

‘SCIENCE-FICTION’ TECHNOLOGY AND THE FUTURE WORKPLACE

The downturn has seen most businesses turn a critical eye to their real estate requirements. Many corporate real estate professionals currently see cost reduction as an immediate driver, both for commercial success as well as triggering new ways of working. Corporate social responsibility and new technology are also impacting on corporate real estate requirements, and research into the workplace of 2020 reveals a much more radical interpretation of a ‘place’ of work.

■ Richard Kadzis, CAE, Vice President, CoreNet Global



“Alternative workplace strategies are becoming the new ‘normal’ for the majority of organizations.”

Vice President, CoreNet Global
Richard Kadzis

Where once portfolio management was based on leasing, location and negotiation strategies, due to the downturn it is now more commonly linked to real estate compression trends and the drive to reduce space requirements. However, the push toward reduced space is not solely about efficiency or cost cutting.

According to our joint CoreNet Global and Steelcase report on emerging workplace strategies, those companies that are increasingly using less space are creating more progressively designed and inviting environments, designed to promote more effective collaboration, innovation, employee satisfaction, competitiveness and higher productivity. Corporate real estate is trans-

forming from being seen as a cost center or support function into being a part of the business itself, with real estate strategy squarely becoming business strategy.

Per person measures are now indicative of a company’s performance, gauged by space per person, heads per seat, and the percentage of time that a person utilizes the space. Alternative workplace strategies (AWS) are becoming the new ‘normal’ for the majority of organizations polled in the survey, with options such as flexible work, home offices, mobile work and hoteling being offered. 57% of respondents confirmed that space saved by AWS is being used to accommodate more team spaces, with 41% reconfiguring saved space to add cafés and new meeting areas. Paradoxically, very few employ-



Conventional group workspaces will become increasingly redundant.

ees are actively taking part in AWS options outside the office, despite the ability to work wherever they want. Steelcase Group President Jim Keane believes this is because employees “need spaces to help them collaborate...and create a sense of purpose and belonging”. The survey reveals that 70% of employees regard the office as the best place to interact with colleagues in the context of collaboration and productivity. Nevertheless, technology’s ‘relentless advance’ is going to radically change the nature of work less than a decade from now, possibly resulting in work going to people rather than people going to work, but this change is unlikely to reduce the significance of place, because human interaction is fundamental for people and companies to thrive.

Bring Your Own Technology

CoreNet Global’s major research into the future workplace – Corporate Real Estate 2020 – is halfway complete at the time of writing, and is already revealing some fascinating predictions into the impact of new technology on the way we work, not least of which is how BYOT – or Bring Your Own Technology – will impact the size and design of the corporate office as employees bring their own tools to work. The futuristic research initiative is bringing together thought leaders from around the world to focus on the future of corporate real estate and the workplace by 2020. ‘Science fiction’ tools are already, increasingly, becoming part of the workplace arsenal, with concepts such as col- >>



“While in 2011 corporate real estate managers had to manage the diverging issues of cost awareness and growth potential, the main attention will be on cost reduction in the year ahead. Most corporations have reduced or postponed their expansion plans with corresponding effects on the real estate strategy. At the same time these phases are the ones where corporations look in cost advantages for the future.”

President CoreNet Global in Central Europe and responsible for Real Estate and Facility Management at BASF.

Thomas Glatte

PHOTO: VIA CORENET GLOBAL LEADER MAGAZINE



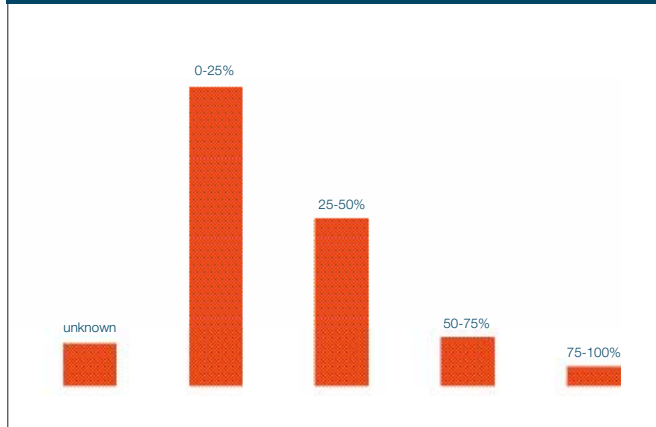
“Some organizations are coping with the consequences of the financial crisis and have a focus on the optimization of their owned and rented portfolios by concentrating activities on fewer sites and disposing of excess sites or buildings, while also possibly enlarging their portfolio in Asia Pacific. Elsewhere, the wider implementation of new ways of working is a key agenda item. In practice, the best (new ways of working) results occur when tied to a transition in leadership thinking and driven by senior management.”

