

CoreNet Global UK Chapter FM/Workplace event

Making Workplace Productivity Real

Our Knowledge Exchange events provide a unique opportunity for occupiers and industry experts to come together and tackle some of the key challenges they face.

We are currently embarking on a series of events that are jointly organised by different CoreNet UK Chapter communities. These aim to benefit participants by linking key business areas and considering issues from multiple perspectives. The first of these was held in June, facilitated by the Facilities Management and Workplace communities.

With speakers and participants from major occupiers, FM and workplace consultancy, the event explored the role FM plays in delivering a holistic workplace experience. It examined the impact of workplace culture on staff behaviour and operational effectiveness, particularly in times of change.

Participants heard our speakers' experiences before working in teams to develop solutions for some of the main issues including:

- Defining the workplace experience and aligning it with the supply chain
- Lack of reporting
- Communicating a project to management and staff

Read on to learn more about the discussions and, more importantly, the solutions.

We would like to thank our speakers – Alex Guthrie of HSBC, Bill Tracy of Johnson Controls, independent workplace consultant Despina Katsikakis, Jeanie Chuo (Deutsche Bank) – for their time and excellent input, and to everyone who attended to make the session such a success.

Thanks also to the FM and Workplace Committees for putting this event together and to BNP Paribas Real Estate for hosting and its continued sponsorship of CoreNet.

The next joint event will bring together the Sustainability and Workplace communities and we hope to have another excellent turn out.

James Maddock
President of CoreNet Global UK Chapter

Introduction

We live in a world where the following needs dominate decision making within most organisations:

- Reducing cost;
- Improving performance;
- And attracting talent.

In this interactive CoreNet Global UK Chapter Knowledge Exchange event, aimed principally at end users and service providers, three speakers from leading organisations – Alex Guthrie of HSBC, Bill Tracy of Johnson Controls and workplace consultant Despina Katsikakis - shared how their organisations combine workplace and FM, and how they use them both to encourage and manage change, while also driving operational performance.

Defining the workplace experience

The physical workplace has a major impact on reflecting and shaping the culture of an organisation. The role of FM within this context is to enable an optimum, functional and holistic workplace experience. We need to look at the desired experience we are seeking to create, the objectives we need to achieve and then deliver an environment to facilitate these.

Some of the objectives might be;

- Improving utilisation/performance
- Inspiring collaboration and teamwork
- Encouraging certain behaviours
- Effecting change – to open plan perhaps or desk sharing
- Continuity
- Consistency or difference across the portfolio

Having communicated your goals with staff, the next step is to ensure the supply chain is aligned and understands the impact of their services in achieving them. This might include

reviewing their service level agreements and looking at quantitative as well as qualitative analysis.

Once the environment has been delivered, the building users must be asked if they are actually getting the experience intended so adjustments can be made. Their expectations need to be managed throughout.

BOX OUT

4 simple steps

1. Define what the experience should be
2. Communicate this to users and suppliers
3. Align the supply chain so they understand the objectives and their role/impact
4. Measure indicators of success against the experience definition

Case study

Leading global bank – a move to a flexible working experience

This bank has 7,300 properties totalling 55 million sq ft. The largest 220 offices represent 1/3 of its property cost.

Through analysis of the UK offices, the firm learnt that 33.2% of desks sat empty, 44% of meeting rooms were booked and not used, and 70% of meetings for 1-2 people were held in rooms for 6-10. Other offices delivered similar results.

In response, it has implemented **OpenWork**, a global framework that will help the business make better use of its office space and create an environment that supports more flexible working – not just from home. It introduces:

- Modern, collaborative office spaces
- Technology and managerial support to enable remote, flexible and collaborative working
- Unassigned desks to fund the investment and reduce costs

Implementation is being undertaken in two phases. The first involves extensive staff consultation to explore the opportunity, understanding its application, creating the strategy and developing the business case. Phase two is about delivery – design procurement and

construction, implementation and post occupancy analysis. Currently 30 **OpenWork** projects are underway in 14 countries.

In all cases, the projects had to show a 2-3 year payback, either in reduction of office space or cost savings.

BOX OUT

The project in numbers:

- Target of 1:1.25 desking; actual 1:1.8
- 90 sq ft/workstation
- From 1500 separate maintenance contracts to one
- 20% more effective use of meeting rooms, saving many \$millions
- Zero hard phones
- 10 focus rooms per 350 people
- All rooms/pods are movable
- One host per floor and a single point of contact for problems
- 2-hour slots for non-bookable quiet zones and focus rooms

Lack of reporting

The continuing trend of higher densities and desk sharing, where staff have no ownership of their working space, throws up a key issue for facilities management – reporting or the lack thereof.

