
Driven by Mobility

The New Workplace Environment

SMITHGROUP JJR

Mobility... it's a good thing, right? The presumptive answer in today's corporate world always seems to be yes. Yet the reasons are very different today than they were even five years ago—a period of time that has seen the U.S. mobile workforce¹ leap by 10% to close to 120 million people². The definitions of mobility vary from corporation to corporation. Some organizations define mobility as 40% or more of work time spent away from the office; others are closer to 80%, leading to a free-address environment with no assigned office space.

There are at least three explanations for the changes shaping today's workplace. These overarching trends were clarified in the recently convened roundtable of the Workplace Advisory Board, a summit of leading corporate real estate executives, workplace strategists and designers assembled by SmithGroupJJR. The goal of the Roundtable was to initiate discussion among a diverse set of organizations with the intent to inform new and innovative design and real estate strategies.

KEY TRENDS

The first and least surprising trend is how we're using *technology*, and how technology has transformed the business environment. Today, more than two-thirds of mobile workers use a tablet, and about three in 10 use a tablet for work. Further, in some organizations, the laptop/tablet is the new "office." In less than 5 years, 50% of the workforce will migrate towards the use of mobile devices over their laptops.

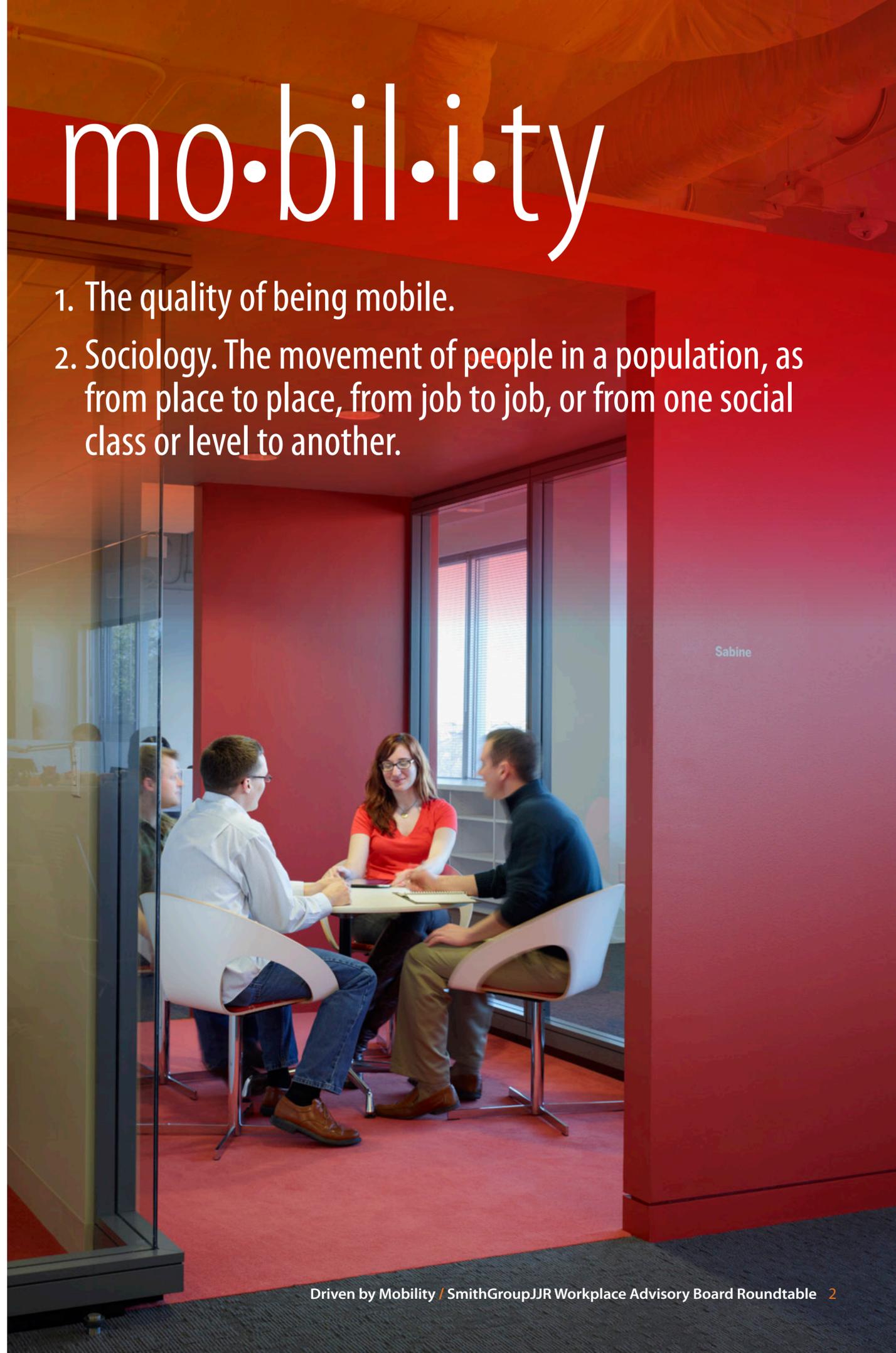
The second trend is *organizational culture*. Workplaces are different today because companies are fundamentally changing,

