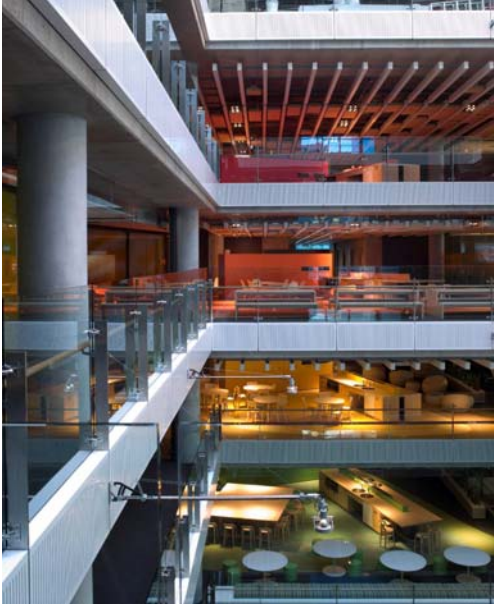



Organisational Transformation

How SA Water are using the workplace to change organisational culture

Steve Coster
Managing Director, DEGW Australia & NZ
CORENET Brisbane, 6 May 2009



Architecture & Interiors: HASSELL
Photo: Earl Carter



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DEGW ¹

In 2003 SA Water wanted to . . .

- Create an Integrated High Performance Culture
- Attract a New Generation of Workers
- Represent Global Leadership in Sustainability

They decided the workplace would help change the organisation.

So they set about creating a building would . . .

- Bring water testing laboratories, and education centre and the office together in one building
 - Achieve minimum 5star Green star
 - Be located in the centre of Adelaide's CBD
 - Be provided and owned by a developer and rented by SA Water
 - Be achieved this through a competitive market process
 - Within government probity requirements
 - Avoid any cost premium to market prices
-
- And transform the culture of the organisation

Everybody told them it was impossible

It wasn't ... this how they achieved it and what they learned



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DEGW 3

About the Project

Headcount – 940 people

Area 17,000sqm over eight levels

- Offices 11,500sqm
- Laboratories 5,300sqm
- Learning 350sqm

Density

- 13 sqm/p typical
- 15 sqm/p overall (SA Govt guidelines)

Costs

- building AU\$2,900/sqm
- tenancy AU\$1,350/sqm
- laboratory AU\$5,300/sqm
- Rental AU\$420/sqm gross

SA Water Team

- Lead by SA Water People & Change Team
- Workplace & Procurement Strategy: DEGW
- Engineering Reqs: ARUP
- Project/Risk Mgt: DTEI
- Interiors: HASSELL

Developer Team

- Developer: Catholic Church
- Architecture: HASSELL
- Sustainability: Cundall
- Contractor: HansenYuncken



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... And an amazing, energising space for the organisation

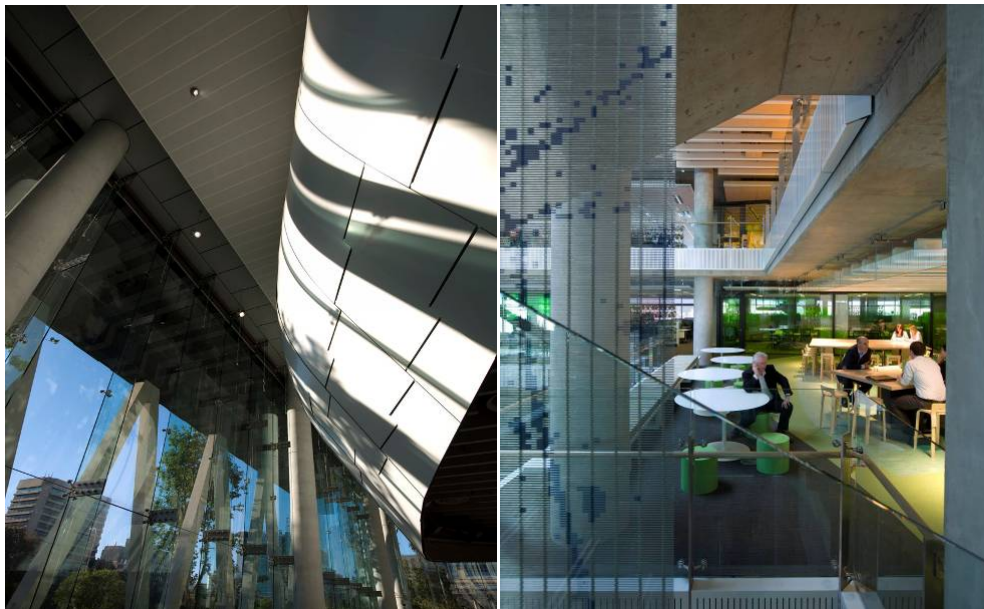


Architecture & Interiors: HASSELL
Photo: Earl Carter



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Architecture & Interiors: HASSELL
Photo: Earl Carter