Chair, CoreNet Global Benelux Chapter and Assistant Professor at Delft University of Technology
Monique Arkesteijn

laboration in your pocket and advances in artificial intelligence, nanotechnology, biometric security, sensor driven smart buildings and unified communications becoming more commonplace. For workplace strategies, BYOT, meanwhile, seems an increasingly likely next step, due to the advance of technological change and the blurring of lines between personal and business technology, despite being unthinkable just a few years ago due to integration, security and other issues. It is predicted that the trend will lead to even fewer square feet per employee, with open, collaborative workspaces continuing to replace personal and cubicle-based office designs. According to Keith Perske of E-Business Strategies, “BYOT is happening now. Corporations cannot keep up with personal technology, so the next step is already happening”. The shift will subsequently have an impact on IT depart-

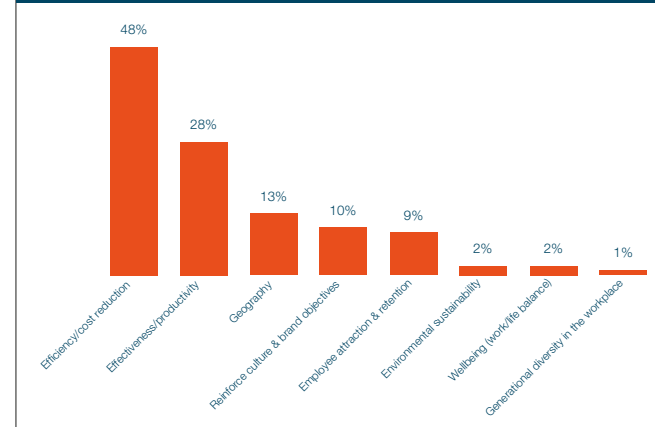
ments, whose long standing role of providing computing power for companies will migrate to the Cloud, as Cloud Computing in turn results in a new emphasis on enabling mobility and other forms of flexible work. However, the significance of the Cloud should not be overestimated, as with the expectation that the number of personal digital devices in the world will double by 2020, Perske boldly predicts that Cloud computing itself will be replaced by ‘always-networked’ personal devices with almost infinite memory. The increase in BYOT, and Cloud replacement, are in turn likely to be enabled by unified communications, integrating voice, data, graphic and video into a single device. According to Perske, “it’s fast becoming collaboration in your pocket. One day soon, it will take the form of wearable technology”. The report also predicts the rise of biometric-based security for

WHAT PERCENTAGE OF YOUR OFFICE WORKERS ARE TRANSACTIONAL WORKERS?



SOURCE: CORENET GLOBAL/STEEPCASE

WHAT IS THE MOST IMPORTANT CONSIDERATION WHEN MAKING REAL ESTATE AND WORKPLACE DECISIONS?



SOURCE: CORENET GLOBAL/STEEPCASE

technology devices, ensuring secure transfer of information for increased collaboration, and advances in nanotechnology to help raise communication effectiveness, with buildings effectively recognizing and differentiating different people’s preferred styles and routines. Nano will also play a role in reducing energy consumption. That such a Star Trek world of work may only be a few years away is especially significant for occupiers and developers, as smarter and smaller spaces are increasingly required by globally networked enterprises offering intelligent infrastructure and smart buildings that facilitate virtual teams and collaboration with multiple stakeholders. Such changes will impact considerations such as demand for space and employee headcount, and an increasingly sophisticated tool called Integrated Workplace Management Systems (IWMS) that integrates resources to

enable flexible work and develop smart buildings.

