traditional space, AT&T would need 10,000+ usable square feet to house this team.

The traditional approach was easy. By expanding the existing team into adjacent lease space, the staff growth would be accommodated without endangering the performance levels of the new business agreement. The real estate group could build out the new, adjacent space to match their existing space and simply grow into that space once it was completed.

This traditional approach was challenged by the local business leader. "The General Managers asked, 'We have some business constraints, can you place our team into half of the space they would normally consume?" explained Mach. "I said, 'Absolutely, but it will take a thoughtful and unconventional approach to planning and implementation and it will need to involve critical members of your team throughout the process, i.e. I will need their time!. The team immediately assembled its' alliances and got to work." This news transformed the project from business as usual to an Evolving Workplace project.

AT&T EVOLVING WORKPLACE

A new space design was needed to satisfy this challenge. The real estate team chose to take down 5,000 square feet of new space, build it out into the new standard and relocate the business into the space as soon as it was ready. Not only would their overall space not grow in the future, they would have to learn how to accommodate their additional staff growth within the new footprint. The clock was ticking and changing workplace standards to accommodate the business now was mandatory for the business success in Detroit.

WORKPLACE DELIVERY

Originally branded as the "Detroit Agile Space," the project shifted from traditional dedicated office and workstations to open, shared desking and collaborative activity settings. Traditionally, AT&T project management staff would gather the project requirements from the local AT&T business and deploy a routine solution according to legacy standards that met their needs. CRE drew from two existing prototypes that were developed with their sales groups in Los Angeles and San Francisco. Nevertheless, the slate was open and the team was allowed to rethink all existing standards for this project. The project leaders had to find a way to engage a team of development and delivery experts who could create the new project space without taking additional time or exceeding the project budget.

The design team coupled with AT&T's Architectural and Furniture alliance partners began by envisioning the future work styles that would work best for the AT&T and GM business relationship. The work styles were defined as:

- **Anchor** (5% of the workforce): Resident workers, typically administrative assistants or executives, who retain a dedicated desk due to functional requirements.

- **Agile** (70% of the workforce): Workers who are on-site often, even daily, yet do not retain a dedicated desk.

- **Highly Mobile** (25% of the workforce): Workers who are on-site regularly with the customer and/or work away from the office on a regular basis. These workers do not have dedicated desking.

The new space required only one office designated for the site's sales manager; this office is open to other employees when not in use. Other desk spaces are out on the open floor and consist of larger, open resident desks for anchors or executives as well as smaller desks for the mobile workforce.

There is also several closed door, multi-purpose rooms built similar to an office. "The client was very happy to have several settings to go to for quick, impromptu meetings," said Mach. "Providing a diversity of various non dedicated spaces rather than one type

of focus booth was a late design change and it has turned out to be one of the most appreciated attributes of the space."

The space consists of many new technology solutions including, Corporate WiFi, electronic whiteboarding, eSignage, IP telephony and a future installation of Microsoft RoundTable video conferencing. "The RoundTable experience is outstanding. We're really looking forward to implementing the new high definition version," said Mach. "I think that will make the virtual capabilities with the GM team even more effective and enjoyable."

Some elements of the existing space were relocated to the new environment. "We retained the front doorbell, that in the past was rather infamous, to our space, so that our GM customer can come down to visit whenever they need to discuss something or solve a problem with the GM team," explained Mach. "The old legacy building doorbell is now used more than ever. The GM client prefers to meet in our new space rather than inside their space, which I think is a sign of our success."

FUNCTIONAL SUPPORT

The Evolving Workplace project team was led by a real estate program manager and consisted of real estate asset management, technology, change management, architectural and other cross-functional experts. Managing customer relationships is very important to the AT&T real estate team. "We have such a large, complex portfolio that we have to have two different levels of customer relationship management (CRM) interactions with our internal customers," said Mach. "We have an executive level CRM who is looking for strategic resource alignment and ensuring proper decision-making at the senior level of the corporation level. We also have local CRM management that is targeted to meeting the unique needs of the business at the local level." Once the green light is given for the team to proceed from the executive level, the local CRM function is heavily engaged to ensure an effective deployment of project activity by gaining acceptance and comfort through co-design exercises with the new direction of the workplace.

AT&T conducted an early programming session with its business unit and program team members to launch the design process and set up operating structures for the project delivery process. Normally, the project would follow a tight, prescriptive project management process. In this case, so many variables were new and unique that the team felt it had to operate in an innovative way. A constant mode of collaborative interaction was needed to ensure all the right decisions were made, and eliminate time and resources that can develop from ambiguous project requirements. The team used a SharePoint site to host their
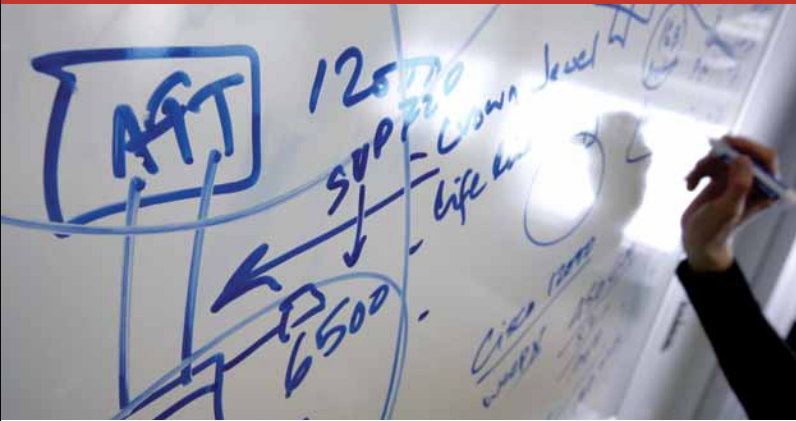
Electronic whiteboards

Private office

Informal conference

collaborative interactions and document management functions, and conducted regular project iterations every two to three weeks.

A specialized IT group responsible for evolving technologies joined midway through the design process to incorporate collaboration technology. Local HR representation was on the program team to support the new effort from a policy process perspective.

MEASUREMENT AND RESULTS

The primary metric of the project was focused on economics. The new project allowed AT&T to avoid acquiring 5,000 new square feet of lease space, which would have cost $23 per foot. From an annual run rate perspective, the new workplace saves the company more than $100,000 every year.

The program team utilized pre-and post-move surveys, focus groups and interviews during the change process, but the most important qualitative feedback comes in anecdotal form. "We continue to receive positive feedback about how well the space is utilized and how well the client has adopted the new kit of parts. Space is perceived to be highly effective for the functions performed by the GM team, which was the overriding goal. Our primary functions and metrics are focused on achieving the business need within the available space on time and on budget," said Mach. "If we can achieve this while realizing square footage efficiencies and not harm the performance of the business or the customer relationship during the process, we have met our primary CRE directive. Adding to that the improvements in collaborative support and enabling better speed to decision making, we meet our primary client directive. In the end, it is about improving shareowner value. That is why we are employed to do what we do," said Mach.

STUMBLING BLOCKS

Since the Detroit project was one of the first deployments of the Evolving Workplace program, the largest challenge for the team was defining and communicating how the new work styles needed to function. This work had to occur jointly with the business units and be communicated to the local workforce and project team members inside a highly compressed project schedule. "There was no option B," said Mach. "We made the decision to do it, and we wanted to go about it in the correct manner. We used cross-functional, open, transparent and proactive project management practices to work through the project. And let's be clear, new methods and new approaches challenged the internal CRE cultural behaviors at times as well. We got over it and we moved on. Our alliances were critical in supporting us through the process. We held weekly as well as impromptu team calls and avoided traditional bureaucracy. Speed and efficiency was imperative. We had a large customer agreement to fulfill and deliver on; the lack of space could not get in the way of obtaining AT&T's business objective."

The new project requirements strained the landlord's systems. The building's existing infrastructure was not ideally set up to accommodate AT&T's needs, especially relating to HVAC, lighting, parking, electrical and security access. "We worked with the landlord and made business appropriate compromises in order to keep the project moving," said Mach.

AT&T EVOLVING WORKPLACE

PROGRAM'S LIFETIME

The Evolving Workplace program is still relatively nascent at AT&T. The Los Angeles, San Francisco and Detroit prototype spaces are all less than two years old. The CRE group is continuing to formalize the program in order to document what works best for future deployments. The have recently completed a Corporate Telecommuting Program integrating all legacy companies and they are pursuing geospatial tools to effectively tie in line of business demand variables with Workplace Strategy and Portfolio Asset Management Strategies.

PROGRAM DRIVERS

FINANCIAL DRIVERS The top financial drivers for the Evolving Workplace Program	• Cost avoidance • Meet business agreement • Revenue stream maintenance • Optimize facility expense
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of the Evolving Workplace Program	• Group productivity • Speed of decision-making • Reflect new AT&T image
EFFICIENCY DRIVERS The top three efficiency drivers for the Evolving Workplace Program from a facility management perspective	• Increase space utilization • Increase openness and collaboration • Improve quality of the work environment

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
One office for the entire space, shared when empty	Laptops	**UNASSIGNED** Two types of Unassigned workers:	Majority of existing service and support infrastructure remained the same for the new program space. Exceptions include MFD deployment and reservation systems.
Mix of space types, including war room, focus booths, high-tech conferencing	Blackberries for all qualified	• Agile (on-site mobile) • Highly mobile (off-site mobile) • Similarly provisioned • In-house desking the same for both workstyles	
Smart rooms and high-tech collaboration areas	Mimio electronic whiteboards		Web-based reservation system that interact with corporate reservation tools, yet primarily focused on new space conference and focus room management.
Access to daylight and glass wall transparency	Microsoft RoundTable	**ASSIGNED** One type of resident workstyle:	
97% Open desking	SharePoint	• Anchor/executive • Similarly provisioned • One office to hold top executive • Open resident desks larger than mobile worker desking	New MFD equipment, including scanning, deployed to assist with printing needs of the mobile workforce.
Low panel heights	IM & collaboration software		
120° desk layouts	Non-public WIFI		
	VPN		
	VoIP		

Large meeting room


Common room

FUTURE ACTION

Through the development of the Evolving Workplace program it was necessary for AT&T to redevelop their corporate telework policy, including training, qualification and compliance standards. This is not an easy task considering the size, scale and complexity of AT&T and their demographics. A national policy and program is now in place and the Evolving Workplace team is now working on completing the global compliment.