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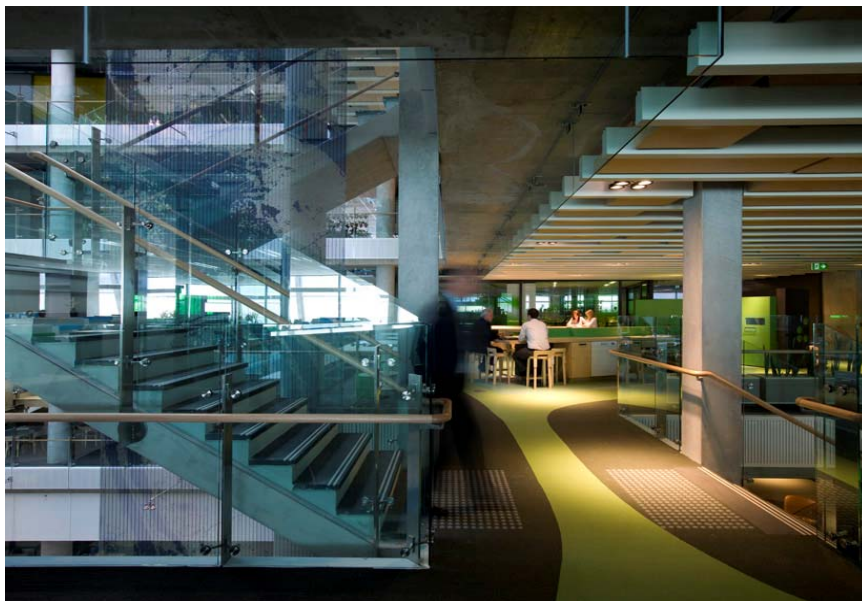


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Architecture & Interiors: HASSELL
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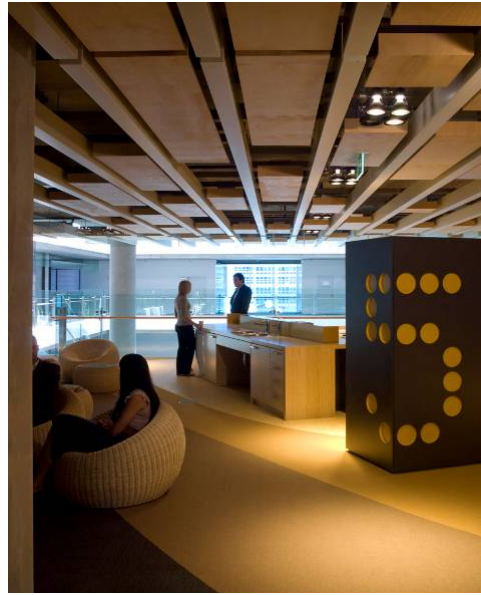
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Architecture & Interiors: HASSELL
Photo: Earl Carter



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Architecture & Interiors: HASSELL
Photo: Earl Carter



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Architecture & Interiors: HASSELL
Photo: Earl Carter



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World Leading Sustainability

One Star	10 - 19 pts	
Two Star	20 - 29 pts	
Three Star	30 - 44 pts	
Four Star	45 - 59 pts Best Practice	
Five Star	60 - 74 pts Australian Excellence <i>(broadly equivalent to LEED platinum)</i>	at market rental! SA Water RFP target
Six Star	75+ pts World Leader	SA Water RFP achieved



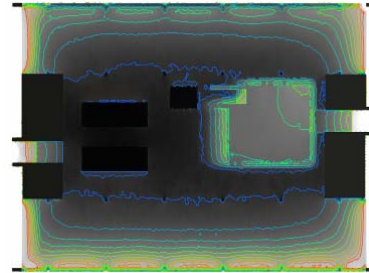
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Sustainability Features

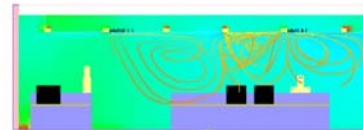
Light & Views

- Central open atrium (although the brief did not ask specifically for an atrium)
- Western double-skin fritted veil and automated blinds

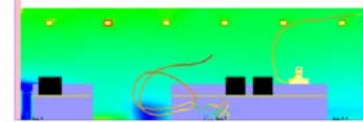


Air

- Under Floor Ventilation
- Individual control
- 100% outside air
- CO₂ monitoring
- Low off gassing carpets, paints, sealants, adhesives & joinery
- Humidity Control



Conventional – sneeze recirculates



Under Floor – sneeze up and out!

**Courtesy of Cundall, Bestec and HASSELL*



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Sustainability Features

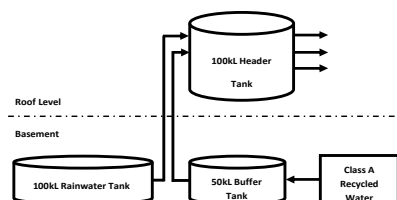
Energy

- A fritted, double-skin to west façade to reduce solar loads (while retaining views and daylight)
- High performance double glazing to north, south and east facades
- Wider temperature band
- Efficient water cooled chillers
- 340kWe tri-generation (electricity, heating & cooling)



Water

- Water efficiency
- Rainwater collection
- Class A water for toilet flushing & cooling tower
- Recycling of fire test water



**Courtesy of Cundall, Bestec and HASSELL*



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... But it used to look like this