Sustainability and CSR

Sustainability and Corporate Social Responsibility will also continue to be important factors in 2012, and it is predicted that government regulation will be implemented at local and national levels, and required energy performance disclosure, will be mandatory. However, a separate CoreNet Global whitepaper on sustainability reveals that currently multi-national companies are implementing an ‘uber-sustainability’ approach to Corporate Social Responsibility. Individuals, products and practices are becoming the levers in global social responsibility – often without the influence of governments – and this new world order also extends to global companies. Globally networked enterprises are inherently multilateral forces that cut across national, political or even cultural borders. >>



“The key challenge facing CRE this year is the global economy, necessitating the CRE teams to react to business demands to right size. In addition the globalization of CRE will continue to develop with end users seeking new and dynamic ways to meet their business clients’ needs and requirements. Therefore, change will continue at pace and the transformation that this creates will be a key challenge and point of focus.”

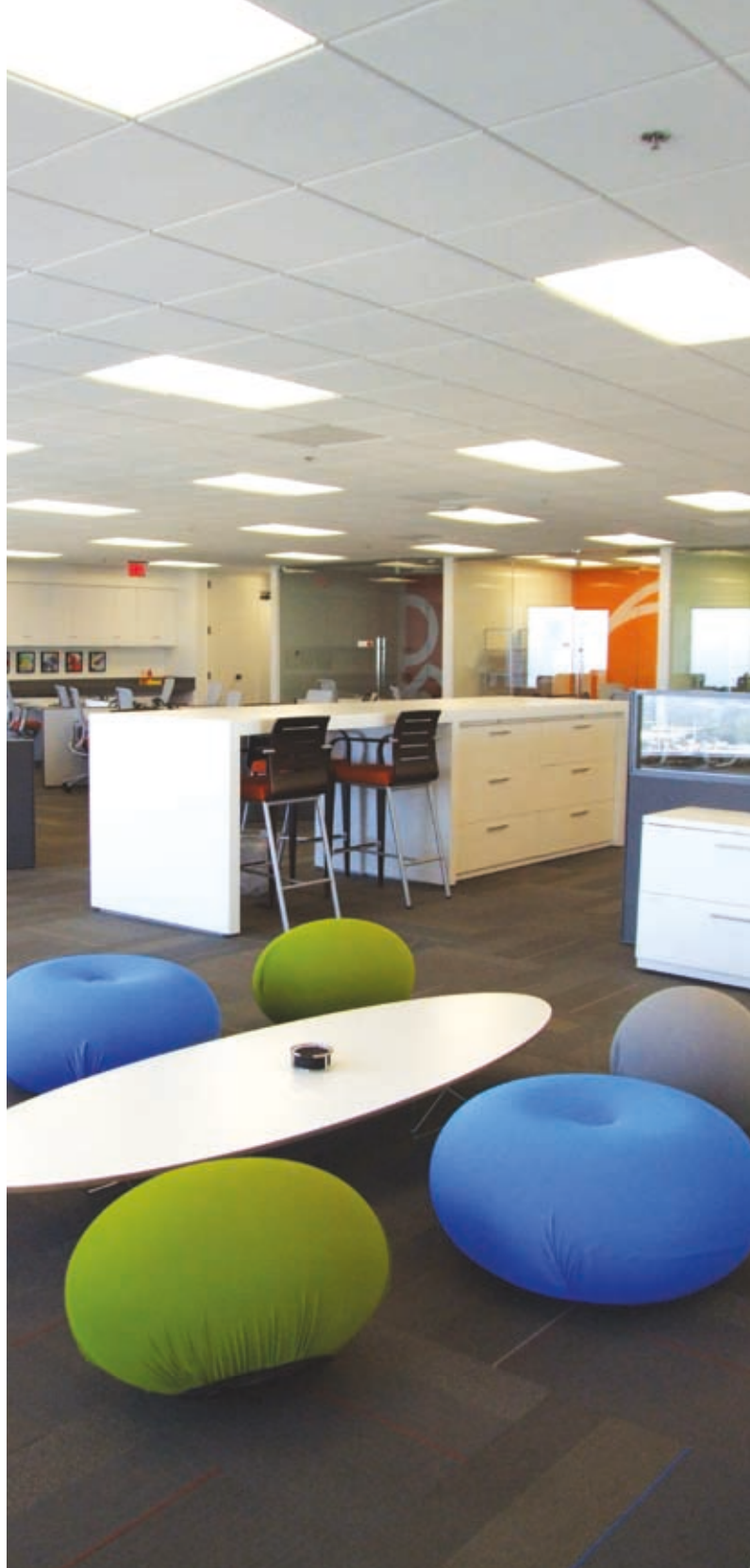
President, CoreNet Global UK Chapter and Head of Project Management Global Corporate Services EMEA for CBRE
Ian Smith



“Due to the current financial crises, real estate and all enabling functions have to continue to focus on cost savings in order to maintain or increase shareholder revenue per share. Continuing the Implementation of iSpace (New Way of Working) across the portfolio will improve employee productivity and innovation and will increasingly help to reduce the real estate portfolio impact on the bottom line result. Streamlining the real estate organization and outsourcing the non-strategic function will become the norm.”