The team is working on a portfolio-wide business case for their highly mobile populations. The real estate portfolio has a tremendous number of leases that will need to be evaluated in the next several years, which leads to a substantial number of opportunities, i.e. "triggers" to deploy Evolving Workplace throughout the company. "We want to evolve to a global program vs. the current project based approach and our CRE executives are enabling us with the tools and resources to do so," said Mach. "They want to work progressively and with economic value as the driver of our new innovations. We want to quickly take advantage of the upcoming opportunities and at the same time be cognizant of how our culture is evolving. Each company has its' own rate of adoption of AWE according to the needs of its' respective lines of business and evolving employee workstyles."

One effort under way is exploring a work-at-home program for tier one contact center representatives. An initial trial has 50 agents working at home who are supporting the high speed internet business. "We proved it works " said Mach. "The performance of the workforce at home was the same or better as regular workers inside the office. Real Estate was the primary savings."

Change management is always a tricky issue, regardless of the corporation. "Change management is a consolidated and oversimplified phrase for truly investing in newer and more effective communication practices; these new communication practices need to be distilled and operationalized into the normal course of way CRE does business," said Mach. Mach expects issues to continue to arise as people are asked to evaluate and change the built environment that has supported the way they've done business for years. Moving into new, more progressive environments can be a challenge for some of the more traditional workers. "We are a program that adapts, evolves and delivers ," said Mach. "We will address the speed bumps and challenges as they arise, while at the same time evolving our current kit of parts, practices, policies and charters appropriate for AT&T's specific lines of business. Corporate Real Estate is a strategic support to the business, it does not drive business strategy. It's important to have a passion for the betterment of the built environment and to align that passion with your company's prime directives."

General Dynamics Advanced Information Systems Workplace Choice
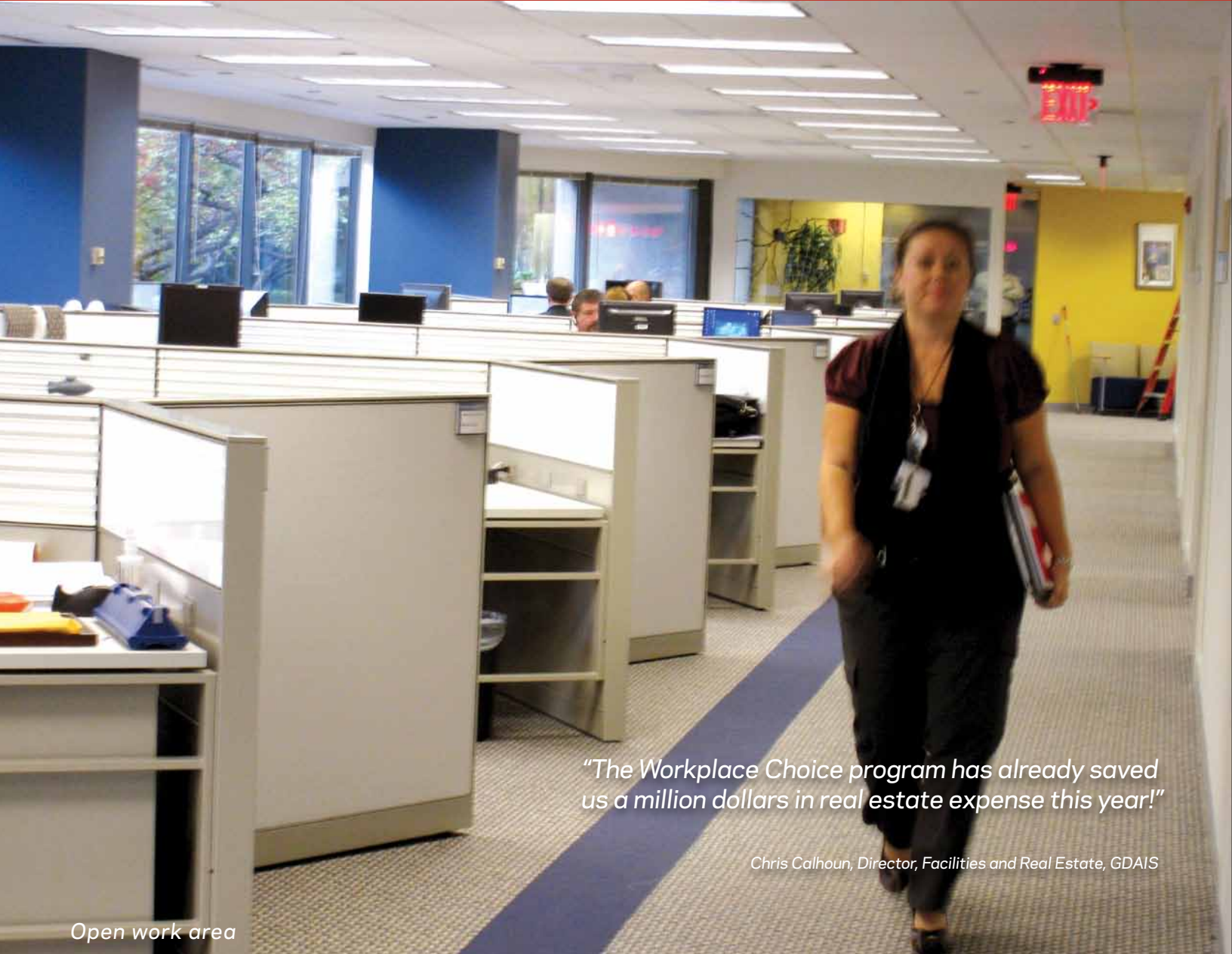
"The Workplace Choice program has already saved us a million dollars in real estate expense this year!"

Chris Calhoun, Director, Facilities and Real Estate, GDAIS

Open work area

Small meeting space

Informal collaboration

Coffee lounge

General Dynamics Advanced Information Systems (GDAIS) designs, develops, manufactures, integrates, operates and maintains mission systems for defense, space, intelligence, surveillance, reconnaissance, homeland security and homeland defense customers. Headquartered in Fairfax, Virginia, the company specializes in ground systems, imagery processing, mission payloads, space vehicles, maritime subsurface, surface and airborne mission systems, and tasking, collection, processing, exploitation and dissemination programs for national intelligence.

General Dynamics Advanced Information Systems (GDAIS) executives are aware of the increasing importance of teamwork and group collaboration to their company's future performance. "In the past, we've relied on conventional workplace practices to support our work," said Chris Calhoun, director of facilities and real estate (FRE) for GDAIS in Fairfax, Virginia. "But with our growing geographic disparity, increasing cost structures and the need to attract and retain great talent, it is time to explore new ways of providing a better workplace."

To answer this new need, Calhoun, in collaboration with GDAIS human resources, information technology and the legal departments, developed a workplace prototype program called Workplace Choice. "The pilot program explores how our employees and their managers can be enabled to choose how they want to work," said Calhoun. "It's our job to set up the necessary systems and infrastructures that allows employees to make the best choices possible for their success."

PROGRAM GOALS
Workplace Choice's principle goals are simple: collaboration, worker satisfaction, openness and effective cost management. However, these are not typical aspirations for companies entrenched in the U.S. defense industry around Washington, D.C. Notorious for status, hierarchy and command-and-control work environments, these companies are not regarded as those that foster progressive workplace innovation. Yet GDAIS is leading the way toward new ways of working that increase levels of business performance. "We have elements of leading-edge technology in our workplace, and our human resource policies provide choice and flexibility," said Calhoun.

"It's now time to add the element of workplace change to bring the three disciplines of IT, HR and facilities together to provide an entirely new environment for our workforce. Workplace Choice allows more interaction and connectedness within the workforce, improves the speed and sense of innovation in the workplace, while allowing for personal flexibility and reduced cost structures." Workplace Choice's primary goals include:

- **Removing barriers and silos between work groups:** Increase the transfer of knowledge and speed of business through the deployment of innovative settings, technology tools, processes and training that enable groups and information to interact more easily.

- **Increasing employee satisfaction:** Provide choice and control to employees that supports flexibility and mobile ways of working, along with a more appealing and higher-performing workplace environment.

- **Improving distribution of work across multiple geographies:** Deploy collaborative tools and training platforms that allow employees to interact more effectively from remote locations.

- **Reduce cost:** Increase workspace utilization via desk sharing and mobile work practices, resulting in space reduction and the avoidance of real estate portfolio growth.

"I helped lead the deployment of alternative work environments for another company prior to my arrival at General Dynamics," said Calhoun. "After looking at our situation I thought 'Why can't we do it here?' It certainly would help us to achieve our larger company goals of becoming a more agile and innovative corporation."

BEST CASE IMPLEMENTATION
The Workplace Choice prototype in Fairfax was delivered in May 2008. "We chose our headquarters building for our prototype because we had both an immediate opportunity and a very public way to announce the launch of our new direction," said Calhoun. "We call it a prototype, not a pilot. This project is not a test to see if it works, but rather a working prototype of our new space standard that the business can learn from and choose to deploy across our portfolio."

Although Workplace Choice combines flexible work practices alongside new technology and service solutions, GDAIS also wanted to change the physical workplace settings to reinforce and support the new work behaviors.

Workplace Choice employees can choose their own personal level of mobility. Some prefer to retain their own desk, while others choose to share their desk in exchange for increased personal flexibility. To date, 60% of staff involved in Workplace Choice chose a mobile work style, which is above the original program expectations. "People are realizing that since most work is electronic, it is just as easy to connect to people through IM and a cell phone as it is to see them in the office, perhaps even more so," said Calhoun.