the characteristic of work itself has changed, and the generations of people inhabiting their offices bring very different demographics, habits and expectations.

The third trend revolves around *globalization*. Corporations with multiple office locations, including international addresses, are faced with the complexity of establishing consistency in real estate management and the development of corporate standards that are exportable and brand-relevant, yet allow a degree of local authorship.

mo·bil·i·ty

1. The quality of being mobile.
2. Sociology. The movement of people in a population, as from place to place, from job to job, or from one social class or level to another.



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WORKPLACE EVOLUTION STRATEGIES

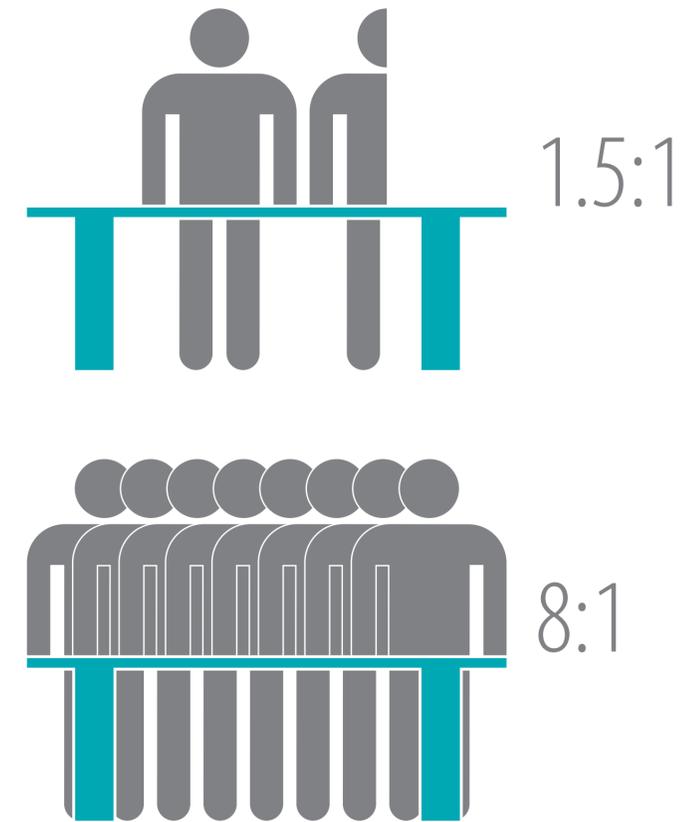
The response to these trends is, in many cases, astounding. And it's clear, some types of organizations, including consulting, technology, creative agencies and development, are leading the way in terms of mobility and the "Workplace Evolution" spectrum. For example, today, in many headquarters and corporate offices, meeting rooms and collaboration areas take up more space than actual offices. Employers, who once assumed that every employee needed an office or workstation, are now using a ratio of employees per desk as a metric of efficiency. Instead of miles per gallon, it's people per desk. Roundtable participants shared ratios of 1.5:1 up to 8:1 employees

per desk, depending on the industry and job functions.

In addition, space-sharing concepts take advantage of travel and meeting time, as well as flexible work arrangements (such as telecommuting), to meet client needs while improving quality of life for workers. At the same time, private offices and workstations are getting smaller. Today we see high-density workplaces that consume closer to 65 square feet per person, compared to averages around 150 square feet only a decade ago, with dual functioning offices, open benching solutions, desk sharing or free addresses as real estate strategies. One upside of all this

is a general reduction in square footage of leased and owned office facilities in many cases. SmithGroupJJR itself reduced its Washington, DC overall footprint 40% by implementing new workplace standards, eliminating private offices and investing in collaborative environments that improve productivity and build culture for the entire office.