... But it used to look like this



... But it used to look like this



... But it used to look like this

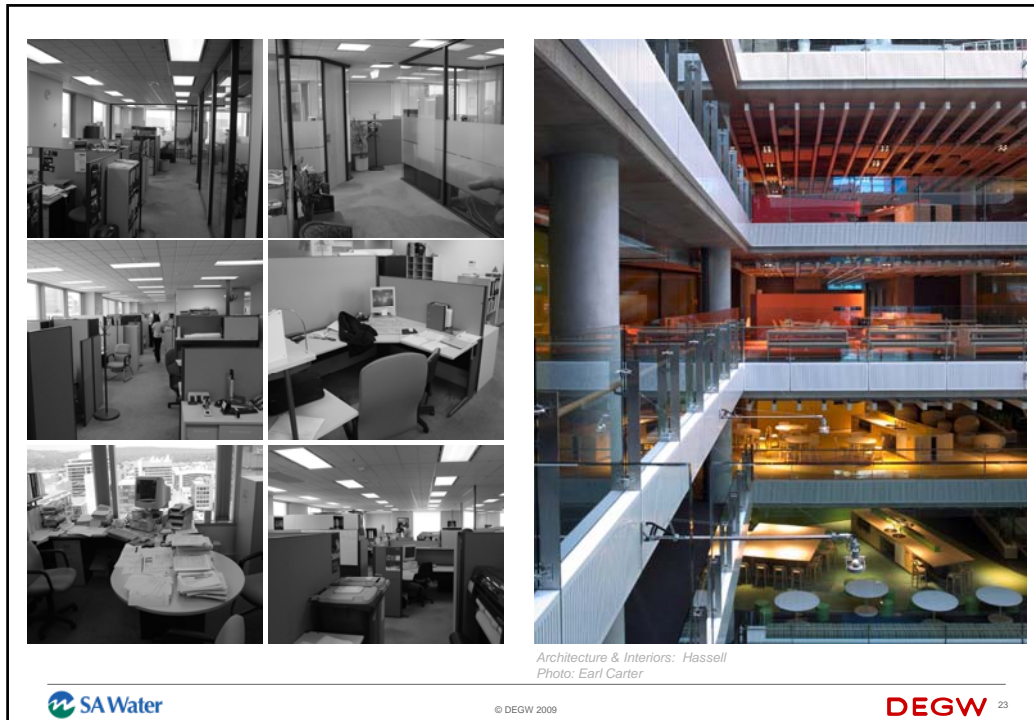


... But it used to look like this



... But it used to look like this

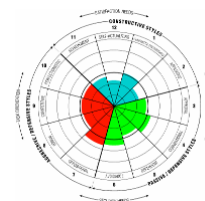




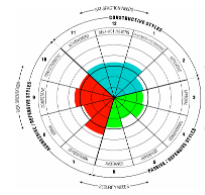
So what happened? When Moons Align – Seizing the Opportunity

- Aging, outdated facilities
- Significant cost incurred because of the geographical spread
- Government accommodation standards not being achieved
- Alignment with sustainability values and chance to showcase these
- Culture survey identified accommodation as cultural issue – Morale and Equity
- **Project given to the People & Change team**
 - Rare opportunity to combine culture, efficiency, communication, and performance

SA Water 2003



Best Practice Companies



*Courtesy of Peter Ward, Head of People & Change, SA Water



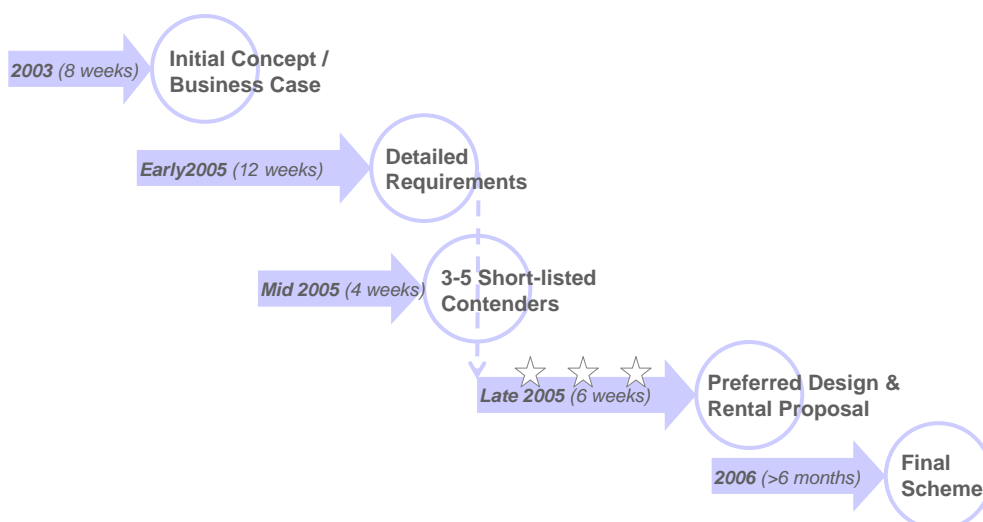
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How to make change happen. . .

1. **Be clear, ambitious and holistic in articulating your goals:**
“Where is your organisation trying to get to?”
2. **Engage every level of the organisation in the planning process:**
“Change management is risk management”
3. **Re-balance the property industry Supply/Demand equation:**
“Be ‘unreasonable’ in your expectations of the property industry”
“The same old processes get the same old results”

How did they get there? A Focus on Change at Every Stage of the Process



Making Change Happen . . .



Be clear, ambitious and holistic in articulating your aspirations and requirements

“Would you tell me, please, which way I ought to go from here?” . . .

“That depends a good deal on where you want to get to,” said the Cat.

“I don’t much care where. . . “ said Alice.

. . . “Then it doesn’t matter which way you go,” said the Cat.