Chair of CoreNet Global's French Networking Group and EMEA Lead for Innovative Workplace Strategies, Pfizer
Michel Rousseau

PHOTO: CORENET GLOBAL



The interior of CoreNet Global's new Atlanta headquarters.

With the globalization of commerce and industry, the actions of a company – whether positive or negative – may determine success in the marketplace. As such, to protect brand and corporate reputation, CSR has transformed from an ancillary concern to a centrally strategic practice, and an essential aspect of free enterprise. Sustainability metrics are therefore critical to a company's credibility and transparency. With responsibility for the facilities and systems that enable building operations, corporate real estate is at the forefront of such practices, with an opportunity to take a leadership role. Buildings count for 40% of the world's carbon output. Retrofitting existing stock to more sustainable standards, and even adopting that practice of not illuminating offices at night, can make a big difference. There are certainly plenty

of opportunities to lead. Savills estimates that, in the UK alone, by 2018 approximately 700 million ft² of commercial space may need an energy efficiency overhaul. With factors such as AWS, mandates to reduce space and cost, technology's influence on flexible work, and the driver towards ever more sustainable businesses and buildings, it seems that conventional group workspaces will become increasingly redundant. Factoring in a likely reduction of allocated space per head to below 100 ft² by 2020, the CRE research boldly suggests that 40% vacancy rates (outside Asia) may be likely, and with 200-billion ft² of existing commercial space available to sustainably retrofit and responsibly reuse, there will be much less emphasis on developing new buildings in tomorrow's world of corporate real estate. ■

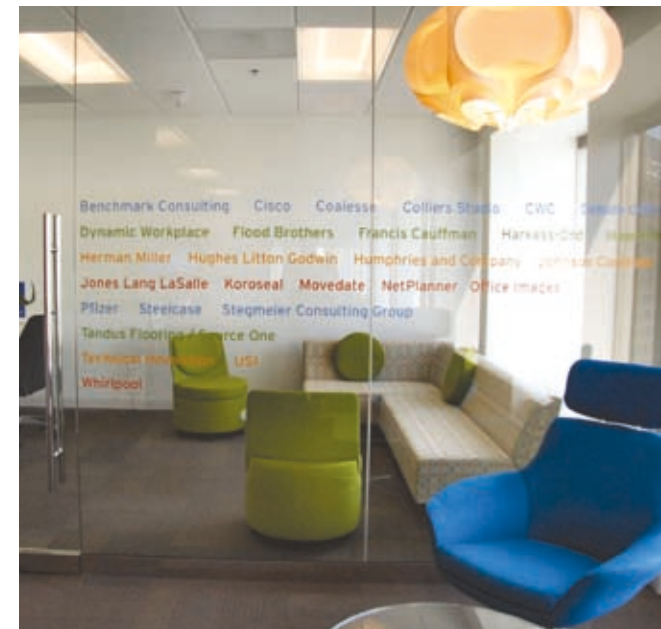


PHOTO: CORENET GLOBAL

Another view inside CoreNet Global's new Atlanta headquarters.

About CoreNet Global

CoreNet Global is the world's leading association for corporate real estate (CRE) and workplace professionals, service providers and economic developers. Our 7,000 members, who include 70% of the top 100 US companies and nearly half of the Global 2000, meet locally, globally and virtually to develop networks, share knowledge, learn and thrive professionally. In the EMEA region, CoreNet Global has active regional chapters including Benelux, Central Europe, the United Kingdom and the Middle East, plus a France Networking Group.

CoreNet Global's EMEA Summit 2012 will take place September 17-19 at the Park Plaza Riverbank in London.



MORE INFORMATION

Katleen Beeckman
Director Member &
Component Relations, EMEA

T: +32 53 21 27 10
E: kbeekman@corenetglobal.org
W: www.corenetglobal.org