WORKSTATION RATIOS





SOCIAL CONNECTIONS

Even more important are the hidden benefits of these mobile employee groups. Companies that focus less on individual/personal work environments are reallocating funds to build smaller, higher quality spaces that include shared office environments, collaboration spaces and technology to support flexibility. While mobile employees often cite work/life balance and personal carbon footprint reduction as key drivers to their job satisfaction, our Roundtable noted that these same mobile workers will come to the office for resources and amenities, and to interact with colleagues. The workplace is becoming more than a place to work. It's the social connection for an organization.

Calling its workplace a "laboratory," a large Fortune 500 consulting firm

emphasizes diversity and quality in office *neighborhoods* as well as room for experimentation. It is not looking for tomorrow's office solution, but looking beyond, to the "day after tomorrow." Its space strategies reflect the consultancy's overall mix of employees. Three percent are Baby Boomers, and a whopping 63% are Millennials—the "confident, connected, open to change," twenty-somethings who are more ethnically and racially diverse, according to Pew Research Center³. The remaining third are Gen-X workers, born between 1965 and 1980, and often depicted as "savvy, entrepreneurial loners"⁴ states Pew Research. Expectations in this workplace vary dramatically among these groups, to the point where, for example, if senior management is not using the same

communication tools as the younger generation, they won't be a part of the conversation.

While there are many *generational divides*, the Roundtable agreed that a crucial one is between digital natives and digital immigrants. Digital natives have been exposed to mobile technology for most of their life. They are comfortable working virtually, using technology and working remotely. Digital immigrants find changing technology more challenging. About 70% of mobile workers, the digital natives aged 22–34, use tablets, while only 47% of the 55–64 year-old digital immigrants do.⁵ These digital natives also prefer customizable, open-plan offices with an emphasis on technology. Reduced face time is OK for them, as long as there is a digital social infrastructure integrated

into corporate workflow and life. They are also connected all the time.

With people and companies radically changing, a new kind of office building has emerged as a result, something that guest speaker David Marks, CEO of TEECOM, calls "*The Social Building*". Marks defines social buildings as living, breathing, aware, social structures that play a fundamental role in our daily lives and relationships. The idea, which Marks links to the "smart building" trend of the 1990s, has the potential to make office workers more productive, efficient and satisfied. The key focus is the successful integration of technology to the building infrastructure, concentrating on user experience.

EMPLOYEE FOCUS

Buildings and related office environments themselves have become part of the recruiting process for many companies; they also serve well as an employee retention strategy. Beyond the world of corporations, institutional organizations, like the government, education and healthcare, are also pushing the envelope to transform their stereotypical images from traditional and hierarchical to tech-savvy and contemporary to compete for their stars during the recruiting process.

One healthcare provider shared its organizational investment strategy which includes the integration of technology

into their office environment and operations, more use of tablets and smartphones, and higher quantities of open environments. Not only did the strategy result in more comfortable and less cluttered workspaces, these environments have become crucial to recruiting the best and brightest staff in high demand. In addition, the change in thinking led to a significant reduction in space needs for their nearly 30,000 employees, allowing the company to make smarter decisions about their six million square foot real estate portfolio.

COMMON CHALLENGES

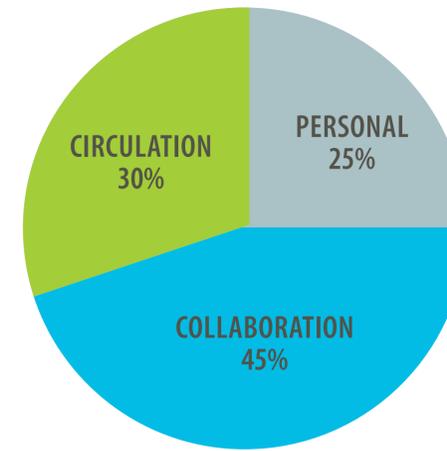
Roundtable participants confirmed that these approaches are not just for large, global companies. “Everyone has the same issues,” says one real estate executive of a mid-size organization. “It’s comforting to know we all share the same challenges and can benefit from similar strategies.”

Successful implementation of transformative environments for organizations of any size hinges on managing change itself. Driven both by an uncertain future and the need

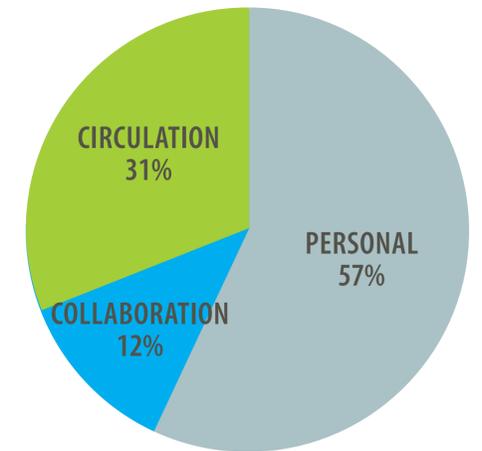
to be nimble, many organizations feel compelled to be proactive, leading to new workplace strategies being developed, based upon the trends noted above. However, companies are also driven by the potential cost savings in real estate. The most successful change management processes are typically governed by a top-down approach, championed by the C-Suite and company leadership, with clear and consistent employee communications.