WORKPLACE DELIVERY

The program's prototype was built in space adjacent to the GDAIS headquarters main lobby. By using a tenant improvement allowance from the landlord, GDAIS was able to implement the workplace prototype without having to make a large capital investment.

Compared to the existing environment, the new prototype is quite dynamic. The existing space is comprised of offices and 8' x 8' workstations, with many offices lining the windows and blocking much of the daylight from entering the workspace. In contrast, the new prototype space is open, airy and filled with activity settings to support quiet or collaborative functions. "The project rooms are also a big hit," said Calhoun. "Having space dedicated to specific business functions has significantly improved our team performance."

The workspace was vacated by moving the workers out of the existing space and into vacant space on a higher floor. "We wanted to get a head start on testing our mobile work concepts," said Calhoun. "By moving folks into an existing workspace, and asking them to share their temporary cubicles and offices, we were able to accelerate our learning with mobile work support."

Workplace Choice has garnered attention among GDAIS executives as many are exploring this option for future real estate decisions. "GDAIS is primarily a provider of systems integration and development within the intelligence and defense industries," said Calhoun. "However, we also have a significant manufacturing component to our business. Our real estate decisions are guided by the needs of the business. Improving the interaction of our labs with our manufacturing spaces and our office areas can lead to significant improvements in the way we transform data into knowledge for our customers."

FUNCTIONAL SUPPORT

FRE is well supported by cross-functional experts within the GDAIS business. The program also has had the direct support of senior management within the company, including business line vice presidents, plant general managers, the vice president of human resources and the vice president of operations. "Having top-of-the-house support for our program has been a big boon for us," said Calhoun. "Without it, it would be much more difficult to influence the need for change within our culture."

MEASURABLE RESULTS

Workplace Choices' initial measurement activities are strong. Accessibility to others went up 10%, ability to complete functional requirements rose 12%, ability to seek help and input from others went up 17% and the ability to trust colleagues and share experience increased by 22%. This latter metric is important in an environment where retiring workers are needed to mentor and train new employee so the company can retain intellectual capital.

Overall satisfaction with the workplace rose 30% with Workplace Choice, from 57% to 87% who report being satisfied, a significant improvement toward the goal of attracting and retaining top talent.

These qualitative benefits were achieved while significantly improving space efficiency. The prototype space has doubled the potential for staff utilization. In other words, it is now possible for 200 people to utilize a Workplace Choice environment versus the 100 people that previously would have fit into the same amount of conventional workspace.

In addition, GDAIS has realized $1 million annual savings in less than one year by eliminating the need for a lease renewal and consolidating into space vacated in the headquarters building through the densification of Workplace Choice.

PROGRAM DRIVERS

FINANCIAL DRIVERS The top financial drivers for the Workplace Choice Program	• Accommodating business growth within the existing portfolio • Real estate consolidation • Improved space utilization
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of the Workplace Choice Program	• Improved employee choice and control • Attracting and retaining top client • Employee collaboration • Business speed and innovation
EFFICIENCY DRIVERS The top three efficiency drivers for the Workplace Choice Program from a facility management perspective	• Improve quality of the work environment • Reduce entitlement/ less hierarchy • Increase workplace adaptability

STUMBLING BLOCKS

The major challenge for Workplace Choice has been fear of the unknown at the manager level. Typical questions include:

- How do I make sure I keep everyone effectively engaged with each other and their work?
- How do I work effectively when I'm away from the office?
- How will people find me, or how will I find them when there's an emergency?
- Where am I going to put all my stuff?

Most of the concerns have been addressed effectively with ongoing change management and training tools. Yet the program team still is striving to learn how best to conduct virtual work across the company. "This pilot is helping us learn how to train leaders to manage remote workers across the company," said Calhoun. "We would have this issue regardless of the Workplace Choice program, so I am excited that we can leverage our learning across all of our business units, not just those who are in Workplace Choice today."

Calhoun also expressed concern about how far the design went in effectively supporting their informal collaboration settings. "Although we did fantastic design work, I don't think we pushed the design hard enough in the soft seating areas. We were too institutional in our solution," said Calhoun. "We are now shopping for more organic, impromptu type solutions to meet our needs for informal interaction space."

Another issue is feeling disconnected. "When some choose to work at home frequently, they can work at home, travel to other locations, then return home," said Calhoun. "Weeks can go by without them ever coming into office." Face-to-face interaction is still an important aspect of work, and the team continually seeks ways to maintain engagement among the workforce.

The team also saw an initial increase in individual productivity, yet lower initial group productivity. Employees reported the number of hours spent working increased significantly in the early stages and they found it difficult to turn off work when working from home. Much more time was spent focusing on their own work and spending time adjusting to their individual work patterns. These aspects, along with new complexities of getting people together, led to lower team performance. The workforce now has become more intentional about their group activities and team productivity has increased. "We have to be intentional with group work as much as individual work," said Calhoun.

MEASUREMENT TOOLS

Workplace Choice uses the "Three E" model–efficiency, effectiveness and expression–developed by DEGW® as a balanced scorecard framework for the measurement strategy.

- Efficiency deals with facility management metrics to measure project success. Typical examples include cost, square feet, number of people and quantity of desks. Resulting metrics from combining these metrics lead to cost per square foot and percentage of vacant desks.
- Effectiveness is a more qualitative subject matter than efficiency. Effectiveness typically deals with feedback gathered from surveys, focus groups and interviews. The commentary is more grounded in terms of perception, satisfaction and strength of feeling than the simple, quantifiable aspects of cost or square feet.
- Expression is the most ambiguous metric. Items in this dimension include cultural alignment, sense of innovation and ability to adapt to meet changing business needs.

Measurement tools consisting of quantitative and qualitative data included documents such as financial reports, employee surveys and focus group feedback results. These results were used to assess the prototype's performance against pre-determined targets within each area.

MEASUREMENT DOMAINS OF WORKPLACE CHANGE

EFFICIENCY

Occupancy optimization	Per seat utilization	Cost avoidance measures	Operational costs	Portfolio flexibility

EFFECTIVENESS

Team & individual productivity	Worklife balance	Attraction & retention rate	Profit margin contribution	Business continuity

EXPRESSION

Innovation & learning	Cultural behaviors/ beliefs	Workplace adaptability	Corporate brand	External customer perception

GENERAL DYNAMICS ADVANCED INFORMATION SYSTEMS WORK

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
All desks the same size, outfitted differently based on worker function	Laptops	UNASSIGNED ▪ Just one type of mobile, unassigned work is needed ▪ All employees can choose whether they need or a resident or mobile workstyle to meet their personal needs	99% of existing facility, technology and other services remained the same for the new program space. Exceptions include minor tweaks to help desk support routines.
Open windows to maximize daylight penetration into the workspace	Blackberries & cell phones		
120° desk tops	Use headsets to manage noise		
Multiple activity settings, including project rooms, coffee lounge, phone booths, huddle rooms, quiet zone, informal collaboration areas	Instant messaging	ASSIGNED	
	SharePoint	▪ One size desk and same provisions for all except for the admin "Anchor" function. Their desk accommodates more equipment and storage.	
No offices	Collaboration software		
42" maximum panel height	WiFi	▪ Executives receive the same size desk as all others. They also have the choice of mobility or resident location.	
White noise for acoustic abatement	VPN		

PROGRAM LIFETIME, FUTURE ACTION

Workplace Choice was launched in late 2007 with the subsequent launch of the program's prototype space in mid-2008. Program leaders are reviewing measurement and feedback results to fine tune the program for its next deployment in 2009.

"The proof of our program's adaptability is happening right now," said Calhoun. "Another business unit is moving into the prototype space, essentially compressing everyone onto one side of the floor while they occupy the other side. Although their function is dramatically different from typical knowledge work, it is amazing how little we have to do to prepare the space for their arrival. There are two or three possible areas for deployment in the next year or two, and executives are reviewing their options now as they consider their next steps."

Workplace Choice is truly about choice, including choice at the executive level. The need for senior advocacy is an important element to the program's change management program. Giving the leaders choice to select and implement the program, in the way they deem best for their business, changes the nature of the implementation effort. It is not an FRE program being forced on an unwilling recipient, but rather a business leader's program that delivers new ways of working for their own business. "We believe that when the business owns its own change process, we can implement the new environments much more quickly and effectively," said Calhoun. "I am happy that our program has achieved its initial targets, and look forward to new projects that will deploy similar value toward the business."

PLACE CHOICE

Microsoft To Be People Ready Program

"The communication and relationship between people who work together is much stronger now."

Theo Rinsema, General Manager, Microsoft Netherlands

Microsoft Netherlands main lobby

Founded in 1975, Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. The company employs more than 94,000 people worldwide and has a real estate portfolio of 28,916,100 square feet in more than 670 sites.

According to Microsoft's future workplace vision, work will happen whenever and wherever it needs to occur. The workplace will be based on the needs of the business and the workforce, and empowered by new mobile and collaborative technologies. "The workplace must change over the next five to 10 years to support knowledge workers accomplish their goals," said Theo Rinsema, general manager for Microsoft in The Netherlands. "The new workplace will represent who we are as an organization. People should feel inspired and well supported wherever they are, especially when they are in the office."

With these thoughts in mind, Microsoft Netherlands began their workplace transformation journey. The resulting To Be People Ready (2bPR) program is up and running and the results are meeting Microsoft's goals of bringing the future of work into today's workplace environment.

"In the two years of this transformation, we've talked to many organizations and have been inspired by them," said Rinsema. "In the end, we felt that no one really knew the right way of doing it. We are on a journey to adopt new work and leadership styles; our new workplace is integral to our success." Microsoft Netherlands's resulting workplace solution is a clear example of global best practice in workplace innovation.

