

CoreNet NorCal's June 18th Chapter Meeting: Digital Transformation's Impact on Corporate Real Estate and the Workplace" featured renowned thought leaders, Steve Weikal, Head of Industry Relations, MIT Center for Real Estate and Carly Tortorelli, Senior Vice President of Workplace Technology at Impec Group. Robert Teed, Vice President of Corporate Services at ServiceNow and Immediate Past Chapter President facilitated the program which included thought-provoking presentations and a lively fireside chat. The conversation centered around how COVID-19 has shined a bright light on the need for digital transformation.

[Click here](#) to watch the program in its entirety.

For your convenience, key points from the speaker's presentations are summarized below:

Weikal – Big Picture Overview

Update on Recent trends - Following since 2013

- **Startup Re-Start**
 - Billions of VC dollars going into RE tech since 2012 / 28 Billion in 2019
 - Serves as R & D for the industry
 - Directed to young companies using tech to innovate
 - Industry in some respects is behind – many companies still running on spreadsheets and PDF's
 - \$4B placed in Q1-20 despite COVID
 - Now, focus is on solving real problems: nice-to-have shifts to must-have
 - Many won't survive, but many new technologies will be created
 - Historically, some great companies were created during tough times (Microsoft, VTS)
- **Real Estate Fracking**
 - *"Using technology to break real estate use apart and put it back together into something more productive to...unlock overlooked asset"*
 - Prof. Dennis Frenchman MIT
 - Examples: WeWork / Airbnb
 - Causes product types to merge – (hotels pitching use as office space)
 - COVID has created fracking 3.0 (pushed office into people's houses)
 - Companies were heading that way prior to COVID
 - Github – 600 employees in 54 countries but no central office
 - Stripe – 5th engineering hub will be distributed/remote
 - *"The future of work is dynamic; going beyond just distributed and remote work"*
 - Armen Vartanaian, Okta
 - *"Flexible working will be the defining characteristic of future workplace"*
 - Google, Workplace 2020
 - Post COVID more companies going permanently remote
 - Mondelez, Barclays, Nationwide, Facebook, Twitter, Coinbase, Shopify, Morgan Stanley
 - Examples: software enabling the virtual office

- Knock
- Sococo
- Walkabout
- Tehama
- Tandem
- Topia
- Along with software for virtual and remote collaboration
 - Microsoft teams
 - Trello
 - Slack
- Dynamic & Responsive

*“Ever more intelligent and responsive buildings will **tune themselves** to changes in working conditions” – Building Design & Construction*

 - Tenant engagement apps – now responding to the list of requirements for return to work (communication, access, elevators, distancing, security, air quality, density)
 - HqO
 - Equiem
 - Office App
 - Comfy
 - CrowdComfort
 - Meeting and access
 - CrowdComfort
 - Robin
 - Sine
 - Space optimizers
 - Verge sense
 - Beco
 - Hot desk/hoteling
 - DeskFlex
 - Office Space
 - Enterprise
 - SpacelQ
 - Servicenow
 - Relogix
 - Angus Systems

Final Thought

“The pandemic is acting as a catalyst to complete the digital transformation of business models that were not fully executing given the technology already available to us” – KP Reddy, Shadow Ventures

Tortorelli – Ground Level

“Everyone has a plan until they get punched in the face” - Mike Tyson

State of the Union

- COVID is a catalyst for improvement
 - Culture
 - Workplace
 - Technologies
- Seeing consolidation of traditional technologies
 - FM systems bought Asure
 - Archibus bought Serraview and Space IQ
 - Ioffice bought Teem
- Workplace got sexy - non-workplace technologies enter the market
 - Salesforce Work.com

“I just feel very strongly that we have the ability to do something very powerful here and to motivate this new workplace, just like we did in the prior workplace. Technology is actually going to become a critical part of managing our workplace where before it was not part of our culture” – Marc Benioff, CEO. Salesforce

- COVID has acted like a gigantic highlighter pen
 - Lack of technology and data
 - Lack of executive sponsorship
 - Under appreciation for the workplace
- COVID is not the enemy
 - Industry was already slow moving
 - Workplace teams are thin and scrappy
 - Focused on the priority zeros/911s – instead of processes and technologies
 - Industry has accepted average

Make lemonade out of the lemons

- Take a breath – don’t panic
- Don’t go wild buying new tech – look at processes first
- Use what you have / revamp, bolt on
- If all else fails rip and replace
 - Easy to do in 90 days or less
 - Over 7,000 technologies to choose from

Eight Tips for Current or New Tech

- Be agnostic and flexible – one size doesn’t fit all / things change
- Data – what problem are you solving?

- Partner – pick the right one and nurture internal relationships
- Guiding principles – tech is now the driver
- Roadmap – build a CRE ecosystem
- Money - tech should be making you money or saving you money
- People – automate and improve employee experience
- Process – create before you choose tech and use

COVID space lost – data from real floor plans / customers

- 40% - seating loss
- 87% - space per person
- 74% conference room capacity

Seating Trends

- 1:1 seating
 - 40% of population
 - Usually about 70% of employees assigned 1:1 seat
- Shift seating
 - 80% of re-entry customers moving forward with this model
- Seat reservations
 - 200% increase in mobile and seat reservations
- Depopulation
 - 3% of customers moving forward with full depopulation

Overall message

We are not bad parents as real estate professionals. This crisis has turned the spotlight to the workplace and for many of us has provided the financial and C-Suite support that we haven't necessarily had in the past. Let's make the most of it!