Lewis Carroll,
Alice in Wonderland

SA Water's Goal: A High Performance Culture

Culture is a tool to be used to achieve competitive edge

Defined by better:

- Speed to market, response times
- Ability to change, withstand buffetings
- Ability to deliver promised outcomes
- Profit , Service delivery performance over the longer term
- Attractiveness to prospective employees

Continued high performance sustained over long periods

**Courtesy of Peter Ward, Head of People & Change, SA Water*

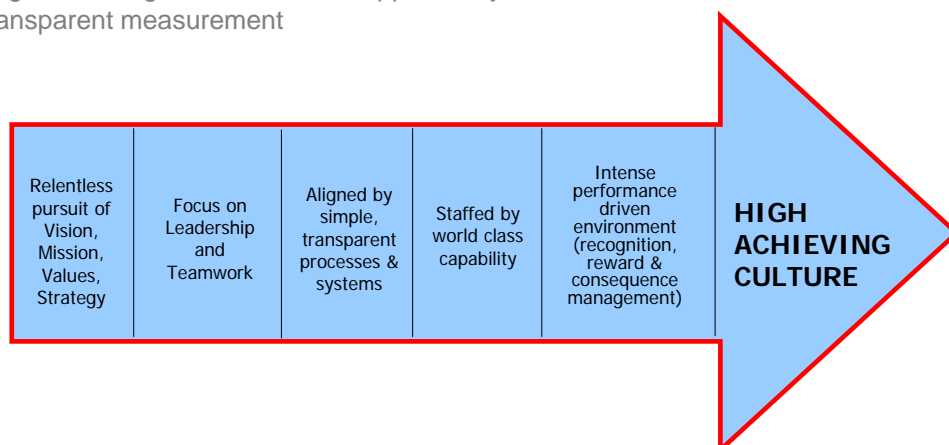


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Human Resources Strategy

"high achieving culture" model, supported by clear communication and transparent measurement



**Courtesy of Peter Ward, Head of People & Change, SA Water*



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Cultural messages are sent through three channels

... All of which convey what is valued in the organisation

Channel	Message sent by	Workplace impacts all of these
BEHAVIOUR	<ul style="list-style-type: none"> •Observation of others •Especially key influences •What is said •What is done 	
SYMBOLS	<ul style="list-style-type: none"> •Where is time spent •Where resources are invested •Physical environment •What and who is rewarded •Who is involved in what •Voice of key stakeholders •Rituals 	
SYSTEMS	<ul style="list-style-type: none"> •Goal setting budgeting •Reporting and measurement •Remuneration •Performance management process 	

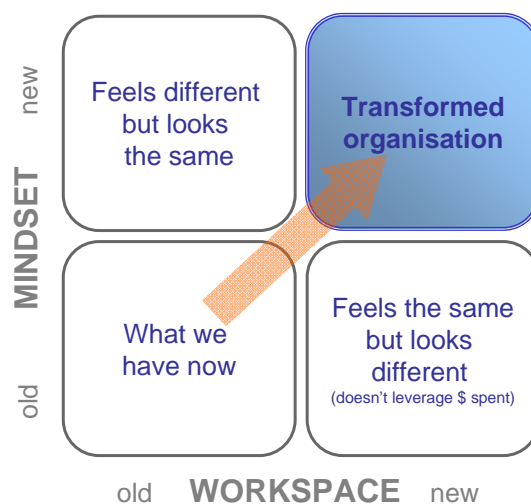
*Courtesy of Peter Ward, Head of People & Change, SA Water



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Organisational Transformation, not just a new workplace




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Initial Accommodation Strategy

DEGW HASSELL



‘SA Water is going through a significant change process to ensure our five year customer satisfaction, profit and sustainability targets are achieved. A new workplace that encourages interaction, team work, and greater effectiveness is required to better support our people and accelerate continual innovation.’

Anne Howe

Chief Executive, SA Water

REINVENTING

THE WAY SA WATER WORKS

Revision 1

4

SA Water Strategic Accommodation Plan –DEGW, HASSELL, Rider Hunt – 2003




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Initial Accommodation Strategy


DEGW HASSELL



The drivers of change

Based on the interviews:

- Re-engineering processes and increasing efficiencies
- Greater interaction between business units
- Shift away from outsourcing
- Greater use of technology - flexible working
- New generation of people
- Greater emphasis on security



Revision 1

8

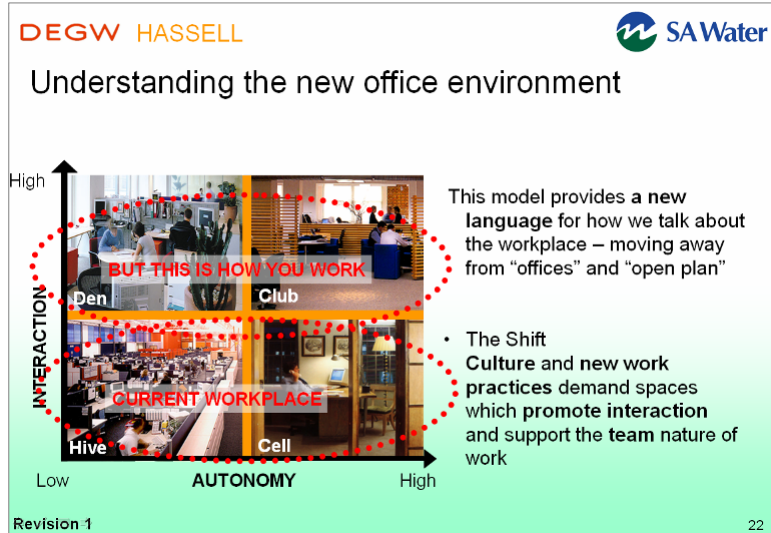
SA Water Strategic Accommodation Plan –DEGW, HASSELL, Rider Hunt – 2003



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Initial Accommodation Strategy



SA Water Strategic Accommodation Plan –DEGW, HASSELL, Rider Hunt – 2003

Making Change Happen . . .