PROGRAM GOALS

The 2bPR program has four specific goals:

- **Productivity:** Provide workers with the best settings, tools and technologies to support when and how they work.

- **Vitality of workforce:** Deliver a high performing, environmentally conscious work environment that improves the combination of work and private life.

- **Growth and collaboration:** Increase individual and business growth through an advanced platform of connective intelligence and knowledge.

- **Inspiration:** Expand the capacity for creativity and innovation by providing an inventive, high-performing work environment.

BEST CASE IMPLEMENTATION

The 2bPR program is being operated in a facility near Schiphol Airport outside of Amsterdam. The environment reflects the company's goal to transform the workplace into a collaborative meeting place.

Microsoft has implemented flexible working hours for their workforce. This has had a profound impact on the way people work, and the way employees empower themselves to achieve work/life balance. The resulting environment allows workers the freedom to accomplish specific tasks and activities when they at their best.

"People are empowered to work anywhere and the facility is designed to be more of a meeting place than a working place," said Rinsema. "The workplace plays a key role in the social cohesion of the organization, especially for workforce collaboration. However, the building is not the designated place to work. 2bPR is a combination of virtual work and collaboration and physical work and collaboration, where we empower individuals and teams to define their physical minimum or the time they are together. The rest of the time we call the virtual optimum, that is the time where your virtual presence (instant messaging, live meeting) is sufficient. Both these elements are as important for the productivity and well being of people and the organization."

A key aspect of the new environment is the increased level of worker interaction. In a conventional environment, employees may enter their office in the morning and have very little interaction throughout the day. In the 2bPR environment, workforce interaction is encouraged. "Workers often depend on the performance of people who don't work within their own department," said Rinsema. "Now employees can sit together. The communication and relationship between people who work together is much stronger now."

"The biggest change is that I have more contact with people and it feels more natural," said one local employee. "There are various environments where you can sit down with people, whether for two minutes or two hours. Sitting here I can look outside and have some space around me."

Within the open work area, every department has different types of workstations. The workspace is ideal for interacting with colleagues, yet has quiet places for privacy or concentrative space.

"Looking people into the eye remains crucial," said Rinsema. "That's why this is a meeting place, rather than just a workplace." The 2bPR program realizes that face-to-face interaction is essential for team collaboration. "That's very important as you can't solve everything by means of virtual contact," said Rinsema.

MICROSOFT TO BE PEOPLE READY PROGRAM

WORKPLACE DELIVERY

The Amsterdam facility is new and the move from the old to the new workplace was a seamless event. Delivering a brand new facility avoided the typical business disruptions that occurs when remodeling existing occupied space. This arrangement also allowed the program leaders to focus their efforts on change management and training staff prior to the move. "The new world of work is about organizing your work differently, and working together in a different way, using the possibilities of technology and making them work for you," said Rinsema.

FUNCTIONAL SUPPORT

As GM of the Netherland's office, Rinsema personally owned the change process necessary to transition the workforce from its conventional work practices to the 2bPR environment. The process team supporting this change included HR, communications, facilities, technologies and business unit members who helped represent the needs of the organization.

MEASURABLE RESULTS

The new facility has more than 100,000 square feet of floor space and 830 workers, delivering a space utilization factor of 130 square feet per person. This is a significant improvement over conventional office settings that can average more than twice this amount of floor space per person. The economic savings derived from high space utilization is favorable from a cost management perspective, yet the most powerful economic driver is the potential cost avoidance of staff growth. "We have about the same square meters as our previous facility, but we can now support growth from 12 to eight square meters per person," said Rinsema. "This is cost effective and will take much less energy to support. With the ability to house 30% more people within the same amount of space, the potential savings are attractive."

It is not only space efficiency that drives Microsoft's measurable success but also sustainability. "This program will reduce our carbon footprint and improve people's behavior toward the environment," said Rinsema. "Our leadership style takes a broader view to empower workers to decide when to work, give them control so they can be trusted to make the right decisions necessary for their job. The new workplace represents new levels of trust among the workforce and new levels of sensitivity for the environment." Office buildings consume a tremendous amount of energy, but Microsoft is looking at the 2bPR program as a way to provide future generations with a clean, productive environment.

Other qualitative results are not yet in, but Microsoft is working with a local university to determine the impact of the workplace as a driver of change. Items under study include employee satisfaction, access to information, ability to concentrate and the ability to collaborate effectively.

STUMBLING BLOCKS

Moving from a conventional workplace toward an open, mobile and flexible environment means significant change for the business and the people. "We've underestimated the amount of change needed at the middle management level," said Rinsema. "The most important change has to do with people. It is difficult to change employees' working patterns or to provide mobility throughout the day without thinking through the changes that are needed to make it work."

Empowering workers to choose their own daily work patterns versus driving business through management control can be a significant effort for mobile businesses. "In a process like this, our journey is trial and error," said Rinsema. "Changes don't happen automatically, not even here.

"Our approach to change management also had to focus on training our leadership team. We have to change the way our managers manage their staff and their business." Microsoft found that when you don't see people every day, they need to improve their people and management skills to ensure workers remain engaged with each other and the business. Delivering new mobile-workforce training methods that build coaching and management skills represent 30% to 40% of the change management effort.

An example of the training process is the push to improve the combination of virtual work with physical presence. Microsoft is pursuing an answer to the question, "Can collaboration feel as productive away from the office as in the room?" When people are away from the office and join in on conference calls, their comments can feel like interruptions rather than part of the flow. Microsoft has improved their training so leaders can embrace virtual worker interaction.

In supporting the change, the program team aimed to have the new physical workplace represent what Microsoft is from a people perspective and ensure that employees feel the space reflects their new mobile culture as they enter the building. To this end, the facility is designed from a rational, qualitative point of view. Instead of reflecting the branded dimensions

Mobile work area Indoor terrace area Open employee interaction Mobile touchdown area

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
Concentration areas	Laptops for all	Developed scenarios of desired ways of working in 6 Persona Archetypes: through three specific dimensions: 1. Low Mobile vs. High Mobile 2. Adhoc vs. Structure 3. Concentrative vs. Non-concentrative	Push everything towards on-line service, driving towards self-support and creating an at-home experience.
High mix of space types	Smart phones and Cell phones		
No dedicated desking	WiFi Throughout		Not trying for 5 star levels of service, yet putting a high level of service within the culture. If employees leave coffee cup on desk, hospitality teams cleans it up but asks person to do it themselves next time.
Semi-concentration areas	Softphones on laptops		
Many varied types of collaboration settings	VoIP: V-mail are E-mail	Technology usage provides rules of engagement. Workstyles drove how Microsoft designed and implemented their new facility.	
	Office communicator		New hospitality concept with a focus on IT, reception, and catering.
Low desk screen height	SharePoint		
	Public VPN		

associated with the conventional Microsoft business, the new environment reflects a qualitative solution with open desking, daylight access, informal lounges and abundant interactive settings. The workplace now supports a feeling of trust, safety and innovation. The finished design is an important aspect of Microsoft's change management and new day-to-day business environment.

PROGRAM HISTORY AND THOUGHTS FOR THE FUTURE

Microsoft began their 2bPR workplace transformation journey in 2005. After almost four years, the project team predicts the transformation will be an ongoing effort. "We are constantly looking for ways to optimize our workplace, work styles and leadership styles," said Theo. "I do not believe our desire to improve our workplace will ever stop. Nor will we slow our drive to improve our work processes, business and community."

PROGRAM DRIVERS

FINANCIAL DRIVERS The top financial drivers for the 2bPR program	• Instantly being ready for future expansion • Accommodating business growth within our same footprint
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of the 2bPR program	• Employee vitality • Agility • Attracting talent • Diverse workers • Productivity and satisfaction • Customer satisfaction
EFFICIENCY DRIVERS The top three efficiency drivers for the 2bPR program from a facility management perspective	• Flexibility • Efficiency • Underpin future company culture

Royal Philips Electronic Workplace Innovation

"With mobility, we don't have to constantly rebuild our workplace. Instead of focusing our attention on employee level and hierarchy, we can focus on worker function and business productivity."

Ron Blanken, vice president of Philips Real Estate

Meeting Room

Open work areas display branded images

Amsterdam work area-shorter stay

Informal interaction

Based in The Netherlands, Royal Philips Electronics is a diversified health and well being company. As a world leader in health care, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions. Philips is a market leader in cardiac care, acute care and home health care, energy efficient lighting solutions and new lighting applications. The company has 121,000 workers in more than 60 countries and unifies the momentum of the company through its progressive strategic vision.

Philips uses their customer-centric competency to drive internal real estate decisions. According to Ron Blanken, vice president of Philips real estate, "Our corporate real estate strategy is very simple. We are combining efforts in outsourcing, space efficiency and workplace innovation to deliver world class real estate for our people and our business." It is through Philips' Workplace Innovation program that Blanken expects to accomplish many of real estate's strategic objectives for the company.

PROGRAM GOALS

The primary goal of the Workplace Innovation program is to support a more mobile way of working. By delivering employee mobility, Philips can redesign their workplace to meet three specific strategic objectives: portfolio flexibility, real estate savings and corporate sustainability.

Portfolio Flexibility:

"A mobile workplace is longer lasting," said Blanken. "With mobility, we don't have to constantly rebuild our workplace. Instead of focusing our attention on employee level and hierarchy, we can focus on worker function and business productivity." This shift in thinking allows the workplace to be built to support the evolving workforce activities. New work areas can support different types of team collaboration, individual concentration and informal interaction.
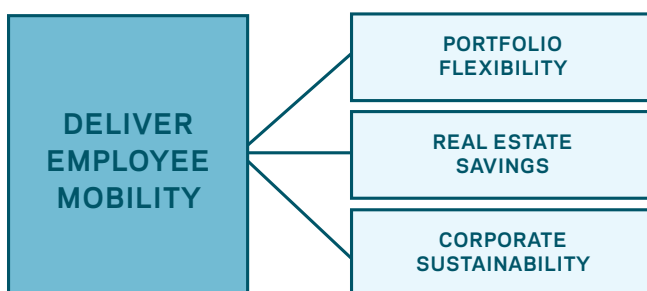
Once the space is designed to support varying activities, this leads to a flexible, long-lasting solution. If someone is promoted, she or he doesn't have to move into a bigger office but can continue to work in the same supportive mobile environment. This takes the focus off the worker's status and hierarchy and on work performance, leadership and customer satisfaction. As departments grow or consolidate, minimal work is needed to tune the space to meet different worker expectations.