SPACE ALLOCATION | EMPHASIS ON COLLABORATION

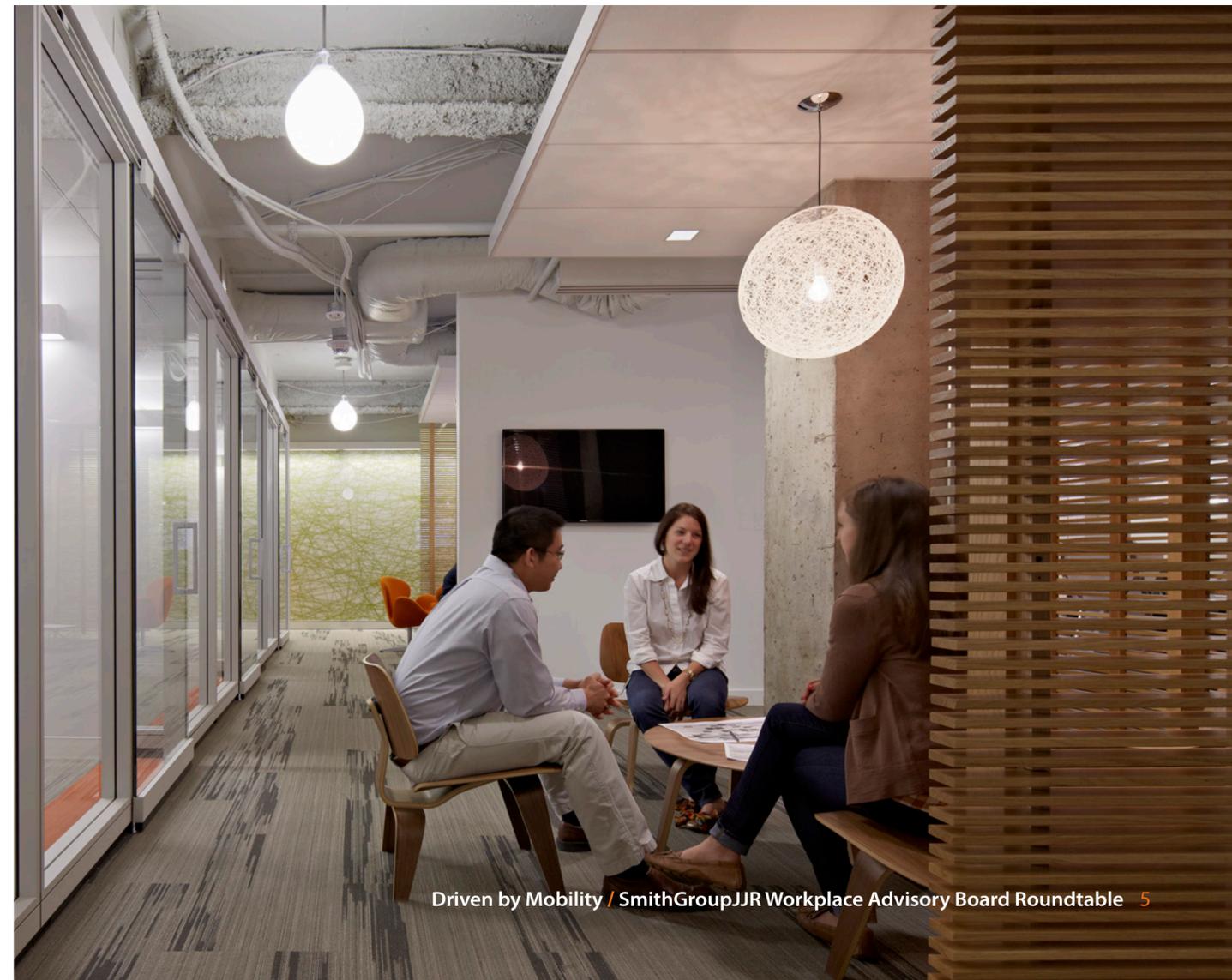
PERSONAL, COLLABORATION, SOCIAL



SMITHGROUPJJR WASHINGTON, DC OFFICE
NEW MODEL



SMITHGROUPJJR WASHINGTON, DC OFFICE
FORMER MODEL





SUMMARY

In 2012, it's already clear that today's office workers are much more fluid, nimble and savvy in how they conduct business. In fact, many have asked: Is the office simply going away? We don't think so. While work is increasingly becoming something people do, rather than a place to go, a recent survey⁶ by Unisys and IDC show that 46% of mobile workers still feel most productive when they are working in the office. How these factors influence tomorrow's workplace may well indicate who succeeds in making the most of the emerging workforce. Effective use of mobile capabilities will certainly be a part of the solution.