Engage every level of the organisation in the planning process

“What is Change Management?”

A) Black Magic

B) HR Gobbledy-Gook (ie The Soft Fluffy Stuff), or

C) Risk Management

. . . The correct answer is Risk Management.”

Richard Veale,
SA Water Change Manager

Engagement Starts at the Top – Setting the Principles

- **Executive Team established a Project Mission:**
 - “Create a building that brings us together whilst allowing freedom & diversity leading to a dynamic organisation for a sustainable future”
- **And Project Principles:**
 - Flexibility, future-proof
 - Openness and transparency – no offices
 - Ecologically Sustainable - 5 Star Green Star minimum
 - Healthier environment and natural light
 - Consider our customer's needs
 - Part of the community
 - Facilities provided on the basis of need not hierarchy
 - Encourages teamwork, collaboration and communication
 - Staff input to their own workspace
 - Accessible Leaders

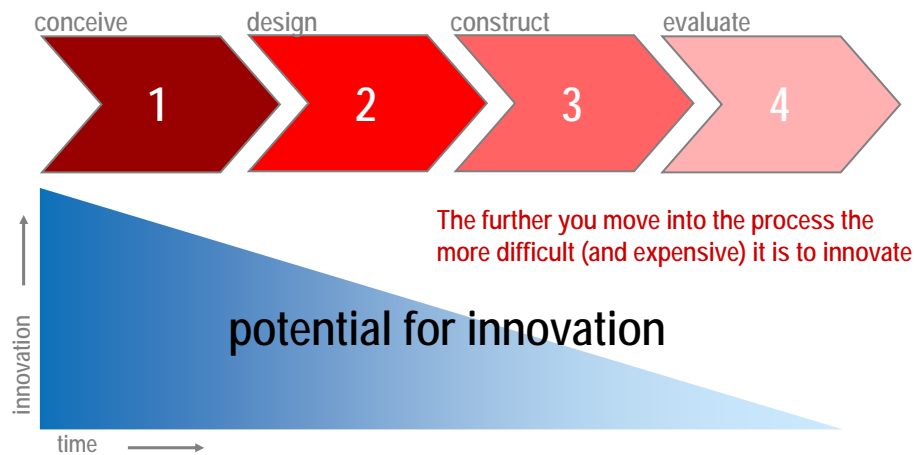
Engagement at all levels and all stages

- Executive Team and Senior Management
- Staff Reference Group
- Intranet site and newsletter
- Workplace Performance Survey of all staff
- Focus Groups during the design process
 - Workstyles, Specialty areas, Laboratories, Office protocols
- Workpoint Pilot – approximately 300 people participated
- Site visits during construction
- Site training and induction programs (mandatory program)
- Ongoing communication during relocation and settling in
- Post-implementation review
-
- **Communication, communication, communication**

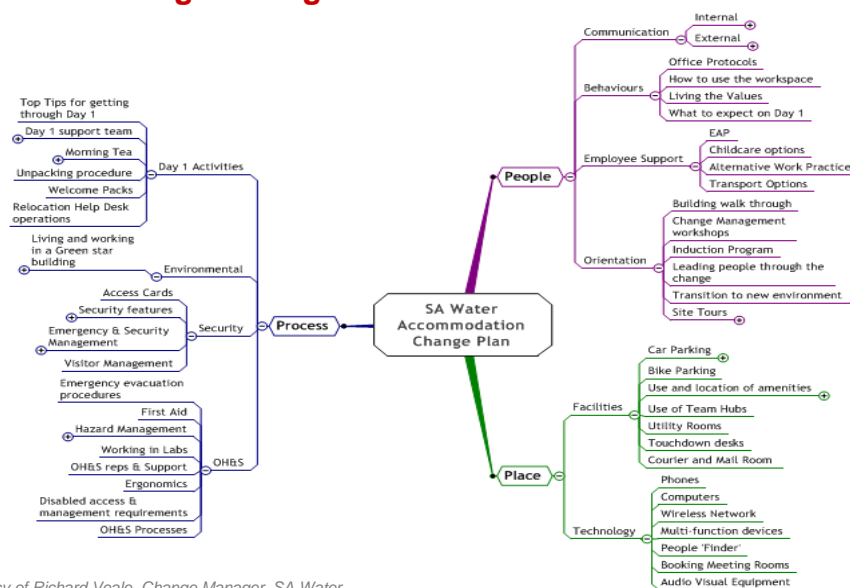
Managing the transition. . .



Starting with Change Management enables innovation: “How else could we do things? . . .”



SA Water Change Management



*Courtesy of Richard Veale, Change Manager, SA Water

Making Change Happen . . .