Desk requirements are managed through the application of desks sharing ratios. The number of mobile employees sharing mobile work desks can increase or decrease as the company changes to satisfy business pressures.

Real Estate Savings:

A mobile workplace gives employees the freedom to come and go as they need to satisfy their job requirements. Therefore, more employees are on the move and their need for dedicated desk space is lower than conventional space. The space inside the office can be dedicated toward the functional needs of the business, rather than simply accommodating individual desk requirements. It is through this phenomenon that Philips is able to reduce their square footage to achieve valuable real estate savings. Less space is needed overall and the remaining space is built to support the functional needs of the worker. Employees are more productive and Philips avoids the cost of additional real estate.

Corporate Sustainability:

Workplace Innovation allows Philips to reduce their carbon footprint in three ways:

- The elimination or avoidance of real estate square footage may lead to fewer necessary resources to support the business. Offices consume many resources related to heating, cooling, lighting and power. Reduced square footage provides Philips an opportunity to reduce their carbon footprint.

- Working at home reduces the amount of resources needed to support the workforce's daily commute.

- The delivery of new workplace standards allows Philips to implement more environmentally friendly building products and devices.

BEST CASE IMPLEMENTATION

The Workplace Innovation prototype houses 60 people in Philips' headquarters facility in Amsterdam. The space is changing and improving over time to the point that Blanken and his team are documenting the results and looking to broaden their success to other locations.

Other Workplace Innovation projects have been completed in Paris (1,400 people) and are near to completion in Stockholm (250 people), Moscow (450 people) and Delhi (600 people).

ROYAL PHILIPS ELECTRONIC WORKPLACE INNOVATION

The largest-scale deployment of Workplace Innovation currently is being designed for an Eindhoven facility in the southern Netherlands. By the end of 2009, 1,800 people will benefit from this program.

"The program is extremely simple," said Blanken. "We assume a mobile work style as default while an assigned work style is only for people with non-standard technology. All job functions go through an assessment and lead to confirming the assumed work style."

At Philips, mobile workers are in the office often but not assigned to specific desks or workstations. Their movement around the office allows them to share desking that utilizes both wireless and plug-in solutions.

Mobile workers who work in multiple Philips locations use SmartPhones and laptops as they move between customers and the office. They are highly reliant on WiFi and battery usage, and are more likely to need desking for quick touchdown functionality.

There are four types of work settings to support the individual mobile worker. For longer stays, workers can choose open desk settings that are clustered together to support different types of employee interaction or enclosed space for concentrative work during longer stays.

Short-term work is supported by open workstations and enclosed settings. The primary distinction between the settings is that the longer-stay workspaces are built to support plug-in technologies.

WORKPLACE DELIVERY

Philips created the Workplace Innovation program as a tool that can be applied in multiple circumstances. All greenfield (brand new) construction projects will be built with Workplace Innovation standards. For remodeling or retrofit environments, Workplace Innovation will be implemented on a case-by-case basis.

The Workplace Innovation target desk-sharing goal is 1.3 people per desk. When the program is applied in an existing facility, the workspace will be configured to handle growth or to shrink the footprint. "If there is no business growth accommodated within existing space, or cost reduction achieved through portfolio consolidation, there is no business case," said Blanken. "There must be a business case to engage the program." However, it is important to Philips' management that they remain an employer of choice. Thus, the justifying business case does not necessarily have to be strongly focused on economics.

EMPLOYEE WORK STYLE CHART

ASSIGNED	• Assigned to a desk • Non-standard fixed technology • Low mobility
MOBILE Internally mobile	• Working primarily at one Philips location • Standard IT package: Laptop and cell phone mobility technology
MOBILE Several Philips locations	• Working at multiple Philips locations • Standard IT Package: Laptop and smartphone mobile technology
MOBILE Fully mobile	• Working at multiple Philips locations • Advanced mobile IT devices • Home office technology packages

FUNCTIONAL SUPPORT

Workplace Innovation is led by the CRE team and developed with human resources, IT and financial experts. The marketing and design departments also are involved to help with workplace branding and office design decisions. The lighting department brought in their latest award-winning LED products and placed them in strategic locations throughout the environment.

"Our CFO has been a great champion of emerging real estate strategies. He is extremely neutral to the usually highly emotional issue of real estate," said Blanken. "This is a business-driven program. The voice of the program is business led." Since the program is driven from an economic position, the CFO is particularly interested in the program's success, but not without embracing the positive qualitative issues of the workforce.

To this end, CRE encourages the local business to own their change management process. "The most senior person in the local market is the spokesperson for the program, and owns the communication during the program's implementation effort," said Blanken. "This is a top-down program, which makes it a business issue and a must-do for new construction projects."

MEASURABLE RESULTS

Philips measures their primary success by how well they are meeting the approved business cases. "Our return-on-investment is measured from a two-to-three year perspective," said Blanken "This differs depending if we are applying the program to an existing or new space. It also may take longer based on current real estate markets."

Philips' business case is also successful from a merger-and-acquisition perspective. The Workplace Innovation program supports these opportunities from a workplace, technology and people perspective, increasing the ability for the new organizations to interact and work effectively with one another.

PROGRAM CHARACTERISTICS

SPACE	TECHNOLOGY	PEOPLE	SERVICE
Move from dedicated desks to shared settings	Workplace innovation standardized every mobile worker has a laptop and cell or smartphone, and overtime will include soft phone	Four Workstyles: ▪ Resident ▪ Intra-Mobile ▪ External Mobile ▪ Home Workers	New "Total Facility Management" program will compliment the Workplace Innovation program to harmonize the service delivery in new facilities, focusing on cleanliness and useability
Four different types of desks: ▪ Closed dedicated ▪ Closed mobile ▪ Open dedicated ▪ Open mobile		Choice of settings for mobile and resident workers	One Multi-Function printing devices is provided for every 50-60 people
Three Types of Collaboration: ▪ Creative spaces ▪ War rooms ▪ Generic meeting rooms	Increased mobile technology with increased levels of mobility away from the office.	Use desk sharing ratios and employee engagement metrics as KPI's for the program's success	A global reservation system for both individual worksettings and meeting room management is planned to be installed in the future
Generic space meets changing business needs	Desk phones will go away in the future		
Bright, open floor plan			

STUMBLING BLOCKS

One of the earliest challenges encountered was skepticism within the CRE department itself. "Understanding what an alternative workplace is was challenging," said Blanken. "It was most important to us to explain what it was all about, get people out to look at other company spaces and see that it can really work." After visiting other corporations including Sun Microsystems, Microsoft and Cisco, the Philips corporate real estate team began to realize the potential of their program and working toward their workplace transformation goal.

Another issue was obtaining the right level of external expertise to help develop and deploy the new program. "It's hard to identify the best consultants," said Blanken. "Many of the consultancies that are selling alternative workplace may not be practicing what they preach."

Philips corporate culture presented another issue for corporate real estate. "Large European companies that have been around awhile are used to building consensus before changing," said Blanken. "Decision making is more nimble in Europe than the United States – yet decisions here always can be challenged. We live in a continuous battle to build consensus for change."

PROGRAM DRIVERS

|	
FINANCIAL DRIVERS The top financial drivers for Philip's Workplace Innovation	▪ Cost reduction ▪ Real estate efficiency ▪ Portfolio flexibility
DRIVERS FOR CHANGE The primary drivers of business change that are aligned with the outcomes of Philip's Workplace Innovation	▪ Effective group and individual work ▪ Employee engagement ▪ Supporting mergers and acquisitions
EFFICIENCY DRIVERS The top three efficiency drivers for Philip's Workplace Innovation program from a facility management perspective	▪ Increased efficiency through worker mobility ▪ Reduce size of carbon footprint; cost and quantity of energy consumption ▪ Increase quality of work environment

MEASUREMENT TOOLS

Philips CRE has established two key performance indicators (KPI) to measure success. The first uses a desk sharing KPI with a macro goal of achieving a KPI of 1.3 people per desk by the end of the third year of program occupancy. The initial move into program space eventually could be at a lower sharing ratio, and increases over time as the business grows. Tracking this KPI indicator also helps the organization know when new space may be needed or where vacancy exists for further consolidation efforts.

Philips uses people engagement scores for their second KPI. "We use our annual employee survey that now includes questions on workplace effectiveness," said Blanken "We also use pre-move and post-move surveys that include questions on engagement, technology, facility impression, facility performance and overall workplace satisfaction." By comparing the results of the pre-move survey against the post-move survey, the program success can be measured.

FUTURE ACTION

Creating a positive experience for their employees is Philips' greatest concern. "We help people get through their change experience by reminding them of their earlier days in university," said Blanken. "Whether they stayed in bed or went to class was their choice, but also a matter of their overall performance." Blanken believes that workers are driven to be successful, and Philips' employees are willing and able to make their own decisions regarding when, where and how they work.