While mobility, open work environments and shared workspace is not the answer for every firm, the reality is that technology is evolving at a much more rapid pace than real estate. Meanwhile

the office area is shrinking. And not just in corporate America. Institutional organizations, such as healthcare and higher education, are also finding ways to incorporate "Workplace Evolution" space strategies.

It's clear that mobility seems to be the big topic of the day/era/times. The question now for architects and corporate real estate executives is how to respond to it, and how to create work environments that are in line with the 21st Century workforce and new order of work. What is needed is a higher level of strategic thinking and planning, where the workplace is seen as part of the core mission and a tactical ally, not merely a logistical puzzle needing low-cost solutions.

According to SmithGroupJJR, organizations reviewing their real estate needs can transform their environment. By following a few "pointers," any organization can boost efficiencies, reduce real estate costs, and attract and retain the talent they need by considering:

Technology—While increasingly mobile computers and smartphones seem independent of the office, finding ways to embed transportable technology into physical space and tactile work processes improves both their use as work tools and their impact on business outcomes. Designing or embedding technology as an engineered system of a building can help "future-proof" the office. Technology can even become an ally in lease negotiations, and in planning for later, unknown organizational changes requiring restacking, renovation or relocation.

Mobility rules—Another key to planning and design is mobility—not just for the devices, but physical mobility for the fluid and dynamic work styles now emerging at leading corporations. Added benefits reduce real estate costs and other overhead, as office users move toward super-efficient hoteling or desk sharing ratios, for example. With all the tools available for mobile lifestyles and the "work-anywhere" mindset, companies can even capture new value by adapting private individual offices that go unused due to travel into shared spaces for collaboration, gathering or personal work areas.

Manage office change—Creating buy-in and managing change are the two most important criteria/considerations for migrating to a more effective office setup. To implement unfamiliar work processes, successful managers have tapped into the value of internal marketing and communications. Employees who understand how a shared desk works—and how it benefits them personally—are more likely to adopt and adapt. We suggest that, when implementing "alternative workplace" schemes, companies provide ongoing communication, education and continued reinforcement to the affected work teams so that active engagement by the user group translates into constant improvement in how the office is used as a work tool.

Make buildings into social networks—As corporations rely more on worker mobility, their built spaces will become more like social network. Increasingly, companies focus on how the workplace is used, as well as the quantity, quality and variety of interior spaces. The ultimate goal is supporting and fine-tuning desirable individual and team behaviors. Those with locations around the world often standardize interior finishes and furnishings, and apply a consistent workplace standard program to simplify their holdings. However, many real estate and facility managers report success in allowing some degree of local flavor and culture to be incorporated into the design. These important qualitative ideas tie into the broader corporate strategy and organizational culture, leading to successful implementations of office environments, no matter where the offices are located.



ABOUT THE SMITHGROUPJJR WORKPLACE ADVISORY BOARD ROUNDTABLE

Based in 10 cities nationally, SmithGroupJJR is a leader in workplace facility design and development. As part of ongoing research, the Workplace practice has convened an advisory board of leaders representing a diverse set of corporate and institutional real estate executives, facility directors and workplace strategists. The Roundtable provides a forum and think-tank for sharing insights into emerging trends, issues, challenges and opportunities related to creating and maintaining today's sophisticated workplace environments. For more information about SmithGroupJJR, visit www.smithgroupjrr.com.

FOOTNOTES

- 1 Office-based mobile workers are defined by Framingham, Mass.-based IDC as those who are away from their primary workplace 20% or more of the time.
- 2 http://gotomypc.com/remote_access/images/pdf/How_to_Equip_Your_Company_for_the_New_Mobile_Workforce.pdf
- 3 <http://pewresearch.org/pubs/1501/millennials-new-survey-generational-personality-upbeat-open-new-ideas-technology-bound>
- 4 <http://www.forbes.com/sites/friedaklotz/2012/01/27/the-challenges-facing-young-women-of-gen-x/2/>
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