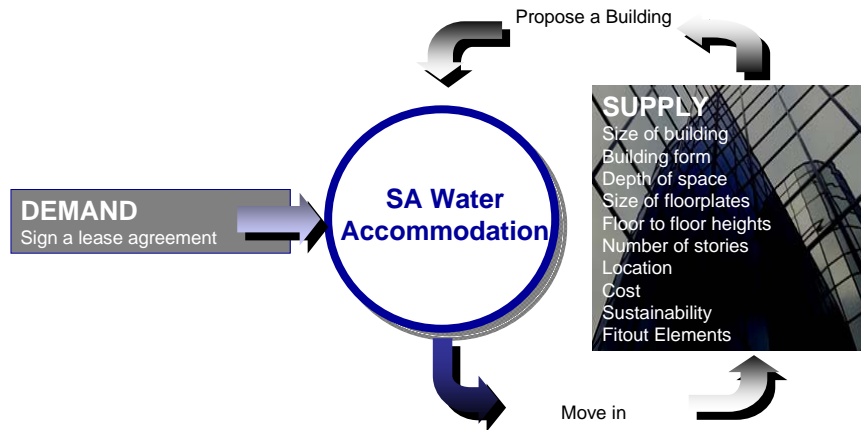
3 Re-balance the Property Industry Supply/Demand Equation

**“The reasonable man adapts himself to the world;
while the unreasonable one persists in trying to
adapt the world to himself. . .**

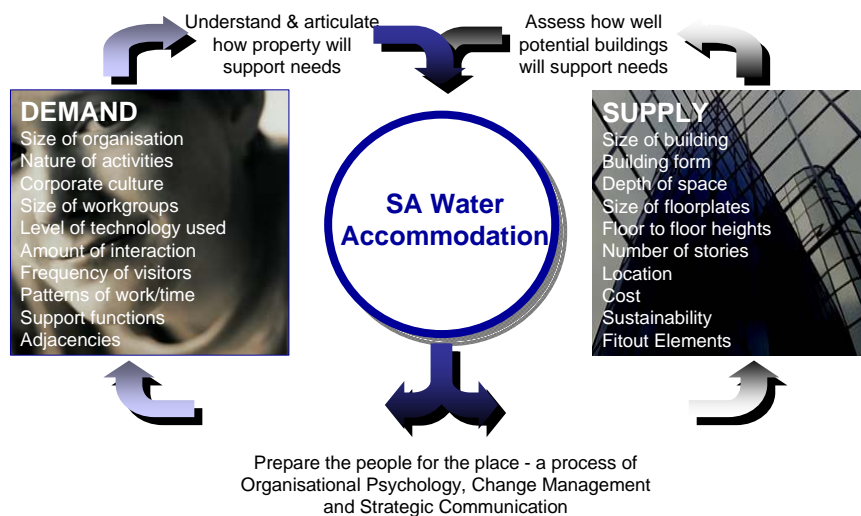
**. . . Therefore all progress depends on the
unreasonable man”**

*George Bernard Shaw,
Maxims for Revolutionists*

A Process to Balance the Demand-Supply Equation



A Process to Balance the Demand-Supply Equation



Lessons from the Process

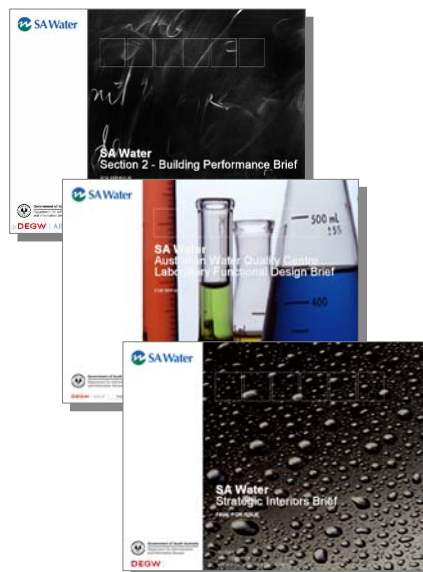
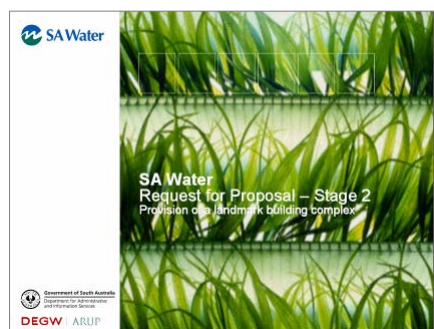
- Clearly established and conveyed SA Water requirements & aspirations
- Stuck to strong guiding principles at every stage
- Forced the property industry to think smarter
- Balanced creativity and innovation with risk
- Created a partnership approach with the industry
- Set a new benchmark outcome – and the industry responded



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Building Performance, Workplace, Laboratory Briefs



SA Water RFP – SA Water, DEGW, ARUP, DAIS - 2005



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Building Performance, Workplace, Laboratory Briefs

What makes this project different?

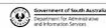
- Above and beyond a typical office building, this project seeks to accommodate three unique components:
 - Workplace culture** – create a building that facilitates a strong culture of interaction, collaboration, teamwork and knowledge sharing
 - Ecologically Sustainable Development** – lead the way in terms of sustainable building design and practices
 - Laboratories** – successfully integrate laboratory facilities, both functionally and culturally



- Workplace Culture**
The environment within which an organisation operates plays an important role in reinforcing the desired culture and image of the organisation. As SA Water strives to reinforce its position as a global leader in the provision of water services, the new facility in Adelaide will serve to embody the principles that will enable the organisation to achieve its vision.
- The following objectives were viewed by key SA Water stakeholders as being fundamental to the evolution of SA Water's organisational culture.
 - Cultural change – connecting people, openness and transparency
 - Attract and retain staff – differentiate the workplace to offer SA Water a competitive advantage in the market for talent
 - Community access – make the place inviting
 - Amenity – café and childcare
 - Security – general access area for the public with boundary control for the workplace and laboratory.