Rio Tinto Flexible Workplace Strategy
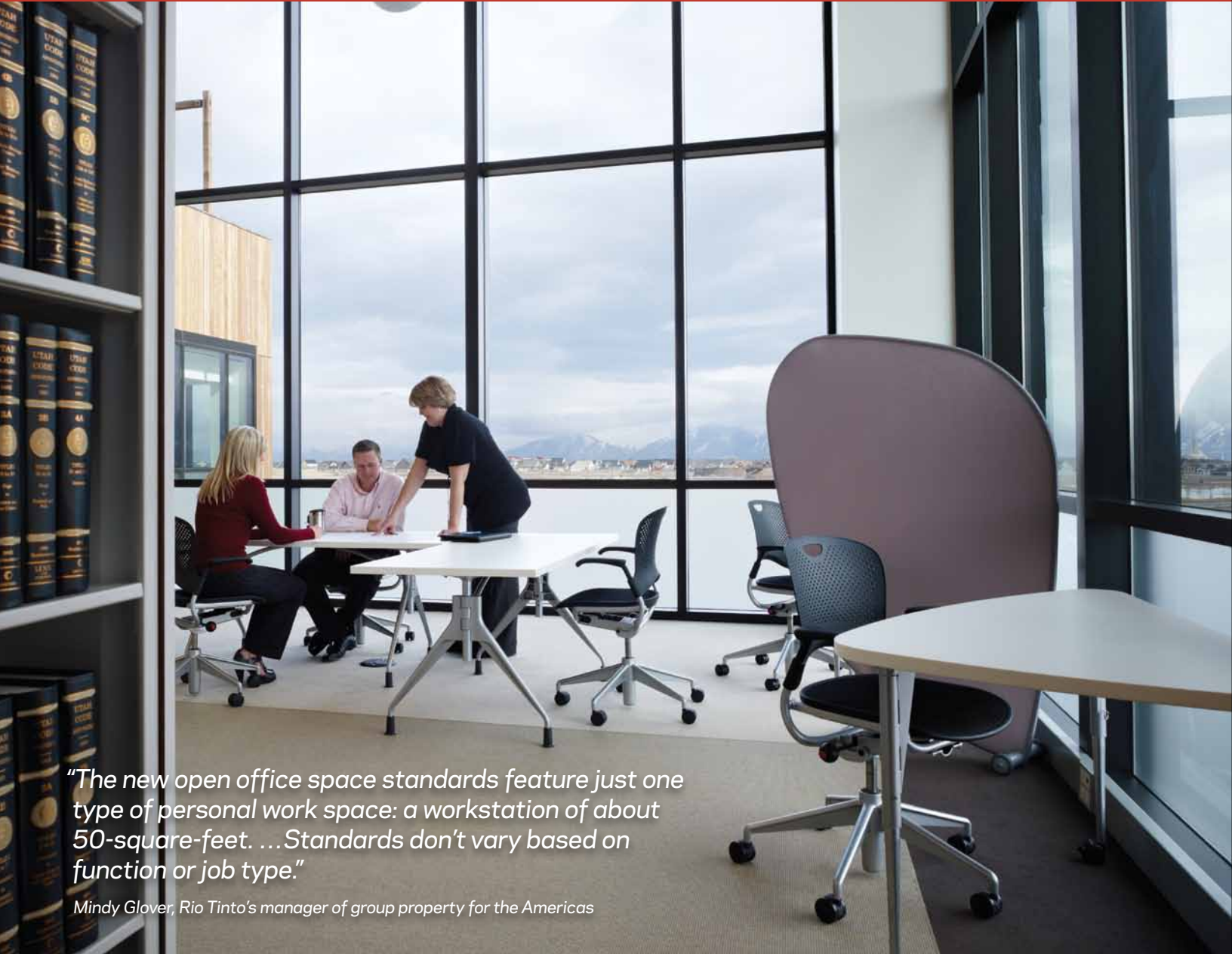
> "The new open office space standards feature just one type of personal work space: a workstation of about 50-square-feet. …Standards don't vary based on function or job type."
>
> Mindy Glover, Rio Tinto's manager of group property for the Americas

View into brainstorm space

Brainstorm room

Rio Tinto is a leading international mining group with headquarters in London. The company finds, mines and processes the earth's mineral resources - metals and minerals essential for making thousands of everyday products that meet society's needs and contribute to improved living standards. Their major products include aluminum, copper, diamonds, energy products (coal and uranium), gold, industrial minerals and iron ore. Rio Tinto has more than 80,000 employees in 40 countries.

As Rio Tinto's manager of group property for the Americas, Mindy Glover has responsibility for corporate (non-mining) real estate sites. She is part of the group property team carrying out a new Flexible Workplace strategy in corporate sites throughout the world.

RIO TINTO'S FLEXIBLE WORKPLACE STRATEGY

Rio Tinto has grown mainly through acquisitions. As a result, many of their acquired locations, which previously were separate companies, had different workplaces, branding and cultures. In 2005, realizing that their people were working in new ways that no longer required spending much time alone in traditional private offices, Rio Tinto began formulating a global Flexible Workplace strategy. "There was a strong desire to use the workplace and new technology to help bring Rio Tinto together," explained Glover.

In addition to creating more efficient workplaces that increase collaboration and inspire innovation, the strategy is intended to complement the company's short- and long-term business goals. It is supported by a workplace policy and a new global workplace standard.

The team recognized the opportunity for the Flexible Workplace strategy to support the company's existing "One Rio Tinto" long-term alignment initiative, which is designed to remove boundaries, create synergies and enhance the company's reputation as a unified global leader. It includes having aligned values, effective operating systems and an integrated structure that delivers continuous value.

The workplace policy and standard were published and distributed in March 2007 – the same month the group property team began planning a major Salt Lake City, Utah, consolidation project.

In December 2007, Rio Tinto implemented the first large-scale Flexible Workplace project when it relocated the company's 550-person European Regional Center

to Paddington, London. The company carried out their first full-scale U.S. implementation of Flexible Workplace at the new Rio Tinto Regional Center in South Jordan, Utah, which is in Salt Lake City's greater metropolitan area. Rio Tinto finished their four-phased move into the new building in early October 2008.

This project consolidated 600 Rio Tinto employees from four Salt Lake Valley operating units into approximately 130,000 square feet of a 175,000-square-foot building. The business units and functions involved in the consolidation included diverse users with needs ranging from general office work to heads-down engineering and field-related work.

One challenge facing the project team was bringing together 12 distinct groups from four different locations, each with its own identity and distinct business focus, into a single site. To support the One Rio Tinto initiative, the team also had to locate shared support functions, such as accounting, procurement and information technology, to give them the ability to support multiple Rio Tinto U.S. business groups from this location.

GOALS FOR THE SOUTH JORDAN CONSOLIDATION

Rio Tinto's primary goals for the new U.S. project were to:

- Increase flexibility, agility and adaptability
- Improve employee attraction and retention
- Increase efficiency through worker mobility
- Reduce occupancy costs by introducing space standards
- Enable effective information sharing
- Provide for future adaptation to organizational change
- Provide the capacity for innovation
- Consider operational efficiency
- Integrate the Rio Tinto image and brand

Rio Tinto was thinking about more than bottom-line considerations, emphasized Glover. "We're talking about meeting the needs of 600 different people here." Rio Tinto's human resources group was looking for ways to distinguish the company as an employer of choice Salt Lake City area. Recognizing that offering a flexible work environment was one strategic solution, the company timed their move into this new building with the launch of a pilot program for flexible work. Though many of their people already had been working from in-home offices, the company saw the move as the perfect opportunity to formalize a flexible work program.

Rio Tinto also used this move to respond to the generational forces transforming today's workplace. "We're very aware that the demographics and needs of the U.S. workforce are changing," said Glover. "We recognize the importance of providing flexibility and spaces that encourage innovation for our current and future workers. It's a way to stay competitive into the future while meeting the requirements of our current workforce."

THE STANDARDS

All individual workspaces are in 100% open office plan, located along the window walls, supported by small, private spaces. Interior core spaces include meeting, mix and kitchen spaces. Building functional space, such as storage, restrooms and utility rooms, are tucked into the building core. Office spaces receive ample natural light with floor-to-ceiling windows provided in most areas. The non-hierarchical space assignments treat all employees equally, with business unit CEOs sitting in the same workplaces as their administrative assistants.

"It sounds revolutionary for a professional workplace facility that is not a call center," admitted Glover.

Overall space allocation in the building is about 180 rentable square feet per person, excluding specialized, non-core areas such as shipping and receiving or the fitness center. The workplace features Allsteel workstations and furniture from a variety of providers. "Rio Tinto does not have a global furniture provider," Glover acknowledged. "We want to retain regional and local flexibility in that regard."

Standards don't vary based on function or job type. The only exceptions are for special ergonomic needs. Each workstation includes 150 linear inches of personal storage, a magnetic dry erase board, executive-sized 36"-by-72" work surface, a LED adjustable task light and an adjustable arm for the flat-paneled monitor.

A mobile storage pedestal with an upholstered top can serve as a temporary guest chair. "We are trying to balance the need to collaborate with the need to be mindful of noise in the open environment," said Glover. "These pedestals work as seats for quick chats, but we encourage people to use capsules, telebooths and other work spaces for longer conversations."

In addition to the personal workspaces, the new office environment provides:

- At first glance, the office library or resource center appears to be a traditional library with research materials. However, the space is intended to be much more. First, it is designated as a "quiet work space" with no phones and carrels available for private, heads-down work. "The two biggest concerns we heard from employees when we were planning this space were around privacy and acoustics," explained Glover. "This is an additional quiet space where employees can plug in their laptops and work." Secondly, it is designed to accommodate community events, receptions and large meetings.

- One-person "telebooths" and "capsules" that seat two-to-four people and are designed to accommodate private conversations and meetings. Intended as drop-in spaces, these spaces cannot be reserved.

- "Meet-in" conference rooms are primarily for internal meetings and conference calls and are embedded throughout the employee work areas.

- "Meet-out" conference rooms are primarily for meetings involving external participants. Meet-out rooms are located in areas convenient to visitors with varying sizes to accommodate larger meetings. A subset of the meet-out rooms are videoconferencing rooms, which have more specialized finishing and lighting systems. The team designed these videoconferencing rooms to accommodate a company-wide initiative to standardize technology.