Why don't people report? It's not necessarily because they don't care and there may be other issues which the business can address. Consider whether any of these apply to your organisation:

- Staff haven't been told it's their responsibility
- It isn't clear whose responsibility it is: service provider, floor host, floor checker, the occupant
- Staff think if you arrive at a desk where something is broken, you should just find another one
- The process for reporting isn't clear or hasn't been properly communicated
- It's too complicated to report an issue, with multiple options
- It's assumed it's the FM's job

- Those who have had issues are never told whether problems have been fixed, so they've lost faith
- The culture doesn't encourage care, respect or responsibility for the workspace

So now the solutions? First you need to set expectations with your staff and sell the concept positively because it benefits everyone. Communicate clearly and empower staff, even if they're not often there, to take responsibility.

Make the reporting process as simple and visible as possible, with a route for escalation. Signposting and guidance must be clear so staff know where or who to go to for support, especially if they're in an unfamiliar building. If you can, have a single 'problem reporting' number that reaches a person who can take the issue forward to the right team or teams. Could the reception also perform the helpdesk function, for example?

Encourage community ownership - 'more we, less me' – by grouping teams to create neighbourhoods. Keep the message out there by appointing champions from the communities.

Step back and look at your facilities management and consider if it needs to adapt. The challenge for FM is that it must be increasingly cost efficient without compromising on quality. Trends towards higher workplace density and hot desking put pressure on the frequency of servicing, cleaning regimes and maintenance required. Toilet usage may increase and put pressure on numbers and cleaning, keyboards may need additional cleaning due to increased user numbers, additional wear and tear to chairs will occur due to continuous adjustments by staff, and lift and catering usage will increase.

With these added pressure, the role of FM changes. FM is no longer a butler to the workforce – subservient, reactive problem solvers. Instead, it needs to encourage discipline, facilitate change and enable staff to be proactive. Everyone who uses the building needs to share problems or take items left behind to 'lost property'. It might even make sense to ask the security guards to report problems if they spot issues while doing their rounds.

Measuring customer satisfaction is harder too. The person who reported a problem on one day, may not use the desk or office again for some time. This means we need service level agreement adjustments, not a one size fits all approach, and an understanding of when and how spaces can be maintained. One solution is having core times tailored to teams.

Communicating your project – know your audience

Corporate real estate professionals have the opportunity to drive down cost, improve performance and support staff retention and attraction. These are key drivers for businesses today.

We need to harness the management vision, translate this onto the space, services and technology, and reinforce the culture and values needed for success. CRE professionals need think in terms of managing a complex experience as a means to an end, rather than delivering a simple solution, both in their approach and how they communicate.

With reducing cost still at the top of the agenda, new projects need to be justified based on their business benefits – the tangible ones. Cost saving is followed swiftly by enhanced productivity and retention. Align the payback period with the business strategy – what is an acceptable turnaround? Staff churn costs are considerable if not as visible as sick days so this is another great benefit. Depending on the organisation, carbon footprint improvements can also be a key measure.

If there is resistance, recommend reallocating capital expenditure to allow for a particular project. The CRE function spends money all the time and you're not asking for more, but you are offering additional benefit for the same cost. Prove the value and management will view your next project more favourably. Be up front about the costs – all of them: HR, CRE, IT and running costs.

Having successfully secured the support of the management, you need to make your pitch to the staff. Many may perceive corporate real estate teams as those who cram people into less space to save money. Or the people who say no when there are requests for more meeting rooms. Take the emotion and natural resistance to change out of the equation. Cold hard facts – data – are essential – about the use of space, meeting rooms and other key areas so staff come to their own and the same conclusion as the business and CRE team. With the right communication you can demonstrate that you are responsible for creating inspiring places for staff.

Conclusion

A summary of our key findings:

1. The CRE and FM function need to learn to frame their recommendations in the right way – aligned with the business and its priorities. Start with what's important – if a project can save a significant sum of money, make that the driver – a much improved staff experience is a welcome side effect
2. Engage with the staff who need to change their behaviours – consult, involve and listen. Carry them on the journey rather than forcing change on them later. And manage their expectations.
3. Workplace and FM are intrinsically linked – one cannot perform without the other.