DEGW ARUP

SA Water - Introduction << Page 1 8 >> 31 August 2005



SA Water RFP – SA Water, DEGW, ARUP, DAIS - 2005



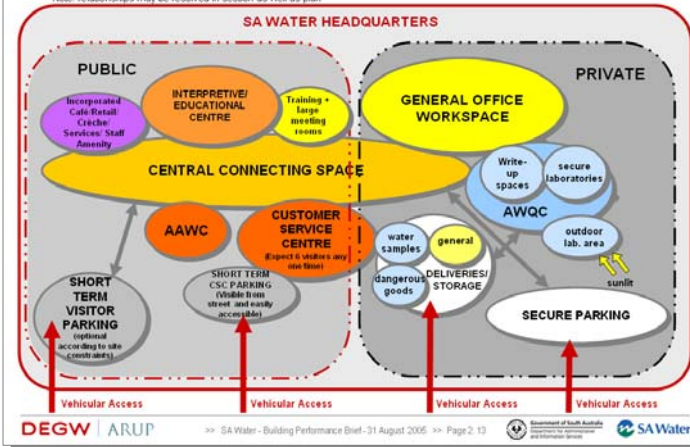
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Building Performance, Workplace, Laboratory Briefs

Spatial composition

*Note: relationships may be resolved in section as well as plan



DEGW ARUP

>> SA Water - Building Performance Brief - 31 August 2005 >> Page 2 13



SA Water RFP – SA Water, DEGW, ARUP, DAIS - 2005



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Building Performance, Workplace, Laboratory Briefs

Brand and image

- SA Water aims to be a world leader with respect to the promotion of water (quality and sustainability) and would like the new building to reflect this and the organisation's (and the State's) commitment to environmentally sustainable design. These sustainability attributes can be celebrated in the design.
- The building should achieve this through the sensible use of funds to:
 - Capture the imagination and spirit of SA Water - walk in the door and enter the organizational culture.
 - Convey an image that is respectful of clients, partners and international visitors - not plush or palatial.
- The image should reflect the function of the building - as a workplace, as a place to interact with the community, as a public and welcoming place.
- The building should be attractive to the younger generation that the organisation seeks to attract - contemporary (and to a degree playful) design.
- Local SA materials and suppliers are preferred. The selection of materials should be authentic and natural - not overly finished. Within the interior workplace materials should tend towards the domestic rather than the strictly corporate/high tech.
- The incorporation of plants in, around and on the building would be welcomed.
- Naming and signage rights are important to SA Water.



Avoid being an 'Ivory tower'



architects - Designmim and Bligh Volter Field

DEGW | ARUP

>> SA Water - Building Performance Brief - 31 August 2005 >> Page 2, 14



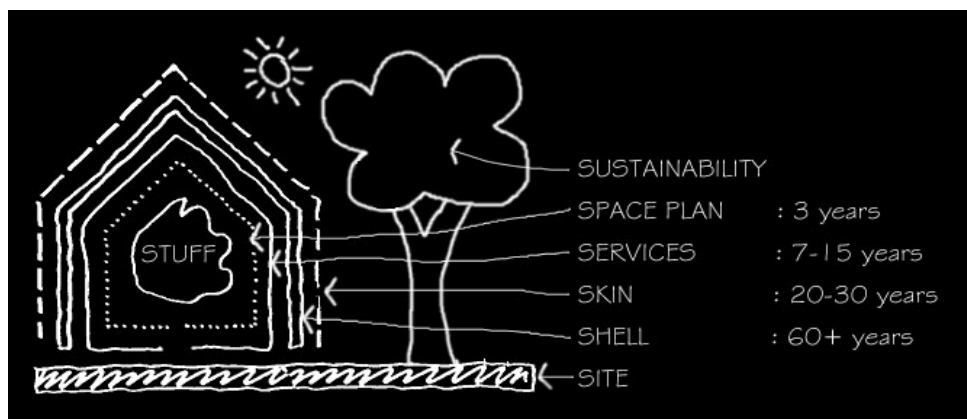
SA Water RFP - SA Water, DEGW, ARUP, DAIS - 2005



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Lifecycle approach to building design

Developed from a diagram in *How Buildings Learn* (Stewart Brand, Phoenix, 1994)

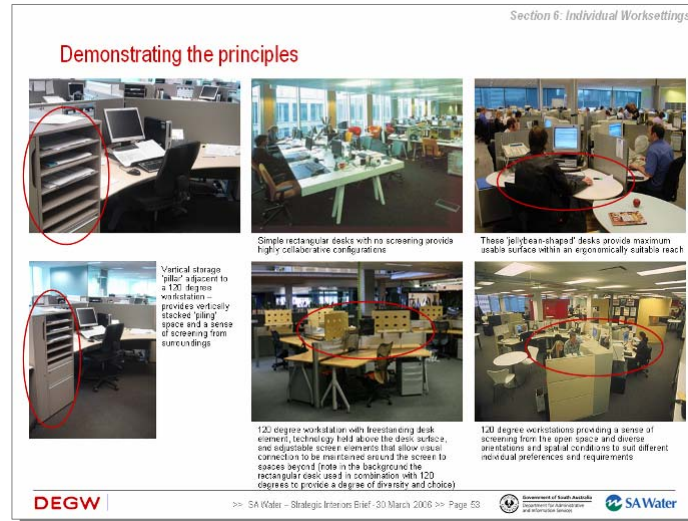
SA Water RFP - SA Water, DEGW, ARUP, DAIS - 2005