- "Brainstorm rooms" are designed to be low-tech. These rooms, which don't even have telephones, provide stimulating environments with brightly colored, non-traditional meeting furniture, including sofas, ottomans and writeable walls.

- Project rooms are small conference rooms with moveable tables and writable surfaces that are access-controlled and can be reserved for several weeks or even months for projects including audits, development projects, or confidential projects.

- The multipurpose rooms come in various sizes and can be used for training, meetings and other gatherings. Movable tables accommodate easy reconfigurations.

- Mixed spaces scattered throughout the building are informal areas with coffee tables and chairs where people can sit and work.

Employees are encouraged to take advantage of all workspace types and embrace the new workplace style. Feedback and consultation with employees was sought throughout the development process to ensure a smooth transition to the new work environment. Although the workplace is considerably different then the previous traditional environment, Glover expects employees will welcome the changes and adapt positively to their new workspace.

Multipurpose space

Meeting capsule

Resource center/office library

LEVERAGING TECHNOLOGY

Technology used throughout the building complies with Rio Tinto's global standards and supports the flexible intent of the new workplace. The following technology enhancements support Rio Tinto's workforce:

> **Wireless phone/data** allows Rio Tinto's people to work anywhere in the building

> Most employees are provided with a **Blackberry**

> **Mobile smart boards** are available, as they are not installed in the meeting rooms.

> Over time all employees will convert to **laptops vs. desktops**

> **Event and wayfinding information** is available electronically to visitors as they step off the elevator in the lobby

> **Interactive touch screens** located in the lobby are used for building safety inductions and provide information on the company's commitment to sustainability

> **Electronic bulletin boards** located in the refresh areas host business information and content previously posted on traditional wall space which is not available in the open environment

> **Meeting room technology features LCD monitors** on the walls in many conference rooms and traditional ceiling-mounted LCD projects in others. All the connections for power, data, and VGA cables can be plugged into a table.

SUSTAINABLE DESIGN

Rio Tinto is working to integrate environmental performance as a core value of their global business. Their commitment to sustainability mandates that design teams pursue the highest possible sustainable design rating available on the continent where the project is located, wherever possible. For this new facility, the building was awarded a LEED-CS Platinum certification for the base building design and is pursuing a LEED-CI Gold certification for the interiors.

A sustainability kiosk in the lobby provides visitors with information about Rio Tinto's commitment to sustainability and about the environmentally friendly design and operations of this building.

RIO TINTO FLEXIBLE WORKPLACE STRATEGY

THE IMPORTANCE OF CHANGE MANAGEMENT

With every employee moving into a completely different type of work environment in a brand new building – and being asked to approach how they work in very different ways – the move into this 100% open office space represented a significant change for the 600 Rio Tinto people working in Salt Lake Valley. The company proactively managed this major change though a carefully planned engagement strategy.

First, Rio Tinto assembled a local steering group consisting of leaders from different business units and functions. This steering group, which met monthly, was responsible for project leadership, decision making and keeping the project team informed about the needs of their 600 stakeholders. The group communicated details about the project through every phase, from conceptual design through move-in. Their communication tools included a project Web site, newsletters, focus groups, design mock-ups, town halls, tours and a pre-occupancy survey.

Rio Tinto also formed a project advisory board that convened quarterly and took a more global approach. The board listened to the steering group's updates and gave guidance focused on keeping the project aligned with the company's global brand, culture and business strategy.

"There can be a disconnect when a project manager tasked with delivering a very large project assumes that HR or communications will handle change management, so it turns into a missed opportunity," explained Glover. "You need people from the project team, facilities, HR, communications and senior management to work together and to engage with everyone. Ours was definitely a group effort."

MEASURABLE RESULTS

Rio Tinto is tracking and addressing all issues with their new building as to improve the experience for users of this and future spaces impacted by the Flexible Workplace strategy and are planning to conduct formal post-occupancy focus groups and surveys. "We'll also look at more tangible measurements, such as our energy performance and occupancy costs in the building," added Glover.

While it's too early to have many formal measurements, benefits include:

- Rio Tinto has reduced their rentable square footage per person in the Salt Lake City area by 35% in the new building.
- The flexible open plan will allow for future moves, additions and changes with no construction or added cost.
- Consolidating from four older buildings into one state-of-the-art, more energy-efficient facility should greatly reduce operating costs.
- Based on the new technology and videoconferencing capabilities, the company expects substantially reduced travel costs.

The team already has received satisfaction by observing people using the new workplace. "It's lovely to go through the building and see the people using the space types as they were intended," said Glover. "We'll measure results over time, but so far it all appears to be working."
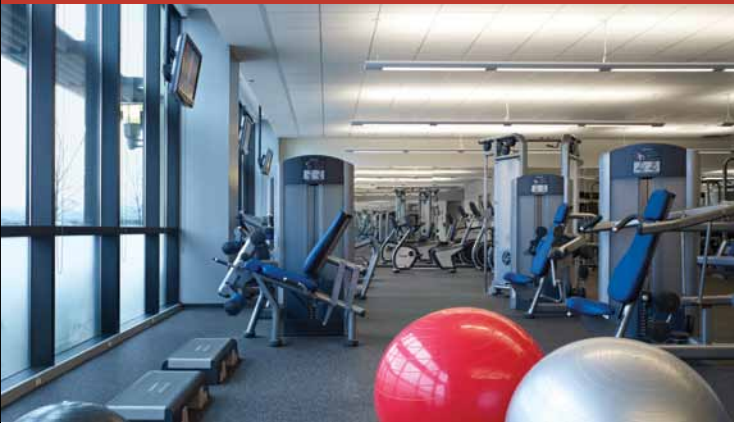
Fitness center amenity

Open workstations

LESSONS LEARNED

With a project that involved several different departments from multiple Rio Tinto business units operating in four locations, Rio Tinto did not have the benefit of a clear, linear leadership path for the project. "That made it challenging in terms of gaining consensus and buy-in," said Glover. "But that was why the steering group was so important."

The office standards are intended to maximize flexibility but not to the point of being so prescriptive they don't work for people. As an example, the steering group determined that while the space types were well articulated in the standards, the Salt Lake employee population, which includes a combination of business units and support staff, did have different needs compared to their counterparts in the European headquarters. Many employees in Salt Lake City, for example, travel much less often than those based in London.

The team also noted that the Salt Lake City location houses auditors, consultants and various project teams on an on-going basis. To accommodate their work, which can last from a few weeks to several months and is generally highly confidential, the Salt Lake team added several project room spaces that can be reserved for extended periods and include storage, reconfigurable tables, and magnetic dry erase boards for writing and posting project-related materials.

"We benefited from knowledge gained from the London team, and our teams in Brisbane and Montreal, which is where our next big projects are taking place, will likely also benefit from what we learned in Salt Lake," said Glover. "We'll use the key learning that comes out of each project to continue to improve upon the standards."

Sprint Nextel Mobile Workforce

"It's great that the technology Sprint Nextel creates and sells allows us to work in this mobile way. We tell that story to customers whenever we can. In this way our workplace itself becomes another sales tool."

Scott Woodrome, manager of the workplace solution team, Sprint Nextel

Meeting Room

Learning space

Open workstations

Sprint Nextel offers a range of wireless and wireline communications services. The company is recognized for developing, engineering and deploying innovative technologies, including two wireless networks; industry-leading mobile data services; instant national and international push-to-talk capabilities; and a global Tier 1 Internet backbone. Sprint Nextel's U.S. Enterprise Real Estate (ERE) group oversees the company's portfolio of commercial and retail facilities across the country.

MOBILE WORKFORCE STRATEGY

From 2005 until early 2008, ERE oversaw the initial "Sprint-Powered Workplace" project within the company's sales groups. The fundamental intent of the strategy is to move employees into flexible, choice-oriented, open work environments that leverage Sprint's wireless technology and accommodate new ways of working. In 2008, the company expanded the program beyond its sales group and began applying the new workplace strategy, renamed the "Sprint Mobile Workforce," to the entire enterprise.

A "Sprint Mobile Zone" is a specific city location in which Sprint has implemented the design guidelines for open, flexible environments and mobile technology. Since 2005, the company has created nearly 70 Sprint Mobile Zones across the United States.

"We want to give our people workplace environments that make them as effective as possible," said Scott Woodrome, manager of the workplace solution team at Sprint Nextel's headquarters in Overland Park, Kan. "Technology has triggered monumental changes in how we work. It's no longer enough to provide a box in an office building where everyone goes and sits from eight to five. Our Mobile Workforce strategy and guidelines respond to the idea that everything else about work has changed, so it is time to change the physical part."

Though the program began as an effort to increase productivity and reduce costs through real estate efficiency, Sprint Nextel also is using the new workplace environments to help attract and keep great people in the ultra-competitive IT industry.

BEST CASE IMPLEMENTATION

One of the first successful examples of a Sprint Mobile Workforce implementation "knocked down the walls" and created a more flexible, highly collaborative workplace for the enterprise communication services (ECS) group at Sprint Nextel's headquarters campus.

This retrofit of an existing space created a better team-based environment for ECS, which offers internal IT consulting across Sprint Nextel. The main objective for this project was to improve interaction among the team members that could boost productivity and satisfaction, helping the team attract and keep the best people.

"These people were in their cubicles literally talking on the phone to their teammates down the aisle," said Lea Ila Hoover, senior strategic planning specialist for the ERE group at Sprint Nextel's headquarters. "They were struggling to talk to each other and felt like their productivity could increase dramatically if they could have a work environment that enabled them to get together to sit and talk."

The new workplace provides three enclosed rooms with two large modular doors that allow the group to configure the space as one, two or three rooms. A large work surface in the middle room creates a team area where group problem solving can occur.