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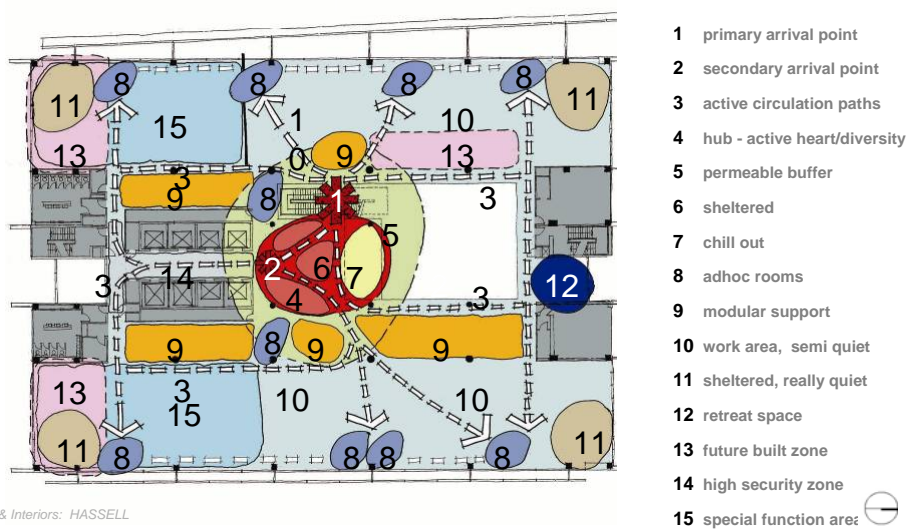
SA Water RFP - SA Water, DEG, ARUP, DAIS - 2005



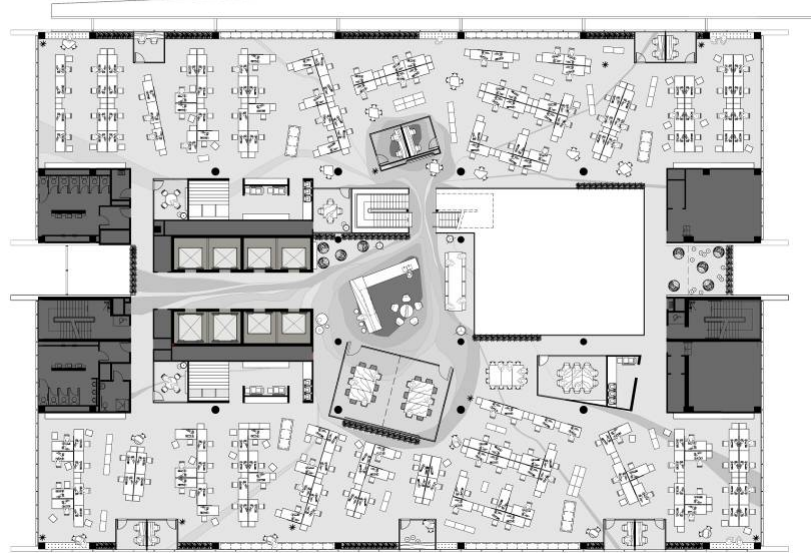
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SA Water – final zoning concept



SA Water – typical layout



Architecture & Interiors: HASSELL



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Section



Architecture & Interiors: HASSELL



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Architecture & Interiors: HASSELL



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Benefits to Date

- **Attraction** of prospective employees
- **Retention**, pride in the workplace
- **Flexibility** – work and meet anywhere
- Improved **communication**
- Supports **collaboration**
- Everything is **transparent**
- Changed **leadership behaviours**
- Staff **Amenity**
- Mixing of **cultures**



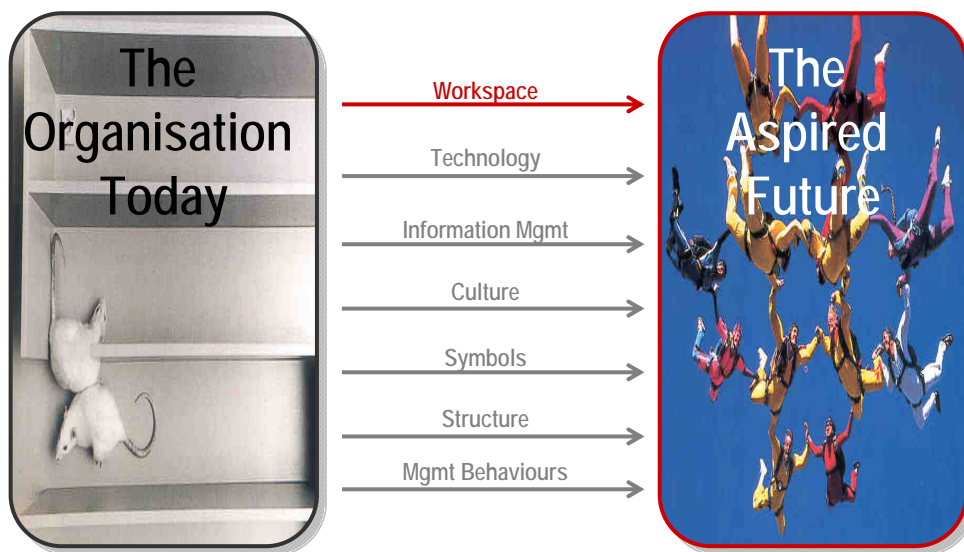
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SA Water . .

- *STARTED* with Change Management
- Had the courage, and gave themselves time, to engage with what they didn't know – “How else could we do things?”
- Set their principles together and lived by them
- Invested in creating the right process to get them there
- Had a team with the right skill set to help them – Architects do buildings, not Organisational Change

Workspace is Part of Organisational Change





Architecture & Interiors: HASSELL
Photo: Earl Carter



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People + Space = Performance

www.degw.com



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