White boards, flexible furniture and sophisticated video technology are the problem-solving tools the team needs. Some whiteboards have been turned on their end to become tabletops. People can pull up a stool and draw a problem on the whiteboard table. Individual work areas for heads-down work are provided along the outside walls.

To date, the space has been a huge success. "It accommodates how that group truly functions," said Hoover. "They really need the ability to get together in a room like that to problem solve and collaborate."

"This project represents a great Sprint Mobile Workforce example because it is the first implementation in a group outside of sales," added Woodrome. "We expected that this strategy would work for sales groups because they are so mobile, but this proved to other groups that it could work for them."

LEVERAGING TECHNOLOGY

Sprint Nextel is using technology–much of which is its own–to unfetter its Mobile Workforce groups from fixed private work areas. It also enables them to use videoconferences rather than traveling to meetings. "It's a collection of simple things people can do around the office to increase the mobility of how they work," explained Woodrome.

WiFi	SPRINT NEXTEL MOBILE PHONES
Sprint Mobile Zones feature WiFi networks that free people from their workstations. Broadband connectivity utilizing their own EVDO network.	Sprint Nextel Mobile phones allow employees to have their E-mail and calenders at their fingertips at all times.
VoIP	**iDIGITIZE INITIATIVE**
The company's Voice over Internet Protocol (VoIP) and Unified Communications capabilities allow them to turn any place into a workplace, and to even use their laptops as phones.	The Mobile Workforce strategy relies heavily on Sprint Nextel's iDigitize initiative, which encourages people to scan documents instead of printing hard copies and allows them to fax from a desktop rather than walking to a fax machine

SYSTEMS FURNITURE

Sprint Nextel uses a variety of systems furniture across its portfolio, including Knoll, Herman Miller and Steelcase. To ensure that groups can reuse existing furniture as much as possible, the Mobile Workforce guidelines are designed to work with all systems, though they do stipulate panel heights and desk layout options.

The three different workplace and furniture modules are designed to accommodate people who do more heads-down work, those who need completely open, collaborative space and those who fall somewhere in-between.

ERE has noticed that while its employees who work anywhere tend to move around and try different stations, they often end up gravitating toward the locations where their individual work groups are sitting.

A PHASED APPROACH TO CHANGE MANAGEMENT

Every company in all industries will face one universal challenge in implementing a new workplace program: how to manage a major change that can be intimidating to many people.

Sprint Nextel's new workplace strategy increases density and reduces occupancy costs by requiring employees to give up their private workstations. Depending on their job functions, this transformation can have a monumental impact on how groups function.

"It's a big deal for people," admitted Hoover. "They were in an eight-by-eight box they thought they owned and suddenly get moved or asked to change how they work. This initially can be difficult for many people to accept."

To gain more acceptance for the program's intent and benefits, Sprint Nextel emphasizes to associates this is a change in where they sit, not in how much they are valued. Sprint Nextel's new employee "on-boarding" process educates people on the Mobile Workforce and points them to an intranet site that details what the program is, the technology tools that are available and how they can join.

Woodrome and Hoover reported that each phase of implementing Mobile Workforce – from initial planning through construction, move-in and post-occupancy – brings a unique set of challenges. To counter this, they break the change management effort into a phased approach. "At the beginning of the process, we talk about and plan for potential problems that could impact each phase," said Hoover.

In addition to being empathetic and responsive to what their colleagues are going through, Hoover said it's important for the ERE to work hand in hand with Sprint Nextel's IT group to implement the required technology and then train people on how to use it. "We have to partner with IT like we never have before to make sure the solutions we roll out work the way we need them to work," she said.

ERE is championing these changes throughout Sprint Nextel as well as working closely with business unit leaders to prepare them to tell the story and encourage their employees to this change.

For example, since the success of his team's project, the director of the enterprise communication services group has become one of Mobile Workforce's most outspoken advocates. "He can't say enough good things about the process and result," said Hoover.

MEASURABLE RESULTS

Between 2005 and 2008, the company shed 3.5 million square feet of space. These reductions, which will create an annual savings of $80 million starting in 2009, represent the combined results of the Mobile Workforce program and strategic real estate planning decisions.

ERE's system of checks and balances includes pre- and post-occupancy surveys. The aforementioned group project improved density by approximately 40%. ERE surveyed the occupants after they had spent 180 days in the new space. Eighty-two percent reported the space fosters creativity and 100% reported they would not want go back to the previous environment.

STUMBLING BLOCKS

When employees file a complaint about a Mobile Workforce environment, ERE sponsors a focus group with an independent party to gather very specific, honest feedback and recommendations are made based on this input.

Two months after one group of employees moved into an open office environment, ERE received a call requesting they add panels because this particular work group believed they needed more visual privacy to prevent distractions.

"We took that feedback seriously and ordered more panels," remembered Hoover. "But by the time we got the panels in and went to install them a couple of months later, these same people said, and 'What are you doing? We don't want those panels – we like the openness!'"

This example demonstrates why ERE waits 180 days after employees move in to conduct their post-occupancy surveys. "That seems to be the timeframe required to get through the cultural changes and really embrace the space," Hoover said. "After that, we don't receive nearly as many change requests."

An enterprise real estate help desk is available to field questions from all Sprint Nextel employees.

FUTURE LIFE

Sprint's Enterprise Real Estate group, by virtue of rolling out the Sprint Mobile Workforce program has further cemented the true partnership it experiences with the business units. Each organization plays a role in how the space is utilized and their future needs from a Real Estate perspective. These relationships allow the company to truly strategize around new ideas and programs; a welcome addition to all involved!

Final Words

In the nearly three decades since IFMA was created, facility management and the workplace have changed dramatically. Wherein the overall competencies that define facility management may remain intact, the details within each competency area are fluid because the workplace is fluid. Nowhere is the need to embrace the possibilities of what today's workplace can be to an organization's employees so they can be both productive and successful than in distributed work strategies.

As evidenced in this research and the case studies, businesses adopt distributed work strategies for a variety of reasons – real estate cost savings, employee benefits, environmental sustainability, increased productivity. Vast improvements in workplace-related technologies are making that step from traditional work environment to distributed work an easier reality for facility management professionals but it doesn't come without barriers.

Knowing your organization, evaluating your current facility environment and employee needs, and developing an extensive plan that not only encapsulates how distributed work can be effective for your company but also explains why it can work is critical for success. How will you work with your top management to not only approve of the plan but also truly support this move? As was found in this research, the absence of a company's leadership's embracing and promoting their commitment to the new strategy almost always leads to failure.

Facility managers also must be prepared to communicate with all levels about their distributed work strategy and listen to the feedback. Comments must be reviewed, questions must be answered and, yes, changes may need to be made. Clear, understandable training is an additional essential element of any distributed work strategy. Working cohesively with other departments such as human resources and IT also enables success.

It's critical to remember that not every distributed work strategy is for every business. Asking the necessary questions before you embark on this journey and being willing to accept the answers that you might not be expecting or hoping for is key. A 21st century facility management vision must be grounded in reality where the elements of an idea are mixed with the needs of your organization to be a success.

Studying this research and learning from the case studies can be an excellent tool for developing your own distributed work strategies plan or evaluating that which you have in place. This report, however, is not the final word on distributed work strategies. Rather, these strategies will continue to evolve and change just as the profession has and as facility managers focus on creating and adopting the work strategies that will lead to optimum productivity for their organizations.

IFMA RESEARCH

An information leader for the FM profession . . .

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From industry surveys to forecasting to best practices forums, IFMA's research department draws on the practices and opinions of FM professionals and educators, covering topics vital to the day-to-day operations of facility professionals and the built environment in general.

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MEASUREMENT STANDARDS:

Standard Practice for Building Floor Area Measurements for Facility Management (ASTM E 1836-08)

Standard Practices for Measuring and Calculating Building Loss Features That Take Up Floor Area in Buildings (ASTM E 2619-08)

A Unified Approach for Measuring Office Space, For Use in Facility and Property Management (IFMA/BOMA)

IFMA AND IFMA FOUNDATION RESEARCH PUBLICATIONS:

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European Benchmarks, Research Report # 22

Views from the Top, Executives Evaluate the Facility Management Function, Research Report #17

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Facilities Management Outsourcing: An Overview of the Industry and its Largest Companies

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FM Technology Update (IFMA Foundation Report)

Violence in the Workplace - The Role of the Facility Manager (IFMA Foundation Report)

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Standardized Facility Management Customer Satisfaction Questionnaire

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HOK

HOK is a global architectural firm that specializes in planning, design and delivery solutions for buildings and communities. Through its collaborative network of 25 offices worldwide, the firm serves diverse clients within the corporate, commercial, public and institutional markets. HOK is committed to developing resources and expertise to help lead the world toward sustainable communities and building environments. Founded in 1955, the firm's expertise includes architecture, engineering, interiors, planning, lighting, graphics, facilities planning and assessment, and construction services. For more information, please visit **www.hok.com.**

cfc — Corporate Facilities Council of IFMA

The Corporate Facilities Council, with nearly 4,000 members, is the largest of IFMA's fifteen councils, which provide members the opportunity to interact with facility professionals in targeted areas of expertise. The mission of the council is to be the comprehensive network for knowledge and resource sharing for facility professionals responsible for headquarters, large campuses, and office environments. The council publishes a quarterly newsletter, hosts monthly web-based educational sessions, and sponsors conferences throughout the program year. To learn more, go to **www.ifmacfc.org.**

IFMA — International Facility Management Association

IFMA is the world's largest and most widely recognized international association for professional facility managers, supporting more than 19,500 members in 60 countries. The association's members, represented in 125 chapters and 15 councils worldwide, manage more than 37 billion square feet of property and annually purchase more than US$100 billion in products and services. Formed in 1980, IFMA certifies facility managers, conducts research, provides educational programs, recognizes facility management certificate programs and produces World Workplace, the world's largest facility management conference and exposition. For more information, visit the **www.ifma.org.**